

S. HRG. 112-735

**NOMINATIONS OF THE 112TH  
CONGRESS—SECOND SESSION**

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**HEARINGS**

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE**

**ONE HUNDRED TWELFTH CONGRESS**

**SECOND SESSION**

—————  
FEBRUARY 7 THROUGH NOVEMBER 28, 2012  
—————

Printed for the use of the Committee on Foreign Relations



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112TH CONGRESS—SECOND SESSION

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**NOMINATIONS OF LARRY PALMER, PHYLLIS  
POWERS, JONATHAN FARRAR, AND JULISSA  
REYNOSO**

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**TUESDAY, FEBRUARY 7, 2012 (a.m.)**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Larry L. Palmer, of Georgia, to be Ambassador to Barbados,  
St. Kitts and Nevis, St. Lucia, Antigua and Barbuda, the Com-  
monwealth of Dominica, Grenada, and Saint Vincent and the  
Grenadines  
Hon. Phyllis M. Powers, of Virginia, to be Ambassador to the  
Republic of Nicaragua  
Jonathan D. Farrar, of California, to be Ambassador to the Repub-  
lic of Panama  
Julissa Reynoso, of New York, to be Ambassador to the Oriental  
Republic of Uruguay

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The committee met, pursuant to notice, at 10:05 a.m., in room  
SD-419, Dirksen Senate Office Building, Hon. Robert Menendez,  
presiding.

Present: Senators Menendez, Lugar, and Rubio.

**OPENING STATEMENT OF HON. ROBERT MENENDEZ,  
U.S. SENATOR FROM NEW JERSEY**

Senator MENENDEZ. Good morning. This hearing will come to  
order.

Today the Senate Foreign Relations Committee will consider four  
nominations: Ambassador Larry Palmer to be the Ambassador to  
Barbados, St. Kitts and Nevis, St. Lucia, Antigua, and Barbuda,  
and the Commonwealth of Dominica, Grenada, St. Vincent, and the  
Grenadines. That's a lot of territory to handle. [Laughter.]

Ambassador Phyllis Powers to be the Ambassador to Nicaragua;  
Mr. Jonathan Farrar to be the Ambassador to Panama; and Deputy  
Assistant Secretary for Central America and the Caribbean; and  
Julissa Reynoso, to be the Ambassador to Uruguay.

Let me welcome you on behalf of the committee, and your fami-  
lies and friends. I'll make a statement, and then I'll turn to Senator  
Rubio.

I want to congratulate you all on your nominations. If confirmed,  
you'll serve the U.S. Government as its highest representative to

the countries to which you have been nominated, and you'll be called upon to implement the policies of our government and to protect and advance the interests of the American people.

I know many of you have already had this opportunity in different places, though such an honor is bestowed upon relatively few in our country.

I would encourage you to respond expeditiously to any questions that may be submitted subsequently for the record so the committee can act on your nominations as soon as possible. The deadline of submissions for the record for members will be the close of business on Friday.

All of today's nominees are being considered for ambassadorial positions to the Western Hemisphere. The four embassies you are being called upon to lead are spread throughout the hemisphere, from the Caribbean to Central America to the southern cone of Latin America. The wide range of bilateral issues that confronts these embassies is as broad and complex as America's multifaceted relationship with the region itself.

In light of our geographic proximity, our shared history, our economic and cultural ties, and the ability to instantly share information through the Internet, the Western Hemisphere's 840 million people are inextricably linked like never before.

America's relationship with our neighbors in the region can best be described as a partnership. When one looks at the incredible amount of goods and services flowing across the borders, the migration of our peoples, the art and music that we share, it's clear the United States and its neighbors have forged an incredibly strong and interminable relationship, and the bond that cements this partnership is called democracy.

Over the last few decades, we have seen some incredible democratic progress in the Western Hemisphere, with most countries possessing a representative democracy and with more and more people enjoying the same rights and privileges that we have in the United States.

There are, of course, notable exceptions, among them Cuba, Venezuela, and, in my view since last November, Nicaragua. When I think about the hemisphere, I think at a different time it would have been unimaginable for Ahmadinejad to have been welcomed anywhere within the Western Hemisphere. Is it a coincidence that one of the world's pariah leaders, Mahmoud Ahmadinejad, recently visited all three of these countries on his recent tour of tyrants, as my House colleague, Ileana Ros-Lehtinen, has so eloquently stated?

What does it say about the leaders of these three countries when they invite to their capitals a repressive leader of Iran who, in June 2009, was reelected through massive fraud, disputed ballots, and a biased electoral board? A leader who, when the people of his country rallied in the streets to protest, unleashed his security forces to crush the protesters?

On November 6, Daniel Ortega used the Ahmadinejad election playbook to stay in power, and then had the gall to invite his mentor to his coronation in January. Where was the international outrage when Ortega altered the constitution, allowing him to run for a third straight term? Where was the Organization of American

States, who concluded that despite irregularities, that Ortega had actually won the election?

Now, right in front of our eyes, we're watching the same movie in Venezuela, the harassment of the opposition, the closing of independent media outlets, and restrictions on nongovernmental organizations that echo events ongoing now in Egypt. It's all happening again, and I don't see anyone speaking out except for some very brave human rights organizations and individuals on the ground. I will be pretty outraged if we have to chair another hearing in November to examine how Chavez stole the election in Venezuela.

Repression is as wrong in the Western Hemisphere as it is in the Middle East. As Dr. King said, "Injustice anywhere threatens justice everywhere." There is no better time for the leaders of our hemisphere to reinforce the democratic gains of the last two decades than at the Summit of the Americas in Cartagena this April, not just through talk but by action. The Organization of American States, for example, must be more effective and given all the necessary resources it needs to defend and promote human rights and democracy throughout the Americas, including by strengthening the Inter-American Commission on Human Rights.

This is not the time for the OAS to back down or retreat from its mission or be bullied by Chavez. This is the time to double-down and reclaim its hemispheric leadership.

I'm extremely supportive of Secretary Clinton's efforts to bolster the Inter-American Commission on Human Rights, and I hope the State Department will continue to put more emphasis on the region.

Just as the United States addresses the fires in other parts of the world, so too must we address the issues smoldering in our own hemisphere. Antidemocratic forces are gathering strength in too many nations. In some countries like Nicaragua, these forces are explicit and visible at the ballot box, and in others it is more hidden in the repression of media and civil society, and the weakening of society fostered by drug cartels that feed on desperation and poverty and corruption. These forces are harder to find and more opaque, but they are equally corrosive and self-serving.

It's time to wake up and start dedicating the resources and our attention in a hemisphere which is incredibly important to the national interests and security of the United States, just as we do in other parts of the world. I look forward to these nominees being part of that effort. I hope that the President's budget, which will be released next Monday, will reflect this hemisphere as a policy priority.

With that, I'm pleased to recognize the ranking Republican on the committee, my friend and colleague, Senator Rubio.

**OPENING STATEMENT OF HON. MARCO RUBIO,  
U.S. SENATOR FROM FLORIDA**

Senator RUBIO. Thank you, Mr. Chairman. It's an honor to have with us today as well the ranking Republican on the Foreign Relations Committee, Senator Lugar, who is a legend in the foreign relations world. So it's great to have you here. Thank you for being a part of it.

Thank you all for your service to our country and for your willingness to serve in these new posts.

The Western Hemisphere actually is, I hope, will become of increasing attention and importance. I think it's been neglected. There are major issues going on elsewhere in the world that have distracted us over the last few years, but I think what's going on in the Western Hemisphere very much is at the core of what American foreign policy should be about.

The expansion of democracies around the world have led to free markets, and free markets have led to prosperity, freedom, and security, and nowhere is that more apparent than in the Western Hemisphere, where all but one nation has embraced democracy and elections. Unfortunately, one of the trends that we're starting to see in this hemisphere is a little backsliding from that. We're certainly seeing that in Nicaragua. We're certainly seeing that in Venezuela and some of the countries allied with them, and then obviously in Cuba, where for over 50 years now has been a totalitarian government.

And so at a time when there is this ongoing debate in the world about who is going to win, is it going to be the liberal democracies like the United States and some of these emerging ones in the Western Hemisphere, or is it going to be totalitarian governments like Iran and China, Russia, two of those three countries which are trying to increase their footprint in the Western Hemisphere?

So your appointments come at a critical time when, more than ever before, the United States needs to be a clear and bold voice on behalf of liberal democracy, on behalf of self-determination, on behalf of people having their basic human rights respected.

Now, your assignments are all different, but they're more challenging ones in some places than in others. In Nicaragua, as this chairman just announced, I think we saw an absolute outrage last year and a fraudulent election that no international organization would certify, that the very candidacy of the man who won violated the very constitution of its own country.

Later this year we'll see elections in Venezuela, in Mexico and the Dominican Republic. And so I think it's important for all of you, as you go to your new posts, that you be firm advocates on behalf of democracy, on behalf of freedom, on behalf of the right of the people of these countries to self-determination. The challenges are different in different places, but if there's a growing tendency in the region in some places, it's a desire to undermine all of these institutions, whether it's the press, the courts, or the elections themselves, and it's important that the United States clearly know where we stand.

I once had a visitor—I think he was from Nicaragua; in fact, he was—say to me that sometimes the United States is more interested in stability than it is in democracy; that, in essence, too often in the past in our foreign policy, particularly in Latin America and in the Western Hemisphere, we have looked the other way because we would rather that country be stable and not have a migration problem or some other issue than actually speak up on behalf of democracy.

But that can't be the case, because democracy functions from time to time. They may elect people that don't agree with us on

everything. They may say some things that we don't like. But in the big picture, in the global picture, in the long term, it's better for our country, for our region, and for the world for people to have a voice in selecting their own leaders. History has proven that time and again. And as representatives of the single greatest republic in all of human history, you're going to be uniquely positioned to be a strong voice on behalf of these principles that have not just made our Nation great but have made the world safer and more prosperous.

So I welcome your willingness to serve in these new posts. I look forward to hearing your testimony today, and in particular your ideas about how, in your specific assignments, you intend to be a voice on behalf of freedom and democracy and self-determination. Thank you.

Senator MENENDEZ. Thank you, Senator.

Senator Lugar, do you have opening comments?

We thank you for being here with us today.

With that, let me introduce the panel. So let me start off taking a few moments to speak about each of you and your history, and then we'll ask you to make a statement of about 5 minutes. Your full statements will be included in the record, and certainly introduce your family or friends, since we understand that family is a critical part of your mission in terms of support and help, and we understand it is, in essence, an extended service of themselves as well, and we appreciate that.

But, Ms. Reynoso, you have to limit how many people you can introduce. [Laughter.]

Because as I was entering, I met several of your supporters, so it might take most of the hearing time. [Laughter.]

So with that, Larry Palmer is the nominee to be the Ambassador to Barbados, St. Kitts and Nevis, St. Lucia, Antigua, and Barbuda, the Commonwealth of Dominica, Grenada, St. Vincent and the Grenadines. He has recently served as the Ambassador to Honduras from 2002–2005. Prior to being Ambassador to Honduras, Mr. Palmer served as the deputy chief of mission and Chargé d'Affaires in Quito, Ecuador, and counselor for Administration in the Dominican Republic.

Phyllis Powers was sworn in as Ambassador of the United States to the Republic of Panama on September 10, 2010. She previously served as the Director of the Office of Provincial Affairs at the U.S. Embassy in Baghdad, the deputy chief of mission of the U.S. Embassy in Lima, Peru, and Director of the Narcotics Affairs Section responsible for Plan Colombia.

Jonathan Farrar was the chief of mission of the U.S. Interests Section in Havana, Cuba. He has served as the Principal Deputy Assistant Secretary of the State Department's Bureau of Democracy, Human Rights and Labor, and was DRL's Acting Assistant Secretary. Mr. Farrar also served as Deputy Assistant Secretary in the State Department's International Narcotics and Law Enforcement Bureau, with responsibility for INL's programs in the Western Hemisphere, Africa, Asia, and Europe.

Julissa Reynoso is currently the Deputy Assistant Secretary for Central America and the Caribbean in the Bureau of Western Hemisphere Affairs. Prior to joining the Foreign Service, Ms.

Reynoso practiced international arbitration and antitrust law at Simpson Thatcher and Bartlett in New York, clerked for Federal Judge Laura Taylor Swain of the U.S. District Court for the Southern District of New York.

So welcome to all of you again. And with that, I know one of my colleagues wants to add some words of introduction, and hopefully by that time we will have that opportunity.

So we'll start with you, Ambassador Palmer. Welcome back to the committee, and we look forward to your testimony.

**STATEMENT OF HON. LARRY L. PALMER, OF GEORGIA, TO BE AMBASSADOR TO BARBADOS, ST. KITTS AND NEVIS, ST. LUCIA, ANTIGUA AND BARBUDA, THE COMMONWEALTH OF DOMINICA, GRENADA, AND ST. VINCENT AND THE GRENADINES**

Ambassador PALMER. Thank you very much, Mr. Chairman.

Mr. Chairman and members of the committee, thank you for the honor and privilege of appearing before you as a nominee for the United States Ambassador to the Caribbean nations of Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. I am grateful to President Obama and Secretary Clinton for their confidence and trust in nominating me for this position.

My wife, Lucille, of 39 years, who has accompanied me to every other Senate appearance, could not be here today. She chose to be with my newly born grandson in Tennessee.

Mr. Chairman, if confirmed by the Senate, I look forward to representing our country and working with you to advance the interests of the United States in the Caribbean. Barbados and the Eastern Caribbean nations represent nearly half of all countries in the Caribbean, an important region on the United States southern border. Traditional allies and friends, with shared culture and dedication to democracy and the rule of law, these nations play an important role both bilaterally and in multilateral organizations like the Organization of American States and the United Nations. I am honored to have been nominated to represent the United States in this important region.

If confirmed, I will make the continuing safety of American residents and visitors in the Caribbean my top priority. The continuing success of the Caribbean Basin Security Initiative is vitally important to providing for the safety and security of the United States by ensuring that Barbados and the Eastern Caribbean can combat transnational organized crime and avoid the violence and instability seen elsewhere in the hemisphere.

As a result of ongoing CBSI programming and engagement, the United States and countries of the Caribbean are working more closely than ever before on security and justice system-related projects. The inclusion of anticrime and antigang youth development and empowerment programs is an important component of CBSI and reflects the role the youth plays in these societies and in the development of their nations.

We are also working closely with Barbados and the Eastern Caribbean to combat trafficking in persons.

The global economic downturn has hit the region particularly hard, exacerbating already significant economic hardship. Some Eastern Caribbean countries are struggling with very high debt levels, and a number have undertaken International Monetary Fund standby programs and are reaching out to the Paris Club for debt restructuring. This difficult economic situation has prevented the Eastern Caribbean nations from reaching their full development potential. And if confirmed, I will build on prior work and lead American efforts to promote economic prosperity, trade, and entrepreneurship in the region.

As 2011 marked the 50th anniversary of the Peace Corps, I would like to note our longstanding Peace Corps presence in the Eastern Caribbean which plays a major role in providing U.S. assistance to the region. St. Lucia was among the first countries to receive volunteers in 1961, and currently 115 volunteers work the region in four main areas: youth development, institutional and NGO development, small business development, and special education.

Thank you again for giving me the honor of appearing before you today, and I would be happy to answer any questions that you may have.

[The prepared statement of Ambassador Palmer follows:]

PREPARED STATEMENT OF HON. LARRY L. PALMER

Mr. Chairman and members of the committee, thank you for the honor and privilege of appearing before you as nominee for the United States Ambassador to the Caribbean nations of Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines. I am grateful to President Obama and Secretary Clinton for their confidence and trust in nominating me for this position. If confirmed by the Senate, I look forward to representing our country and working with you to advance the interests of the United States in the Caribbean.

Barbados and the Eastern Caribbean nations represent nearly half of all countries in the Caribbean, an important region on the United States southern border. Traditional allies and friends, with shared culture and dedication to democracy and rule of law, these nations play an important role both bilaterally and in multilateral organizations like the Organization of American States and the United Nations. I am honored to have been nominated to represent the United States in this important region.

Mr. Chairman, if confirmed, I will make the continuing safety of American residents and visitors in the Caribbean my top priority. The continuing success of the Caribbean Basin Security Initiative (CBSI) is vitally important to providing for the safety and security of the United States by ensuring that Barbados and the Eastern Caribbean can combat transnational organized crime and avoid the violence and instability seen elsewhere in the hemisphere. As a result of ongoing CBSI programming and engagement, the United States and the countries of the Caribbean are working more closely than ever on security and justice system-related projects. The inclusion of anticrime and antigang youth development and empowerment programs is an important component of CBSI and reflects the role youth play in these societies and in their development as nations. We are also working closely with Barbados and the Eastern Caribbean nations to combat trafficking in persons.

The global economic downturn has hit the region particularly hard, exacerbating already significant economic hardship. Some Eastern Caribbean countries are struggling with very high debt levels and a number have undertaken International Monetary Fund (IMF) standby programs and are reaching out to the Paris Club for debt restructuring. This difficult economic situation has prevented the Eastern Caribbean nations from reaching their full development potential. If confirmed, I will build on prior work and lead American efforts to promote economic prosperity, trade, and entrepreneurship in the region.

The high cost of energy in the region also affects Caribbean economies. The United States seeks to promote alternative energy in Barbados and the Eastern Caribbean. Our goal under the President's Energy and Climate Partnership of the

Americas (ECPA) is to assist countries to diversify energy supplies with more renewable energy, and to increase engagement on climate change adaptation. Under an ECPA grant, six Eastern Caribbean country proposals were selected by the OAS to receive clean energy technical assistance. These projects range from solar energy pilot projects in national parks to the development of geothermal resources. Secretary Clinton in June announced an ECPA climate change adaptation initiative focused on Caribbean-specific climate modeling and adaptation planning in partnership with the University of the West Indies and one or more universities in the United States. If confirmed, I will work to further these projects and continue to promote cheaper and more sustainable energy throughout the region.

Another critical challenge in the region is HIV/AIDS. HIV/AIDS infection rates in Barbados and the Eastern Caribbean, while lower than those in some neighboring countries, are nevertheless high in vulnerable populations, especially among youth and women. HIV/AIDS-related illnesses are a major cause of death for persons between the ages of 15 and 44. If confirmed, I will strongly support U.S. programs of prevention and services in the region through the President's Emergency Action Fund for AIDS Relief (PEPFAR) which is integral to these efforts.

While women in Barbados and the Eastern Caribbean have made some gains since the United Nations Fourth World Conference on Women in 1995, significant barriers to full and equal citizenship still remain. Women in these countries play a strong role in politics, education, and social issues. Access to education is high and the majority of university students are women. However, after their education is complete, many women are either unable to find jobs or only find work in lower status and lower paying positions. While women are represented among government ministers, they constitute only a tenth of parliamentarians in Barbados and most of the Eastern Caribbean. Domestic violence and violence against women remain grave concerns in the region. Despite these obstacles, women leaders in Barbados and the Eastern Caribbean are extraordinary, and are diligently working to overcome the challenges they face. If confirmed, I will work to increase awareness and action to improve the opportunities available to women and girls. Along with this, the integration of women's issues throughout our policies and programs is absolutely necessary, particularly in such programs as CBSI, ECPA, and economic participation and entrepreneurship support.

As 2011 marked the 50th anniversary of the Peace Corps, I would also like to note our longstanding Peace Corps presence in the Eastern Caribbean which plays a major role in providing U.S. assistance to the region. St. Lucia was among the first countries to receive volunteers in 1961. Currently 115 volunteers work in the region in four main areas: Youth Development, Institutional/NGO Development, Small Business Development, and Special Education.

Thank you again for giving me the honor of appearing before you today. I would be happy to answer any questions you may have.

Senator MENENDEZ. Ambassador, you even had extra time. So you're on your way to confirmation, I can see that. [Laughter.]

Before we turn to Ms. Powers, I see our colleague, Senator Gillibrand, is here and I know she wants to add words of introduction and welcome.

So, Senator Gillibrand.

**STATEMENT OF HON. KIRSTEN GILLIBRAND,  
U.S. SENATOR FROM NEW YORK**

Senator GILLIBRAND. Thank you, Mr. Chairman. I am very honored to have the distinct pleasure of introducing Julissa Reynoso, an extraordinary Latina from my home State of New York, to the Senate Foreign Relations Committee as my colleagues consider her nomination by President Obama to serve as Ambassador to the Oriental Republic of Uruguay.

Ms. Reynoso has the qualities and experience to be an outstanding ambassador. She served as the Deputy Assistant Secretary for Central America and the Caribbean in the Bureau of Western Hemisphere Affairs at the Department of State since November 16, 2009. Ms. Reynoso is an attorney by trade, and prior to joining the State Department she practiced international law, focusing on

international arbitration, antitrust, and also served as the deputy director of the Office of Accountability to the New York City Department of Education.

Her education is stellar, as she holds a B.A. in Government from Harvard, a Master's in Philosophy from Cambridge in the U.K., and a J.D. from Columbia; and her desire to make a life of public service was evident right after law school when she clerked for the Honorable Federal Judge Laura Taylor Swain.

Ms. Reynoso has also been a prolific writer, with her work published widely in both Spanish and English on a range of issues including regulatory reform, community organizing, housing reform, immigration policy, and Latin American politics for both popular press and academic journals.

As the first Dominican ever nominated and one of the youngest people to be nominated, Julissa Reynoso is poised to become a trailblazer for many, many more young women to follow. In an era where women serve in the highest levels of government as Secretary of State, Supreme Court Justices, and many other offices of great distinction, we have yet another opportunity to show young women and girls across our country and beyond that anything is possible if you put your mind to it.

I urge my colleagues to send her nomination to the full Senate for consideration. I'm confident that if confirmed, her intellect and drive, she will represent our country with great honor and distinction.

Thank you, Chairman. Thank you.

Senator MENENDEZ. Thank you, Senator Gillibrand, very much. Ambassador Powers.

**STATEMENT OF HON. PHYLLIS M. POWERS, OF VIRGINIA, TO  
BE AMBASSADOR TO THE REPUBLIC OF NICARAGUA**

Ambassador POWERS. Thank you, Senator. Mr. Chairman and distinguished members of the committee, it is an honor to appear before you today as the President's nominee to serve as the U.S. Ambassador to Nicaragua. I am grateful for the trust and confidence the President and Secretary Clinton have shown in sending my name to the Senate for your consideration.

I would like to recognize my family, including my sister and brother-in-law, Pam and Don Curley, who are here today, friends and colleagues who have supported me throughout my career.

The skills and experience acquired in my career in the Foreign Service have prepared me to serve in this distinguished position. If confirmed, I will embark on my sixth tour in the region. The 7 years I spent in the U.S. Embassy in Colombia, as well as my time as the deputy chief of mission in Lima, Peru, and as the Director of the Office of Provincial Affairs in Iraq, taught me the importance of developing a partnership with host governments and civil society to achieve our goals.

I feel strongly that a culture of lawfulness is key to any strong democratic society. As the current U.S. Ambassador to Panama, I have seen firsthand that building and sustaining democratic institutions is the responsibility of all citizens. Our most successful programs have clearly been those with community involvement, such as our programs in the area of prevention with youth at risk to

ensure the future leaders of Panama have the opportunities they deserve.

The active participation of parents, community leaders, private sector, and law enforcement provides Panama's young people with viable alternatives to gang membership and encouraging their progress as productive members of the community. I am proud of the role our programs have played in this effort.

While we're on the subject of community involvement and civil society, the State Department has been clear in stating its concerns that the recent Nicaraguan elections were not transparent and were marred by significant irregularities. There is a serious concern about the erosion of democracy in Nicaragua. From the marshes of the Euphrates in Iraq to the interior jungles of Peru and Colombia, I have witnessed that citizens want to participate in the electoral process and, when given the chance, will exercise their right. If confirmed, I will speak clearly and with conviction about the importance of protecting fundamental freedoms and democratic institutions, and stress the importance of an empowered civil society, independent media, informed citizenry, and effective local government and political party participation.

Our relationship with Nicaragua is broad and complex. Bilateral trade between the United States and Nicaragua has grown by two-thirds in the 5 years since the Central America-Dominican Republic Free Trade Agreement went into effect; and, in fact, more than 125 U.S. companies are currently doing business in Nicaragua. If confirmed, I will be a staunch advocate for U.S. businesses in Nicaragua. I was pleased to note that a small U.S. company with operations in Nicaragua, Sahlman Seafoods, Inc., recently won the Secretary of State's Award for Corporate Excellence for global corporate social responsibility. We should promote and encourage cooperation between the people of the United States and Nicaragua in support of both our mutual interests.

Protecting U.S. citizens is the first responsibility of any ambassador and, if confirmed, I will ensure that the U.S. Embassy in Managua continues to provide a high level of service and attention to our citizens. More than 14,000 American citizens live and work in Nicaragua. Our diplomatic representation includes representatives from eight U.S. agencies, including a Peace Corps contingent of approximately 220 Volunteers.

Mr. Chairman, members of the committee, thank you again for the opportunity to appear before this committee today. If confirmed by the Senate, I look forward to working with you and your colleagues to advance our Nation's interests in Nicaragua. I would be happy to answer any questions you may have. Thank you.

[The prepared statement of Ambassador Powers follows:]

PREPARED STATEMENT OF HON. PHYLLIS M. POWERS

Mr. Chairman and distinguished members of the committee, it is an honor to appear before you today as the President's nominee to serve as the U.S. Ambassador to Nicaragua. I am grateful for the trust and confidence the President and Secretary Clinton have shown in nominating me for this critical post.

I would like to recognize my family, friends, and colleagues who have supported me throughout my career. I firmly believe that no one gets here alone and am confident I would not be here if they were not beside me.

The skills and experience acquired in my career in the Foreign Service have prepared me to serve in this distinguished position. If confirmed, I will embark on my

sixth tour in the region. The 7 years I spent in the U.S. Embassy in Colombia, as well as my time as the deputy chief of mission in Lima, Peru, and as the Director of the Office of Provincial Affairs in Iraq taught me the importance of developing a partnership with host governments and civil society to achieve our goals.

I feel strongly that a culture of lawfulness is key to any strong democratic society. As the current U.S. Ambassador to Panama, I have seen firsthand that building and sustaining democratic institutions is the responsibility of all citizens. Our most successful programs have clearly been those with community involvement such as our programs in the area of prevention with youth at risk to ensure the future leaders of Panama have the opportunities they deserve. Our programs in Chorrillo, a neighborhood in Panama City with many social and economic needs are an example of what can be accomplished through partnerships with the community. The active participation of parents, community leaders, private sector, and law enforcement provides Panama's young people with viable alternatives to gang membership and encouraging their progress as productive members of the community. I am proud of the role our programs have played in this effort.

While we're on the subject of community involvement and civil society, the State Department has been clear in stating its concerns that the recent Nicaraguan elections were not transparent and were marred by significant irregularities. There is a serious concern about the erosion of democracy in Nicaragua. From the marshes of the Euphrates in Iraq to the interior jungles of Peru and Colombia I have witnessed that citizens want to participate in the electoral process and when given the chance, will exercise that right. If confirmed, I will speak clearly and with conviction about the importance of protecting fundamental freedoms and democratic institutions, and stress the importance of an empowered civil society, independent media, informed citizenry, and effective local government and political party participation.

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Protecting U.S. citizens is the first responsibility of any ambassador, and, if confirmed, I will ensure the U.S. Embassy in Managua continues to provide a high level of service and attention to our citizens. More than 14,000 American citizens live and work in Nicaragua. Our diplomatic representation in Nicaragua includes representatives from eight U.S. agencies, including a Peace Corps contingent of approximately 220 Volunteers who work at sites throughout the country.

Mr. Chairman, members of the committee, thank you again for the opportunity to appear before this committee today. If confirmed by the Senate, I look forward to working with you and your colleagues to advance our Nation's interests in Nicaragua. I would be happy to answer any questions you may have.

Senator MENENDEZ. Thank you, Ambassador. We have a trend going. You had extra time as well. Not that I want to put pressure on the rest of the nominees.

Mr. Farrar.

**STATEMENT OF JONATHAN D. FARRAR, OF CALIFORNIA, TO  
BE AMBASSADOR TO THE REPUBLIC OF PANAMA**

Mr. FARRAR. Thank you, Mr. Chairman. Distinguished members of the Senate Foreign Relations Committee, it's an honor to appear today before you as the President's nominee as Ambassador to Panama. I am deeply grateful to the President and to the Secretary of State for their continued trust and confidence.

I'd like to introduce the members of my family who are here today. First of all, my wife, Terry, who has been with me throughout our 31 years in the Foreign Service and has worked tirelessly

overseas to help those in need in the countries in which we have served.

Also with us today is our daughter, Melissa, and our youngest son, Nathaniel. Our oldest son, Jonathan, and our daughter-in-law, Leigh, are not with us today as last month they welcomed their first child and our first grandchild.

The Foreign Service has taken our family throughout the Western Hemisphere, to North, South, and Central America, and to the Caribbean. I've had the good fortune during the past three decades to work on the full panoply of challenges in the hemisphere, including democracy, human rights, law enforcement, trade investment, and protection of the environment.

All of these issues are relevant to our relationship with Panama. Panama's location and role in global trade makes its success vital to our prosperity and national security. While Panama's economic growth rate is the highest in the hemisphere, Panama continues to face the challenge of making this growth more inclusive so that all of its citizens can enjoy the opportunity to build a better life for themselves and their families.

The recently approved Trade Promotion Agreement holds the promise to greatly expand our economic partnership, to the mutual benefit of both our peoples. U.S. exports to Panama have grown rapidly, and the United States is by far the leading exporter of goods to Panama. Yet, we are facing increasing competition for market share.

If confirmed, I would take what I have learned from three assignments as an economic and commercial officer overseas and harness the resources of our entire Embassy to promote U.S. exports and create American jobs.

Panama is making major investments in the Canal and other infrastructure amid annual economic growth averaging 8 percent since 2006. A key element of my mission, if confirmed, would be to work with American businesses to ensure they are able to compete and win on a level playing field. Our implementation of the Trade Promotion Agreement and our bilateral Tax Information Exchange Agreement afford new opportunities to increase the transparency of operations of governmental and financial entities, and thus strengthen democratic institutions in Panama.

The ties between the United States and Panama are strong. Nowhere is this more evident than in our cooperation to combat illegal drug trafficking and other criminal activity. In 2011 alone, Panama seized more than 30 tons of cocaine, much of which otherwise would have made its way to our shores. The government and the people of Panama rightfully are concerned about the security threat posed by drug trafficking organizations and criminal gangs.

If confirmed, I will bring my experience with counternarcotics and law enforcement programs across Latin America to direct a missionwide effort to deepen our bilateral security cooperation and ensure that it remains closely integrated into our overall efforts in the region.

Above all, if confirmed, my highest priority as ambassador would be the protection of the nearly 45,000 Americans who reside in or visit Panama at any given time, and the more than 100 American companies that do business there. My commitment to helping our

fellow Americans abroad began 31 years ago in the consular section in Mexico City and continues today.

Mr. Chairman, thank you again for the honor of appearing before the committee today. If confirmed, I pledge to work with you and your colleagues to advance the vital interests of the United States in Panama, and I'd be pleased to answer any questions you may have. Thank you.

[The prepared statement of Mr. Farrar follows:]

PREPARED STATEMENT OF JONATHAN D. FARRAR

Mister Chairman, distinguished members of the Senate Foreign Relations Committee, it is an honor to appear today before you as the President's nominee to be Ambassador to Panama. I am deeply grateful to the President and to the Secretary of State for their continued trust and confidence.

I would like to introduce the members of my family who are here today. First of all, my wife Terry, who has been with me throughout our 31 years in the Foreign Service and who has worked tirelessly to help those in need in the countries in which we have served. Also with us today is our youngest son, Nathaniel.

The Foreign Service has taken our family throughout the Western Hemisphere to North, South, and Central America, and the Caribbean. I have had the good fortune during the past three decades to work on the full panoply of challenges in the hemisphere, including democracy, human rights, law enforcement, trade, investment, and protection of the environment.

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The recently approved bilateral Trade Promotion Agreement holds the promise to greatly expand our economic partnership to the mutual benefit of both our peoples. United States exports to Panama have grown rapidly and the United States is by far the leading exporter of goods to Panama, yet we are facing increasing competition for Panama's import market share. If confirmed, I would take what I have learned from three assignments as an economic and commercial officer overseas and harness the resources of our entire Embassy to promote U.S. exports and create American jobs. Panama is making major investments in the Canal and other infrastructure amid annual economic growth averaging 8 percent since 2006. A key element of my mission, if confirmed, would be to work with American businesses to ensure they are able to compete and win on a level playing field. Our implementation of the Trade Promotion Agreement and our bilateral Tax Information Exchange Agreement afford new opportunities to increase the transparency of operations of governmental and financial entities and thus strengthen democratic institutions in Panama.

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Above all, if confirmed my highest priority as Ambassador would be the protection of the nearly 45,000 Americans who reside in or are visiting Panama at any given time, and of the more than 100 American companies that do business there. My commitment to helping our fellow Americans abroad began 31 years ago in the consular section in Mexico City, and continues today.

Mr. Chairman, thank you again for the honor of appearing before the committee today. If confirmed, I pledge to work with you and your colleagues to advance the vital interests of the United States in Panama.

I would be pleased to answer any questions you may have.

Senator MENENDEZ. Thank you.

Ms. Reynoso.

**STATEMENT OF JULISSA REYNOSO, OF NEW YORK, TO BE  
AMBASSADOR TO THE ORIENTAL REPUBLIC OF URUGUAY**

Ms. REYNOSO. Thank you, Mr. Chairman. Mr. Chairman and members of the committee, I appreciate very much the opportunity to appear before this committee today as President Obama's nominee to be U.S. Ambassador to Uruguay. I am very grateful and humbled by the confidence that President Obama and Secretary Clinton have shown in me by this nomination. This nomination is a great honor for me and I look forward to another opportunity to serve my country, if confirmed.

With the chairman's permission, I wish to recognize the many family and friends I have here today, and mentors and colleagues. I'm not going to name all of them, but they're all here, pretty much on my right-hand side, that have supported me over the years, many of them here today, my mother in particular, and many of them came from New York City, my home. It is only with their steady support that I am here seeking the U.S. Senate's confirmation, and I wish to sincerely thank them for their guidance and support throughout the years.

The relationship between the United States and Uruguay is extremely strong. We share important values, including a commitment to democracy, rule of law, sound economic policies, strong labor rights, environmental protection, investment in people, the desire to see the peaceful resolution of disputes between nations, and a commitment to the multilateral system. If confirmed, I look forward to continuing the productive dialogue between our two countries and will work diligently to advance these goals.

Uruguay is a constructive partner which plays an important role in promoting regional stability and democracy. The country is also a partner in conflict resolution, contributing to peacekeeping missions throughout the globe. Uruguay remains one of the top troop and police contributors per capita to United Nations peacekeeping overall. We welcome their contributions to improving security in Haiti, as well as in other difficult locations throughout the world.

If confirmed, I look forward to working with President Mujica, Foreign Minister Almagro, the Uruguayan Government, civil society and the private sector as we advance bilateral relations and strengthen the political, commercial, and cultural ties between our two countries. If confirmed, I would give the highest priority to ensuring the well-being and safety of U.S. citizens who live and travel in Uruguay.

I would seek opportunities for enhanced trade between the United States and Uruguay and promote United States exports to Uruguay. I would advocate for further cooperation under our Science and Technology Agreement, as well as our Trade and Investment Framework Agreement.

United States exports to Uruguay have steadily increased over the last years to \$973 million in 2010, up 30 percent from 2009, and we enjoyed a \$738 million goods trade surplus with Uruguay. There are approximately 100 U.S. companies currently operating in Uruguay at this time. If confirmed, I will work vigorously to promote U.S. businesses and believe we can continue to find new opportunities for increased trade between the two countries, and I

would encourage programs that improve inclusive economic growth as well as promote public-private partnerships.

To build greater understanding and mutual understanding through direct contact between Uruguayans and Americans, I will work to establish more partnerships between colleges and universities in Uruguay and the United States.

Members of the committee, my work in the Department of State has offered me significant insights into the vital partnerships that exist between the branches of government and, if confirmed, I will work diligently to further develop these partnerships.

If I am confirmed as Ambassador, I look forward to working with you, each of you, your distinguished colleagues and your staff to advance our priorities with the Oriental Republic of Uruguay.

Thank you again for the great opportunity to appear before you today, and I welcome any questions you may have. Thank you.

[The prepared statement of Ms. Reynoso follows:]

PREPARED STATEMENT OF JULISSA REYNOSO

Mr. Chairman and members of the committee, I appreciate very much the opportunity to appear before this committee today as President Obama's nominee to be U.S. Ambassador to Uruguay. I am very grateful and humbled by the confidence that President Obama and Secretary Clinton have shown in me by this nomination. This nomination is a great honor for me and I look forward to another opportunity to serve my country, if confirmed.

With the chairman's permission, I wish to recognize my family, friends, mentors and colleagues that have supported me over the years—many of them are here today, many from New York City. It is only with their steady support that I am here, seeking the U.S. Senate's confirmation and I wish to sincerely thank them for their generous guidance and support.

The relationship between the United States and Uruguay is strong. We share important values, including a commitment to democracy, rule of law, sound economic policies, strong labor rights, environmental protection, investment in people, the desire to see the peaceful resolution of disputes between nations, and a commitment to the multilateral system. If confirmed, I look forward to continuing the productive dialogue between our two countries and will work diligently to advance these goals.

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If confirmed, I look forward to working with President Mujica, Foreign Minister Almagro, the Uruguayan Government, civil society, and the private sector as we advance bilateral relations and strengthen the political, commercial, and cultural ties between our two countries.

If confirmed, I would give the highest priority to ensuring the well-being and safety of U.S. citizens who live and travel in Uruguay. I would seek opportunities for enhanced trade between the United States and Uruguay, and promote U.S. exports to Uruguay. I would advocate for further cooperation under our Science and Technology Agreement as well as our Trade and Investment Framework Agreement. U.S. exports to Uruguay have steadily increased over the years to \$973 million in 2010, up 30 percent from 2009, and we enjoyed a \$738 million goods trade surplus with Uruguay. There are approximately 100 U.S. companies operating in Uruguay at this time. If confirmed, I will work vigorously to promote U.S. businesses and believe we can continue to find new opportunities for increased trade between the two countries and I will encourage programs that improve inclusive economic growth as well as promote public-private partnerships.

To build greater mutual understanding through direct contact between Uruguayans and Americans, I will work to establish more partnerships between colleges and universities in Uruguay and the United States.

My work in the Department of State has offered me significant insights into the vital partnerships that exist between the branches of government and, if confirmed, I will work diligently to further develop these partnerships. If I am confirmed as

Ambassador, I look forward to working with you, your distinguished colleagues, and your staff to advance our priorities with the Oriental Republic of Uruguay.

Thank you again for the opportunity to appear today. I welcome any questions you may have.

Senator MENENDEZ. Thank you very much.

This is a record. All of you had extra time.

My congratulations and those of the committee to Ambassador Palmer and Mr. Farrar on being granddads, either again or for the first time.

We'll do 7-minute rounds. I have a lot of questions here, so we'll see how far we can get.

Let me start with Ambassador Powers. I'd like to know what you make of the fiasco of election day in Nicaragua. The Carter Center had to send a study mission to watch the elections because the Nicaraguan Government's regulations didn't adhere to the Declaration of Principles for the International Observation of Elections. The EU and OAS observers were not permitted to enter into some polling places until after the voting had started, and so could not observe the ballot boxes that were brought in. Domestic experience observer groups were denied credentials to enter polling places even though they had followed all of the regulations.

I appreciate Secretary Clinton's statement in January noting that the elections were not conducted in a transparent and impartial manner and that the entire electoral process was marred by significant irregularities. I have two of the examples of actual certified results in a couple of districts in Nicaragua, and it's pretty amazing. The fraud is so transparent.

On these official "actua scrutinia," which is basically the election result sheet certified by the election members, it says the total number of ballots received, 400. That's the maximum number of votes that could be cast there. And yet when you look at the certification of results, in one of these election districts the total number of votes was in excess of 900 when there were only 400 ballots.

In another one, there is a certification of three election districts in which again the total number of ballots received by the election board was 400. And yet when you add up the number of votes received by individual parties, they add up to 2,000, when 400 were the number of ballots received.

So it's pretty obvious that the type of fraud that has been alleged is pretty clear when you take the election results and you see that 400 ballots were given, and yet there is in one district 900 ballots, 900 votes cast when there are only 400 ballots, and 2,000 votes cast when there are only 400 ballots. Something is fundamentally wrong.

So the question, Ambassador, is now what? What do we do now? And as the nominee to go to Nicaragua, how will you work with a government that obviously did not win through a transparent and open process?

Ambassador POWERS. Thank you, Senator, for that question. Now what? Now we utilize the report that the OAS just completed and published at the end of January and the recommendations they made to work with our partners in the Americas and elsewhere to assess fully any initiative and all initiatives that we can utilize to help reinforce democratic institutions and ensure that recommen-

dations made by the OAS are enacted by the Nicaraguan Government to ensure that future elections do not suffer from similar irregularities and a lack of transparency so that the Nicaraguan people can have their rights restored to vote in a free and transparent process and have leaders that they have selected that will be accountable to them.

How do we work with the government? We work with the government at all levels, but we also work with civil society and the Nicaraguan people to ensure that they understand that the United States stands with them as they seek to move forward to rebuild democratic institutions and to protect their rights as citizens of Nicaragua. This will mean being out there, doing outreach, making sure that they understand and have someone out there, me if I'm confirmed, and the mission, to ensure that they understand that they've got people supporting them and will be working with them to ensure democracy and human rights are protected.

Senator MENENDEZ. Well, I appreciate that. I know you started off by using the OAS report. I have a problem with the OAS report. First of all, the OAS Secretary General called Ortega to congratulate him on the successful peaceful elections on the evening of November 6, which is pretty amazing to me. Then the very essence of the legality of the election, Ortega running for a third term, is not even spoken about. And I don't get the sense that the OAS report even considers whether the election itself was valid.

So I worry about that, and I look at the German Government's announcement that it was cutting aid to Nicaragua due to the EU's concerns about irregularities in that Presidential election. Is the United States reevaluating the aid it provides to Nicaragua in light of a sham election that took place? Should it?

Ambassador POWERS. Thank you, Senator. Yes. The United States is in a very vigorous process of reviewing financial assistance to Nicaragua, most of which goes to nongovernmental organizations, not to the government. We are also aggressively scrutinizing all loan projects with the international financial institutions to make sure that any loans that are being considered meet the highest standards of the institutions, and that they will have a direct impact on development for the people of Nicaragua.

Senator MENENDEZ. I appreciate you mentioning the international institutions because I want to direct your attention to the IDB, the Inter-American Development Bank, lending to the Nicaraguan Government, much of it in the form of what we call quick disbursing loans.

For example, on October the 28, less than 2 weeks before the election, the IDB granted Ortega a \$45 million quick disbursing loan, "to improve social protection and health spending management." Two weeks before the election, \$45 million. I cannot believe that the United States, sitting on the IDB board, permitted such a loan to occur 2 weeks before the election, that we would provide an enormous infusion of money to the entity running in an undemocratic election and fuel the possibility to help them out 2 weeks before the election. It's amazing to me.

So given the fact that we just plussed up the IDB's capital account and are looking to do the same again this year, I hope that part of your charge, should you be confirmed, would be to provide

input to the State Department about flows of money coming from, in large part, U.S. taxpayers to an entity that certainly many of us on this committee believe is undemocratic.

Senator Rubio.

Senator RUBIO. I would defer to Senator Lugar if he has any questions first.

Senator MENENDEZ. Senator Lugar.

Senator LUGAR. Thank you very much, Mr. Chairman.

Ms. Reynoso, the trade that we have enjoyed with Uruguay, as you pointed out, has been very substantial. Long ago I suggested, along with many others, a free trade agreement between the United States and Uruguay. This administration has not shown interest in negotiating a free trade agreement. With that in mind, perhaps implementing a limited trade preference arrangement as a standby mechanism is in order until interest magnifies.

Given that you have analyzed this in your various roles, could you tell us why we have not pursued a free trade agreement to begin with, and if there is any value in having a preference agreement? What suggestions do you have as to how we are going to accelerate trade with Uruguay? While you have already pointed out that such trade is substantial, in my opinion it could be significantly increased given the nature of Uruguay's economy and the instincts of the people there.

Ms. REYNOSO. Thank you, Senator, for the question. As you noted, our trade with Uruguay is substantial. It's complex. It's elaborate. It ranges from agriculture to energy to infrastructure. We do have a Trade Investment Framework Agreement in place with Uruguay that we use in a very robust and, I believe, an effective way. We meet regularly with our Uruguayan counterparts, and we have many matters in terms of commercial interests on the table to pursue to allow for even greater opportunity to come from that agreement.

As you also noted, there was talk in the past of a free trade agreement with Uruguay. My understanding is that that is no longer on the table, and I think both parties chose not to pursue it for domestic reasons.

Should I be confirmed, Senator, I do look forward to working within the context and the framework of the current TIFA, of the current Trade and Investment Framework Agreement, to expand its impact in terms of the opportunities for U.S. businesses and U.S. trade, but also consult at the highest level within the Uruguayan Government, and obviously consult with the highest levels in this government, to assess whether there is any interest in pursuing, in a firm and serious way, a trade agreement with Uruguay.

Senator LUGAR. Are there protectionist sentiments in Uruguay? You mentioned that the free trade agreement has not progressed because of reticence on both sides. Sometimes that's occurred on our side. But is that the case in Uruguay?

Ms. REYNOSO. Well, Senator, my understanding is that there were reservations in Uruguay. I can't tell you the particulars of who, how, but I do understand that there were some domestic concerns as to why a trade agreement, at the time that it was being considered, was not opportune.

Senator LUGAR. I appreciate your mention in your testimony of the potential for more college student exchanges between the countries. How many Uruguayan students come to the United States now? Do you have any idea?

Ms. REYNOSO. I would imagine, and I can get back to you with real numbers, Senator, but I would imagine in the thousands, tens of thousands, I would imagine.

[The requested information follows:]

Approximately 18,000 Uruguayans were approved for travel to the United States last year. Tens of thousands more already possess visas. Of those travelers, approximately 400 Uruguayan students and scholars pursued academic endeavors in the United States last year. The Department of State is committed to promoting education, professional, and cultural exchange. Embassy Montevideo expects student numbers to increase in coming years. As I mentioned in my testimony, if confirmed, I look forward to working to expand these numbers, and to be supportive of President Obama's 100,000 Strong initiative.

Senator LUGAR. I see. So already there is quite a bit of—

Ms. REYNOSO. There is quite a bit of back and forth in terms of exchange. Yes, Senator.

Senator LUGAR. Mr. Farrar, recently an article was written by Andres Oppenheimer in the Miami Herald, January 18, and I cite his name because he suggested, in fact, that Panama has been a Latin American star, with a 6.8-percent economic growth rate and the other statistics that you mentioned. However, at the same time, he states that the education system of Panama, which might support this competitive aspect, is very deficient, and there appears to be very little movement on the part of the government to improve that.

Likewise, he notes that Panamanian growth is largely fostered by the Canal and projects and enterprises that are associated with that. Economic growth there may not be as strong as it could be given, perhaps, the lack of education or preparation.

What is your judgment about that situation, and in what ways could the United States be helpful during your ambassadorship there?

Mr. FARRAR. Thank you very much, Senator, for the question. The Panamanian economy, as you mentioned, has shown incredible growth over the past 5 or 6 years. Much of it has been fueled by investment not only in the Canal but in other major infrastructure projects.

Panama is seeking to create what it calls a "City of Knowledge" in Panama City to attract educational institutions to try and improve the educational system. They recognize some of the deficiencies there, and their deficiencies have been noted not only by Mr. Oppenheimer but also by the World Economic Forum and others as truly holding back even further economic progress.

If confirmed, Senator, I would love to explore the opportunities for more engagement in the educational exchange between the United States and Panama. I would note that the Smithsonian Tropical Research Institute has been in Panama for more than 60 years and it's a leading institution for scientific investigation in the world. And I had the opportunity to visit the institution here in Washington last week and heard some amazing things regarding their operations there and their plans moving forward.

Thank you.

Senator LUGAR. Well, I thank you for that testimony. Obviously, the rate of growth is astounding and important. The need for our country to work with the Panamanians to sustain this and improve it is obviously of value. But I thank you for your testimony.

Thank you, Mr. Chairman.

Senator MENENDEZ. Thank you, Senator Lugar.

Senator Rubio.

Senator RUBIO. Thank you very much. First, let me just begin with Ms. Reynoso. I think this applies to all the folks here, but just reviewing your resume, it's pretty impressive. What are you doing in government is my biggest question. Congratulations to you. I know your family is here, and they should be very proud of your accomplishments, and I look forward to supporting your nomination.

I do have a question about organized crime in Uruguay. I'm reading an article here from the Christian Science Monitor dated the 26th of January, and it talks about how traditionally Uruguay has been one of the safest countries in Latin America, but there's this increasing battle going on between different drug trafficking organizations, and the fear that some of this violence is spreading in that country.

What are your thoughts about it in the short term? What can we be doing? What kind of assistance can we be providing? What's the general mindset in regards to how serious a problem it is and what we can be doing to head it off before it rises to the level of some of the other countries in the region?

Ms. REYNOSO. Thank you, Senator. As you noted, there is a sense of that there is an increase in insecurity in Uruguay. The population itself has taken notice, and the Government of Uruguay has also taken notice. We have a very robust and productive working relationship with the Uruguayan Government with respect to security. Our law enforcement agencies are very much working closely with them, and obviously at this point we're looking at possibilities of working even more closely because, as you noted, the risk and the insecurity, and we understand that there is an increase in certain types of organized crime.

Our Office of International Narcotics and Law Enforcement under Ambassador Brownfield has been working with counterparts in Uruguay to provide support in terms of assessing risks, especially around issues of illicit trafficking and organized crime. So there is already a dialogue with the Uruguayans in this regard. We have very good cooperation with them in terms of law enforcement.

But I think, as an initial matter, we're trying to assess, working with them, what the problem is, so we can get a better idea of how we can work with them to tackle it.

Thank you.

Senator RUBIO. Thank you. And as we move forward in your assignment there, my opinion is it ought to be one of our priorities, because one of the things that could really slow up the miracle that's happening there and that kind of economic growth is if they have to divert resources to fighting off—we've seen the horrible impact that that's had on these other countries.

Ambassador Palmer, welcome. Thank you again for your service to our country. First of all, I'm very pleased that you mentioned

PEPFAR, which is a phenomenal program that our country pursues around the world, and certainly in the Caribbean as well. I'm pleased to see as well that you mentioned in your opening statement the challenges that women face, particularly when it comes to domestic violence and the lack of opportunities, and I'm glad that that's something you'll focus on.

The one thing I didn't hear you mention and I am concerned about is some of these nations' association with a Bolivarian Alliance for the Peoples of Our America, or what's known as ALBA, which quite frankly is, in my opinion an anti-American platform. More importantly, this is an alliance to which, according to a recent press report "Dominica, St. Vincent, the Grenadines, Antigua and Barbuda are members, and St. Lucia has applied for formal inclusion." These are some of the things the group said when they met this past weekend.

No. 1, they came out in support of the Syrian Government in the midst of a bloodbath that government is carrying out in that country. No. 2, they blasted England's so-called imperialist intentions against Argentina over the Falkland Islands.

Given our Nation's close relations with these countries, what the United States means for them, what our relationship with them means, why are these countries participating in this anti-American bloc? Why are they involved in this, and isn't there some point where we take a stand and say, you know, you've got to make choices about who you want to be aligned with and who you want to be associated with? Why would any nations want to be associated with such ridiculous things as statements of support for the Syrian Government, which just happened this weekend, on the 5th of February, in the midst of what we're watching happening over there, which is a bloodbath?

Ambassador PALMER. Thank you very much, Mr. Senator. As you mentioned, of the countries in the region, Barbados plus six, three of them, Antigua and Barbuda, Dominica and St. Vincent and the Grenadines are members of ALBA. There's much speculation as to why, but many of those countries are signatories to the Petro Caribe agreement in which they receive oil and produce at reduced rates and with long-term periods to repay it at reduced interest.

However, upon close examination, all of those countries are stable democracies. They share our values of free markets. They believe in free press. They believe in free speech. They have respect for human rights and respect for the rule of law. They stand by us in votes with our multilateral organizations, and we engage very, very comprehensively in those countries.

For example, in the region, we have the Caribbean Basin Security Initiative in which we help them fight illegal drug trafficking and promote social justice. We engage with their police. We help them fight corruption. We help them protect their borders and their maritime waters.

I think all of this engagement by far out-shines any other type of influence that they may get from ALBA governments and ALBA philosophy.

Senator RUBIO. So, without putting words in your mouth, basically in exchange for cheap oil, they're willing to stand by and support things like the Syrian Government's shelling and killing of

civilians, as it occurred last weekend and normal countries around the world said it is an outrage. But in exchange for cheap oil, these countries are willing to sit around and listen to people like Hugo Chavez and Daniel Ortega say some of the most ridiculous things that one could imagine.

I think it's concerning, obviously, but I think you've outlined some of the other realities. But it was important to get to that because I still don't understand why they would want to be a part of a block of nations like this, but I think you shed some light on it.

Ambassador PALMER. I think that brings up the importance of our people-to-people programs, because we do have people-to-people programs that work with the NGOs, who proliferate our philosophies in terms of basic freedoms and democracy. And if confirmed, I will work diligently to support these programs and advance their causes.

Senator MENENDEZ. We thank you.

I have some more questions, so we'll see if there are other members as well.

Let me go back to you, Ambassador Powers. One final question, but I think it's an important one. In July of this year, under section 527 of the Foreign Relations Authorization Act, Secretary Clinton will have to decide whether to grant Nicaragua a waiver for failure to compensate U.S. citizens for properties that were confiscated by the Sandinistas during the 1980s. And while there has been some progress made, there are many cases where this compensation has not been granted.

If the Secretary fails to grant the waiver, is it your understanding that the United States would be obliged to vote against the loans and grants to Nicaragua at the IDB World Bank and IMF?

Ambassador POWERS. Senator, yes. It's my understanding that there are consequences if the waiver is not granted based on the Article 527 resolution. I can tell you that we are working very hard on these property rights issues. There's a full-time team at the Embassy, and if confirmed, it will be one of my priorities under my responsibility to protect U.S. citizens and their rights to ensure that all tools are used to move this forward, resolve these cases in accordance with the statute, just as I have worked to help resolve issues revolving around land investment in Panama.

Senator MENENDEZ. I appreciate that. Assuming your confirmation takes place speedily and you get to Nicaragua, can I ask you to commit to the committee that this will be one of the first things that you'll look at, since a July decision will be pending and I'd like to have a sense of how much progress has been made and whether the Secretary should, in fact, not grant the waiver?

Ambassador POWERS. Clearly, Senator, yes. Given that these are rights for U.S. citizens, it will be one of the first things on my list to address at the highest levels of the Nicaraguan Government to ensure we can get some progress on this issue.

Senator MENENDEZ. Thank you very much.

Ambassador POWERS. If confirmed.

Senator MENENDEZ. I have a sense it's going to happen, so that's why I'm working prospectively.

Mr. Farrar, do you share the concerns of some civil society groups that judicial independence in Panama has deteriorated under the Martinelli government? In particular, President Marti-nelli has introduced a bill in the Congress that would create a fifth court. If approved, the new court would have three new justices, all appointed by him, and would deal with constitutional issues, one of them being the constitutionality of presidential term limits.

What's your view of that?

Mr. FARRAR. Thank you very much, Senator. First of all, let me just say that the United States strongly supports the principles of judicial independence and separation of powers, and those principles are enshrined in article 3 of the Inter-American Democratic Charter.

Our human rights report on Panama also points up to this issue of judicial independence in Panama. And as you mentioned, it's an item under vigorous public debate in Panama right now.

Part of this debate includes a package of recommendations for constitutional reforms, some of which may, depending upon how the debate goes, result in strengthening judicial independence. I think looking forward, this is something that the Embassy has been following very closely. It's of critical importance to us. If confirmed, I would certainly continue to follow that and would be prepared to speak out as needed to defend the principles that I mentioned at the beginning of my response.

Thank you.

Senator MENENDEZ. Thank you.

Ms. Reynoso, President Mujica is a little over a year-and-a-half into his term. How well do you think his administration has worked with the United States compared to his predecessor, President Vasquez?

Ms. REYNOSO. Thank you, Senator. We have a very good working relationship with the Uruguayan Government. We had a very good relationship with President Vasquez. President Mujica shares a similar vision of Uruguay and a similar vision of our relationship with Uruguay. The principles of democracy, of conflict resolution, of economic stability and social inclusion continue under this administration, as they did under President Vasquez.

So I believe, if confirmed, the engagement with the Uruguayan authorities and President Mujica himself will be as productive and as effective as we had under President Vasquez.

Senator MENENDEZ. And finally, Ambassador Palmer, part of our subcommittee's jurisdiction in the Western Hemisphere is also global narcotics, and we have seen the use of the Caribbean as a transshipment point for illegal drugs from Latin America to the United States. And while it has diminished over the past decade as we've seen that route go to Mexico and Central America, we have seen a resurgence of trafficking through the Caribbean region.

How will you deal and engage with the countries that you're going to be our Ambassador to on this issue?

Ambassador PALMER. Thank you very much, Mr. Chairman. As you mentioned, there has been an apparent resurgence in that, and to combat this, the Department has established a partnership with the countries in the Eastern Caribbean called the Caribbean Basin

Security Initiative. It is an initiative that grew out of the 2009 Summit of the Americas.

As a part of this initiative, we work with each—it's a regional plan, and we have individual plans with all of these countries. For example—and, of course, the goal is to stem illegal trafficking, promote social justice, and to increase citizens' safety. As a part of this, for example, this year six countries in the Eastern Caribbean will receive interdiction boats to protect their maritime borders. In addition to that, we work with their police. We train their police. We equip the police with the things that they need to make arrests. We also work with the judges and the prosecutors. We work with financial intelligence units so not only can the police arrest them, but they can be prosecuted, to look not only at drugs but also money laundering.

But as part of this, we want to invest in the future. And so we take a look at the youth, and as a part of the Caribbean Basin Security Initiative we have set up youth rehabilitation academies. We just had 216 Caribbean youth graduate from the first part of these.

We engage the resources of our Department of Health, DHS. They come in and they expand their activities in their ports, the airports. We have set up a net, a security net in which each country shares intelligence about drug trafficking with and between. And as well, we work with the regional security section that sets up an air wing that does aerial surveillance. All of these things relieve some of the burden on our own assets, for the Coast Guard, for example, in the region, and we've seen progress toward reducing some of this drug traffic.

Senator MENENDEZ. Thank you very much.

Let me take the prerogative of the Chair for a moment just to recognize that our distinguished colleague from the House, Congressman Serrano, has come to be supportive of Ms. Reynoso. We appreciate his presence. We appreciate his support, for the record, of Ms. Reynoso to be the Ambassador to Uruguay, and we thank you for joining us.

Do any of my other colleagues have any further questions?

Senator Lugar.

Senator LUGAR. Well, thank you, Mr. Chairman.

I would like to raise a broader question about which any of you might have a comment. About 30 years ago, a little bit less than that, this committee was seized with the excitement of events taking place in countries located mostly in Central America. El Salvador, Guatemala, Nicaragua, and Honduras were all nations that some of us went to in order to serve as election observers or help set up ballot paper and all the rudiments for elections. It was an exciting period in which our government obviously was heavily involved, deeply interested in the evolution of democracy in the Caribbean and then in South America, and often it was pointed out during this period of time that every country in our hemisphere became a democracy with the exception of Cuba.

But that was then. The excitement has subsided. We've been involved, unfortunately, in military action in the Middle East, and deeply involved with the states of the former Soviet Union.

I'm just wondering, as each one of you is deeply involved in the developments in the region, has there been a feeling of being let down among those countries with which we previously had this intense interest? In a related matter, how should we enhance our own communication with the people of the region? Should it be through our broadcasting or social media programs? Is tourism stronger in the midst of all of this, quite apart from political developments or things we discuss in this committee?

Ms. Powers, do you have a thought about any of this?

Ambassador POWERS. Thank you, Senator. Yes, I do. Speaking about what I've learned about Nicaragua, Nicaraguan people have a very positive view of the United States, much because of the types of assistance that we have provided over the years under three pillars: one, fighting malnutrition and poverty; two, working to increase and improve good governance in the country; and three, working with the Nicaraguan Government on security and counter-narcotics issues. Recent polls have shown that the Nicaraguan people are very pleased and have a very positive view of the United States in spite of a difficult bilateral relationship.

In my experience in other countries, what the United States puts forward in assistance and support resonates well with the people, even if it doesn't always resonate well with the governments.

Thank you.

Senator LUGAR. Ambassador Palmer, do you have a reflection?

Ambassador PALMER. Thank you, Mr. Senator. I agree with Ambassador Powers very much. It is our actions with the people that have been very, very effective.

Senator Rubio, you mentioned my comments in terms of PEPFAR. For example, HIV/AIDS in the Eastern Caribbean, the prevalence is very high, second only to sub-Saharan Africa. But we have six of our agencies engaging in the PEPFAR program there, USAID, DOD, CDC, our Peace Corps. We are engaging in that. Peace Corps, for example, with 115 Volunteers, are involved in youth education and programs to prepare youth, to provide opportunities for jobs. We help them, as I mentioned before, with citizen safety.

All of these programs ring very well with the citizens, and as a result the citizens of the Eastern Caribbean have a very positive view of the United States.

In addition, we engage the diaspora. We have a number of citizens here in the United States, and they all help to push these things forward.

So as Ambassador Powers mentioned, our programs ring well with the people and with most governments.

Senator LUGAR. Mr. Farrar, do you have a thought?

Mr. FARRAR. Yes. Thank you, Senator. I would say that there's an excitement in United States-Panama relations today. The excitement you mentioned 30 years ago continues. There's excitement over implementing the trade promotion agreement, to bring free trade between our two countries. There's an excitement over the expansion of the Panama Canal, an expansion which is also sparking investment in the United States, in U.S. ports that are getting ready to handle the ships that will transit the Canal beginning in late 2014.

I read a recent poll which showed that there is tremendous good will in Panama toward the United States. There's tremendous interest in Panama toward greater cooperation with the United States in the area of counternarcotics and security cooperation; and interestingly, a lack of knowledge about what we're doing already. So I think we can do more to get the word out. But there is a tremendous excitement still.

Thank you.

Senator LUGAR. Ms. Reynoso.

Ms. REYNOSO. Thank you, Senator. Uruguay is a model of democracy in the region. It did, as did many other countries in South America, undergo a transformation in the 1980s.

With respect to Central America in particular, I can say that democracy is a work in progress. We have seen some victories. We have seen some things go well. We have also seen some things that have not gone well at all, as we stated with the Nicaraguan elections.

The good news is that I have seen, based on my experience over the last 2 years, that the Nicaraguan people and the Central American people generally understand the basic principles of democracy and want it, and are looking for ways to make it part of their daily routine, and are angered. They have voiced anger to us. They voice their anger through their votes. They voice their anger through civic engagement.

We have to create and help them create methods of accountability that allow their institutions to surpass any type of dramatic institutional deterioration, as has happened in Nicaragua. That is hopefully something that the United States and our partners in the region, a country like Uruguay, can help the Central Americans and the countries in the Caribbean and other countries that require support to be able to move forward in that direction.

Senator LUGAR. I thank each one of you for your comments. Thank you for your previous service. I look forward to supporting each of your nominations and wish you every success.

Senator MENENDEZ. Thank you, Senator Lugar.

Senator Rubio.

Senator RUBIO. Thank you, and I'll be brief. Thank you all again for being here today.

Just two quick observations I wanted to make for the record on both Nicaragua and Panama. My sense of talking to people both in Nicaragua that have visited us and people living here in the United States of Nicaraguan descent is that while generally the population is grateful for some of the money that Venezuela has poured into that country, they're concerned about it too. Obviously, there's real concern that it's not sustainable, and rightfully so. And the second is some of the price they've had to pay in exchange for this support. Obviously, we've seen how the elections have been undermined and all the institutions that are critical to a democracy have come under attack.

But then there's some of the associations that Mr. Ortega has made around the world. Just as he took the oath of office a few weeks ago, he was flanked on stage by both Mr. Chavez and Ahmadinejad, and he pilloried the U.S. occupation, as he termed it, of Iraq and Afghanistan. He lamented the death of former Libyan

leader Moammar Qadhafi, and he paid respects to former Iraqi leader Saddam Hussein.

This is embarrassing to the Nicaraguan people, who are rightfully concerned, but they're also embarrassed by the image of their country. By the way, I saw polling that President Obama is more popular than Mr. Ortega is in Nicaragua. So I think that goes to some of the comments that were made earlier about the views of the United States.

But Iran is more than just an irritant, and this relationship with Iran is more than just an irritant. This is a country that uses asymmetrical attacks, things like terrorism, as a foreign policy tool. We saw that very recently with the allegations, the uncovering of a plot to assassinate the Saudi Ambassador to the United States.

I just hope that the administration, and it would be through you, is going to make it very clear to Mr. Ortega that if he wants to say these sorts of things that embarrass him with his own people, that's one thing, but there are some bright redlines that he should not be crossing, or that any nation in the Western Hemisphere should not be crossing, when it comes to the relationship with Iran. There are things that, for the security of this Nation, we will not tolerate in terms of an Iranian presence in this hemisphere, and I think it's important that that message be made very clear. I hope in your role that you'll encourage the State Department and the administration to move in that direction.

As far as Panama is concerned, Mr. Farrar, as you know in your previous nomination, I've had some disagreements about the approach that you took in your previous role in the Interests Section in Cuba. That being said, you're now going to Panama, a country that for most of us is seen as a place with a stable democracy and real economic promise. But there are some troubling signs emerging from Panama.

As was outlined earlier by Senator Lugar, in a recent article by Mr. Oppenheimer, who is a well-informed observer of the Western Hemisphere, he talked about a growing concern over Mr. Martinelli's strong-arm ruling style. Mr. Oppenheimer says that President Martinelli already controls the National Assembly and the Supreme Court. His critics say that he could move to control the electoral tribunal, the independent agency that oversees the Panama Canal, and he may even seek to reelect himself despite a constitutional ban on reelection.

It's hard for people to give up power. Sometimes when these guys or gals get there, they don't want to let go of it. I think we take that for granted in this country. Sometimes after 8 years, our Presidents aren't ready to leave, but they have to. In some of these countries, they figure out a way to get around it. I hope that in your new role, if, in fact, he takes this country in that direction—and we hope they don't—you will be a strong voice on the side of democratic and independent institutions. I don't care how good the economy is; I don't care how great our relationships are on other issues. We cannot stand by and watch one more nation join the ranks of countries where their leadership are deliberately undermining the institutions of democracy and while we do nothing about it.

So I hope in this role, when you get there, that you will pledge to be a strong voice to condemn any move in this direction.

Thank you.

Senator MENENDEZ. Thank you, Senator.

I think you all have a sense of where we're at on these issues. I appreciate your testimony and answers here today. I look forward to supporting all four of you in your nomination when it comes before the full committee.

I will rectify a previous statement I made. Instead of keeping the record open until Friday, we will keep the record open for QFRs for 24 hours. This will give us the best chance of having all of your nominations before the next business meeting, which will take place on, of all days, Valentine's Day. [Laughter.]

So with that, and with no other business to come before the committee, this hearing is adjourned.

[Whereupon, at 11:20 a.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

##### RESPONSES OF JULISSA REYNOSO TO QUESTIONS SUBMITTED BY SENATOR RICHARD G. LUGAR

*Question #1.* Please explain what relevant experience you have had to prepare you to represent the United States of America as Ambassador to Uruguay. What interaction have you had with Uruguay in an official U.S. Government capacity?

Answer. Both my professional career and my education have prepared me to represent the United States as Ambassador. As the Deputy Assistant Secretary of State for Central America and the Caribbean in the Bureau of Western Hemisphere Affairs since November 2009, I have worked diligently to advance U.S. priorities within the region and, if confirmed, I welcome the opportunity to utilize this experience as Ambassador to Uruguay.

Additionally, my education, which includes a substantial international component, has also prepared me for this opportunity. I have a B.A. in Government from Harvard University, a Masters in Philosophy from the University of Cambridge in the United Kingdom, and a J.D. from Columbia University School of Law. Prior to working at the State Department, I practiced law at the international law firm of Simpson Thacher & Bartlett LLP in New York, focusing on international arbitration and antitrust law and was a fellow at New York University School of Law and Columbia Law School.

In my official capacity as Deputy Assistant Secretary, I have worked with the Government of Uruguay on vital issues in the context of the Haiti Group of Friends, as Uruguay is currently the Chair, as well as with MINUSTAH. Uruguay is a leading partner in U.N. peacekeeping and, if confirmed, I look forward to continuing the important dialogue and cooperation with the Government of Uruguay.

*Question #2.* Despite Uruguay's small size and geographic location, U.S. initiatives to expand diplomatic and commercial ties with Uruguay, could afford an opportunity for the United States to constructively and strategically, extend its influence in the Southern Cone, a subregion historically given less attention by U.S. foreign policymakers compared to other areas of Latin America. Please explain your views regarding the importance of countries of the Southern Cone for United States foreign policy objectives in South America. Please explain Uruguay's importance for United States foreign policy objectives in the Southern Cone.

Answer. The countries of the Southern Cone are critically important for U.S. foreign policy objectives in the hemisphere precisely because these countries include some of Latin America's oldest, strongest, and most successful democracies. The United States principal strategic goals in the region are supporting citizen security, strong institutions, and democratic governance. Healthy and successful Southern Cone democracies that respect rights, enforce rule of law, and sustain growing economies that welcome foreign investment serve as an important example for the entire region. Uruguay, in particular, is a model, high-functioning democracy in the Southern Cone, and, as such, is an important partner in advancing shared policy objectives. I am committed to continuing, and expanding, as appropriate, the range

of programs whereby the United States supports citizen security, strong institutions, and democratic governance in Uruguay.

*Question #3.* The Vazquez administration sought to reduce its reliance on Argentina and Brazil by strengthening ties with the United States. Since taking office, the Mujica administration has shifted the emphasis of Uruguay's foreign policy, prioritizing improved relations with Uruguay's neighbors and further diversification of global trade. Please explain how you would encourage President Mujica to redirect Uruguay's foreign policy back to making the strengthening of ties with the United States a priority. If confirmed, what specific proposals (commercial and political) would you offer to persuade President Mujica that closer ties with the United States are in Uruguay's national interest?

*Answer.* While it is true that President Mujica has placed more emphasis than his predecessor on what he has called Uruguay's "integration in its region," it is also worth noting that President Mujica's efforts to diversify Uruguay's trade relations are opening new avenues for commercial and investment ties to the United States. Among my top priorities as Ambassador, if confirmed, will be reviewing outstanding issues in agricultural trade between the United States and Uruguay with a view to enabling freer—and more mutually advantageous—trade between our two countries. Again if confirmed, it is my intention to personally engage with and support U.S. firms interested in doing business in Uruguay. In addition, President Mujica's focus on education reform in Uruguay and his expressed desire for more scientific and technical exchange with the United States will be an ever more important source of ties between Uruguayan and American institutions and individuals, as we strive to achieve President Obama's 100,000 Strong in the Americas goal. Our cooperation programs with Uruguay's Armed Forces—building their multilateral peacekeeping, emergency response and border patrol capabilities—will also build closer ties with the United States, and can advance shared objectives.

*Question #4.* Uruguayan Government officials concede that Uruguay has a problematic historical, and most recently, commercial relationship with Argentina, particularly in the wake of disagreements such as the dispute over the construction in Uruguay of a cellulose pulp mill near the Uruguayan border with Argentina. Have Uruguay's problems with Argentina weakened Uruguay's relations with MERCOSUR? If confirmed, please explain how you will work with U.S. investors to develop lucrative commercial initiatives that could also help make up for Uruguay's commercial losses as a result of its difficulties with Argentina?

*Answer.* In spite of numerous commercial and bilateral challenges in the Uruguay-Argentina relationship, the Government of Uruguay remains solidly committed to MERCOSUR. It appears that the Uruguayan Government has determined to seek to resolve commercial differences by appealing to MERCOSUR solidarity, and by taking advantage of the strong relationship between President Mujica and his fellow MERCOSUR Presidents.

Our Embassy in Montevideo is working closely with the U.S. business community to advocate for greater opportunities in the logistics, information technology, agriculture, energy, security, and infrastructure/construction sectors, among others. We have seen enthusiastic responses to our commercial initiatives, and we are confident that U.S. investment and exports will continue to increase in Uruguay as the local economy expands. The Embassy is also pursuing opportunities for U.S. firms through innovative public-private partnerships in Uruguay, a new mechanism that has opened public works and infrastructure projects to private sector participation.

*Question #5.* Would you characterize Uruguay's political relationship with Brazil as closer than Uruguay's relationship with the United States? Would you characterize Uruguay's commercial relationship with Brazil as being closer than Uruguay's commercial relationship with the United States?

*Answer.* Uruguay's foreign policy and political relations with Brazil are strong. President Mujica personally invests time and effort in his relationship with President Rousseff, and he also maintains a productive and close friendship with former President Lula. Geography, joint membership in MERCOSUR and UNASUR, and economic relations in the context of the dynamic success of the Brazilian economy, are all important factors in the strong relationship between Uruguay and Brazil.

Brazil is Uruguay's largest export market (approximately \$1.6 billion in 2011), and Brazilian exports account for the largest share of total imports from any country (just over \$1.9 billion). The United States was Uruguay's fourth-largest supplier of goods in 2011, with \$734 million, while Uruguay exported roughly \$245 million to the United States last year. United States-Uruguayan economic ties remain robust, and if confirmed, I will work diligently with American companies to find expanded markets for American products and services.

*Question #6.* Would you characterize Uruguay's commercial relationship with China as being closer than Uruguay's commercial relationship with the United States?

Answer. China has become an increasingly important trading and investment partner for Uruguay, as it has for many countries in the Americas, including the United States. Chinese foreign direct investment in Uruguay is centered on auto manufacturing and port development, while Chinese exports are found across a range of sectors in Uruguay. China is an important purchaser of Uruguayan soy and beef, as well as other commodities that transit through free trade zones.

In 2011, China was the third-largest exporter to Uruguay (roughly \$1.4 billion), while Uruguayan exporters supplied \$664 million in goods to China—the second-largest export destination after Brazil. The United States stood as the fourth-largest exporter to Uruguay in 2011 with \$734 million, compared with \$245 million in Uruguayan goods exported to the United States. United States-Uruguayan economic ties remain strong, and if confirmed, I will work with American companies to find expanded opportunities for enhanced trade and commerce.

*Question #7.* Trade ties between the United States and Uruguay have grown since 2002, when the countries created a Joint Commission on Trade and Investment. The joint commission has provided the means for ongoing United States-Uruguay trade discussions, which led to the signing of a bilateral investment treaty in October 2004 and a Trade and Investment Framework Agreement (TIFA) in January 2007. The TIFA is a formal commitment to pursue closer trade and economic ties. Although then-President Bush and Vazquez initially sought to negotiate a free trade agreement with Uruguay, in your confirmation hearing on February 7, 2012, before the Senate Foreign Relations Committee, you mentioned that both the United States Government and the Government of Uruguay chose not to pursue a free trade agreement due to “reticence” from both sides in the fall of 2009.

Please provide a detailed explanation regarding why the United States Government (USG) chose not to pursue a Free Trade Agreement (FTA) agreement with Uruguay in 2009. What is the likelihood of beginning talks regarding negotiating an FTA with Uruguay during the Obama administration? Is it a priority of the Obama administration to pursue an FTA with Uruguay?

Answer. The United States and Uruguay have utilized the TIFA as the principal mechanism to advance bilateral commercial and investment issues. This agreement, which includes advanced supplementary protocols on trade and the environment as well as trade facilitation, provides for yearly meetings of a bilateral trade and investment council. If confirmed, I look forward to working within the framework of the TIFA to facilitate expanded commercial opportunities and advance trade between the two countries.

The MERCOSUR charter does not permit MERCOSUR members, which includes Uruguay, to negotiate individually an FTA with another country. We have no indication that MERCOSUR, as a bloc, is prepared at this time to take on the commitments that would be required to enter into an FTA with the United States.

*Question #8.* Uruguay is now losing markets and jobs to countries that have free trade agreements with the United States. In Uruguay there is particularly concern about the situation of the Uruguayan textiles and apparel industry, which has shrunk over the last decade, with a slight recovery since 2003. Heavily based on wool production, this sector employs about 21,000 workers, though its unemployment rate remains high. Uruguayan textile and apparel producers face high tariffs in the U.S. market (17.5 percent for wool-based apparel and 25 percent for wool fabrics), as well as strong competition from FTA signatories with the United States (mainly Chile, Mexico, and Peru). Uruguay also faces difficulties in exporting fabric to these countries since the FTAs require that apparel be produced with U.S.-sourced or local fabrics. The combination of MERCOSUR restrictions, high entry tariffs, and rules of origin specifications has caused Uruguay to lose its market share in the United States. U.S. trade preferences for textiles and apparel would help Uruguayan exporters regain market access in the United States and have a dramatic positive economic impact on Uruguay. These industries are key sources of employment in Uruguay that have been hurt by both U.S. tariffs and the economic downturn.

By granting Uruguayan goods expanded access to the U.S. market, the USG would solidify its image as a reliable and strategically important partner, thereby strengthening the bilateral relationship with Uruguay. U.S. trade preferences would be viewed as a vote of support for the Government of Uruguay (GOU). The Obama administration seems disinterested in the negotiation of an FTA with Uruguay, but unilateral tariff preferences might be an appropriate intermediate step toward deep-

ening our relations with Uruguay—unilateral trade preferences can lead to the negotiation of a reciprocal FTA.

- Please explain your views regarding granting unilateral tariff preferences for Uruguayan textiles and apparel, to expand commercial ties between the United States and Uruguay, as an intermediate step toward an FTA.

Answer. The U.S. Government remains committed to deepening commercial ties between the United States and Uruguay. As Ambassador, one of my top priorities will be the health and strength of the bilateral relationship, and the promotion of U.S. interests in Uruguay. The granting of trade preferences to any nation, either unilaterally or through a Free Trade Agreement (FTA), is a matter for the President and the Congress to decide and, if confirmed, I would work to advance our foreign policy initiatives.

We currently have a Trade and Investment Framework Agreement (TIFA) with Uruguay, which is typically a precursor to an FTA. However, the MERCOSUR charter does not permit MERCOSUR members, which includes Uruguay, to negotiate individually an FTA with another country. We have no indication that MERCOSUR, as a bloc, is prepared at this time to take on the commitments that would be required to enter into an FTA with the United States.

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RESPONSES OF JULISSA REYNOSO TO FOLLOWUP QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Please provide a detailed explanation regarding why the United States Government (USG) chose not to pursue a Free Trade Agreement (FTA) agreement with Uruguay in 2009.

Answer. It is my understanding that former President Bush discussed the idea of negotiating an FTA with Uruguay's President Vazquez in the spring of 2006. Later in September 2006, the Uruguayan Government expressed interest in negotiating an FTA under Trade Promotion Authority (TPA). However, with the expiration of TPA on June 30, 2007, and MERCOSUR's limitations, the two governments did not move forward with negotiations. The nature of the MERCOSUR charter presented complications for Uruguay to pursue an FTA with the United States, because the charter does not permit MERCOSUR members, which includes Uruguay, to negotiate individually an FTA with another country.

Instead, the two sides worked very hard to negotiate a rigorous Trade and Investment Framework Agreement (TIFA), which was signed on January 25, 2007, and reaffirms the commitment of our two governments to expand trade and economic opportunities between both countries. I understand that the Government of Uruguay has not expressed interest in pursuing an FTA. I do believe, however, that there are opportunities to expand on current agreements and partnerships to enhance both our political and economic relationship with Uruguay, and if confirmed, I will look to actively utilize these existing agreements and instruments to further advance commerce and trade between our two countries. Additionally, if confirmed, I will work closely with you, your staff, and the Foreign Relations Committee, to advance trade and economic ties between the United States and Uruguay.

*Question.* Please explain with specifics, how if confirmed, you will work through the framework of the TIFA to further expand commercial opportunities and advance trade between our two countries. What sectors will be your priority to facilitate expanded commercial opportunities and trade between our two countries? Are textiles and apparel areas where commercial opportunities can be expanded under TIFA?

Answer. The TIFA has two main protocol agreements, one focusing on overall trade facilitation and the second on the environment. We utilize the TIFA as an umbrella agreement in which we can facilitate the active dialogue between our countries and aggressively consider new, expanded avenues for trade. Indeed, in the context of TIFA discussions, we incorporate many aspects of our commercial, trade, and economic agenda including the Energy Climate Partnership of the Americas (ECPA), the USDA's Foreign Agricultural Service (FAS) program and related instruments. If confirmed, I look to broaden and deepen our bilateral relations and will evaluate the possibility for textiles and apparel opportunities. Another area I look forward to expanding, if confirmed, is Uruguay's participation within ECPA. Uruguay is a partner country in an ongoing FAS-led program to promote agricultural production and use of renewable biomass for energy, an ECPA initiative. This ongoing 2-year FAS program promoted agricultural production and use of renewable biomass for energy, and included an initial planning workshop and subsequent scientific exchange of fellows, a study tour, and in-country demonstration projects.

Another opportunity is through our existing partnership within the energy industry and our MOU on Alternative Energy and Energy Efficiency which was signed in September 2008. Through the MOU, our Embassy in Montevideo has pursued a series of biofuels and alternative energy-related initiatives with the Government of Uruguay. For example, visiting experts have given seminars on topics such as cellulosic biofuels, the EPA's Methane to Markets program, land use management, the use of carbon credits to fund biofuels projects, and biofuels' compatibility with current engine design. Our Embassy also provides technical assistance to identify equipment suppliers as well as information on standards for ethanol.

I believe there are opportunities to expand on these agreements and partnerships to enhance both our political and economic relationship, and if confirmed, I will look to actively utilize these existing networks and instruments to further advance commerce and trade between our two countries.

*Question.* In answering question #3 of the first round of questions you stated, "Among my top priorities as Ambassador, if confirmed, will be reviewing outstanding issues in agricultural trade between the United States and Uruguay with a view to enabling freer—and more mutually advantageous—trade between our two countries." What outstanding issues in agricultural trade are you referring to? Through what mechanism will you be "enabling freer—and more mutually advantageous—trade between our two countries" in the area of agricultural trade?

*Answer.* Uruguay and the United States continue to look for opportunities to expand our trade in agricultural products as both countries have significant and mature domestic industries with a wide range of exportable products and services. Agricultural machinery and fertilizers are key U.S. exports to Uruguay currently and, if confirmed, I will work with American companies operating in Uruguay to seek new markets to expand trade and create opportunities for these American products. I also would look for opportunities for American companies not already operating in Uruguay to enter the Uruguayan market and utilize Uruguay's position within Mercosur as an additional avenue to gain market access to Mercosur countries.

Examples of expanding agricultural trade and the removal of trade impediments between our countries include the pending market access for Uruguayan ovine meat and citrus fruit to the United States and American beef in Uruguay. The process of gaining market access, while detailed and possibly lengthy, offers avenues for additional and complementary markets for American products and services. If confirmed, I will aggressively seek these opportunities.

*Question.* In answering question #3 of the first round of questions you stated, "In addition, President Mujica's focus on education reform in Uruguay and his expressed desire for more scientific and technical exchange with the United States will be an ever more important source of ties between Uruguayan and American institutions and individuals, as we strive to achieve President Obama's 100,000 Strong in the Americas goal."

If confirmed, how do you intend to do this in concrete terms? Would you consider encouraging and assisting Uruguay to pursue a strategic bilateral agreement with a specific U.S. state, such as the Chilean Government's strategic bilateral agreement with the state of Massachusetts (which focusses on collaborative research in the areas of education and biotechnology)? Please provide your views on pursuing strategic bilateral agreements. If you approve of this approach, please provide your specific ideas, if confirmed, for developing strategic bilateral agreements with Uruguay.

*Answer.* The United States and Uruguay have a long history of collaborating on science and technology-related projects. On April 29, 2008, the United States and Uruguay signed a bilateral Science & Technology agreement that provides a framework to advance science and technology cooperation. Priority areas include health and medical research, alternative energies, and Antarctic research. Other areas of cooperation include agriculture; meteorology; hydrology; fisheries; atmospheric sciences; disaster response and management; science policy networking; capacity-building and research and professional exchanges; and fostering innovation through public-private partnerships. This foundation of collaborative research represents a wealth of opportunities for expanded cooperation between scientific institutions in Uruguay and the United States.

If confirmed, I will work to create new linkages between American and Uruguayan universities and research centers in the key fields of science, technology, engineering, and mathematics—the so-called STEM fields—as well as in other academic disciplines. These linkages would facilitate expanded educational exchanges. Beyond these linkages between institutions, I also would encourage the development

of strategic bilateral agreements between our two countries at either the state or local levels and would work to facilitate these avenues of cooperation. If confirmed, I will encourage all sections of our Embassy to develop close relationships with key academic institutions in Uruguay with whom visiting U.S. delegations can engage to build productive partnerships. I am a firm believer in educational exchanges and would dedicate time and energy to furthering these opportunities.

I wish to highlight that I would look first to the State of Minnesota as a possible partner for Uruguayan institutions, given the existing connections with numerous academic and research institutions and the high interest in sustainable urban development in Minneapolis. Additionally, the University of Minnesota with its strong agricultural base would be a natural fit for cooperation with Uruguay's leading universities. The State of Connecticut might be another possibility as it has an existing and active U.S. Department of Defense State Partnership Program that, if confirmed, I would look to leverage for expanded opportunities.

*Question.* In answering question #8 of the first round of questions you stated "The MERCOSUR charter does not permit MERCOSUR members, which includes Uruguay, to negotiate individually an FTA with another country. We have no indication that MERCOSUR, as a bloc, is prepared at this time to take on the commitments that would be required to enter into an FTA with the United States."

On July 15, 2005, the new FTA between Mexico and Uruguay entered into force, as the result of an intense process of negotiations boosted by the Presidents of both nations with the aim to reinforce the 54 Complementary Economic Agreement signed by MERCOSUR and Mexico.

Since Uruguay is a member country of the Common Southern Market, it operates as a gateway for Mexico to enter into the MERCOSUR. Mexico aims to participate in the block as an associated country in the free-trade area. The prospect of a similar kind of agreement for the United States is very attractive not only because of the advantages of a trade agreement with Uruguay, but also because it would operate as a gateway for the United States to enter into the MERCOSUR and trade with Brazil, Argentina and Paraguay, as well.

Please explain your views regarding the process that took Uruguay and Mexico to sign an FTA, normally outlawed by MERCOSUR. Please explain why the United States can, or cannot pursue a similar process.

*Answer.* Interlocutors inform us that the trade agreement, which is an Economic Complementation Agreement signed by Mexico and Uruguay in November 2003, is an exception to Mercosur's prohibition on bilateral agreements between a member and a third party. It is built on an existing 1999 economic agreement between Mexico and Uruguay, as well as the 2002 Mexico-Mercosur complementary economic agreement. The 2002 agreement endorsed the idea of pursuing closer trade with Mexico and helped to justify the exception afforded to Uruguay and was "grandfathered" into the agreement.

At this time, we have no indication that MERCOSUR, as a bloc, is prepared to take on the commitments that would be required to enter into an FTA with the United States. That said, if confirmed, I will look to utilize all existing agreements, like the TIFA and all other related instruments, to expand trade and commercial opportunities for American products and services.

*Question.* Please provide specific information regarding your role as U.S. Deputy Assistant Secretary of State for Western Hemisphere Affairs for Central America, Caribbean, and Cuba, in efforts to gain the humanitarian release of Alan Gross from Cuba. Alan Gross has been held since his arrest in December 2009, accused of bringing satellite and other communication equipment into the country illegally. He has acknowledged he was working on a USAID-funded democracy program, but says he meant no harm to the government and was only trying to help the island's small Jewish community.

*Answer.* Alan Gross has been unjustly imprisoned for more than 2 years. He is a dedicated international development worker who has devoted his life to helping people in more than 50 countries and he was in Cuba to help the Cuban people connect with the rest of the world. We deplore the fact that the Cuban Government specifically excluded Mr. Gross from the 2,900 prisoners it decided to release at the end of December.

For more than 2 years, in close coordination with Mr. Gross's family and lawyer, we have used, and will continue to use, every opportunity to seek his release from this unjust imprisonment. We have also used every channel to press the Cuban Government for Mr. Gross's immediate release so he can return to his family, where he belongs. The Department has urged more than 40 countries around the world to press the Cuban Government on this issue. At the United Nations, we have

raised Mr. Gross's case to the General Assembly. We have met prominent figures traveling to Cuba and encouraged them to advocate for Mr. Gross's release, which they have done. And, we have done the same with religious leaders from many different faiths. Additionally, we have also made numerous public statements pressing for Mr. Gross's release.

As Deputy Assistant Secretary of State, I have worked especially closely with Mr. Gross's family and lawyer, and have been involved in all of the efforts mentioned above. In addition, I have also directly pressed for Mr. Gross's release in meetings with Cuban Government officials, including raising Alan Gross countless times with the Chief of the Cuban Interests Section in Washington. In these meetings, I have made clear that the Cuban Government should immediately release Mr. Gross.

## NOMINATION OF NANCY J. POWELL

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TUESDAY, FEBRUARY 7, 2012 (p.m.)

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Nancy J. Powell, of Iowa, to be Ambassador to India

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The committee met, pursuant to notice, at 2:33 p.m., in room SD-419, Dirksen Senate Office Building, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Menendez, Webb, Udall, and Lugar.

### OPENING STATEMENT OF HON. JOHN F. KERRY, U.S. SENATOR FROM MASSACHUSETTS

The CHAIRMAN. The hearing will come to order.

It is my great, great pleasure, together with Senator Lugar, to welcome Nancy J. Powell, who has been nominated to be Ambassador to India.

And before we start talking about India, I want to say a few words, if I can, at the top of this hearing about Egypt. Egypt is much on the minds of all of my colleagues right now, and the recent events in Egypt are particularly alarming.

The attacks against civil society in Egypt, including American organizations like NDI, IRI, the International Center for Journalists, and Freedom House, are particularly disturbing. Yesterday's prosecutions are, frankly, a slap in the face to Americans who have supported Egypt for decades and to Egyptian individuals and NGOs who have put their futures on the line for a more democratic Egypt.

Right now, it appears some people are engaging in a very dangerous game that risks damaging both Egypt's democratic prospects and the United States-Egyptian bilateral relationship. I have traveled to Egypt three times now since the events of last year—the revolution. And it is of particular concern to see things moving in this direction.

The challenge in front of Egypt is predominantly an economic challenge. Egypt has burned through much of its reserves—Treasury reserves. From some \$40 billion, \$42 billion, they have gone down to less than \$20 billion, burning perhaps \$1 billion to \$1.5 billion a month.

In order for Egypt to make it, to provide for its citizens, Egypt is going to have to turn its economy around. And to turn its econ-

omy around, it is going to have to reattract the investors, the businesspeople who helped to create an economy that was growing at 7 percent a year before the events of Tahrir Square.

Now that economy is moribund. A tourist trade which equaled about 8 percent or more of the gross domestic product is at a standstill. When I was in Egypt, the hotel occupancies were at about 3 percent, 5 percent, maybe 11 percent on one of the trips.

Clearly, without the ability to revitalize tourism, it is going to be difficult to revitalize the economy. And without a revitalized economy, it is going to be difficult to sustain any kind of political leadership.

And unless people get a message of stability and a message that is warm and welcoming to business and to capital, it is going to be very hard to turn that economy around and provide the stability necessary. This is a revolving circle, and it needs to be a virtuous circle.

Egypt faces an array of critical challenges: a pending fiscal crisis, a worsening security environment, a difficult political transition. So I believe it is important that the Egyptian Government recognize that it just can't continue to undermine civil society and persecute the very talent that is seeking to bring Egypt security and prosperity.

America stands as a ready and willing partner to support Egypt's democratic transition and economic stabilization, but it requires an atmosphere in which Egypt's civil society and its American friends are protected. So I hope that this current crisis or challenge, stand-off, what everyone wants to term it, can be resolved in a thoughtful and intelligent way, or it may become very difficult to be able to do the kinds of things necessary.

And Egypt, obviously, is important. It is a quarter of the Arab world. It is important to the stability of the region, and it is important to a peace process ultimately with respect to Israel and the Palestinians.

And with all the other turmoil in Syria and other parts of the world, the challenge of Iran, the last thing one needs is an Egypt that isn't moving strongly and directly and forthrightly on the path to democratic transition and to a strengthening of its economy.

Now turning to India, we are really pleased to have this opportunity to discuss what is, without doubt, one of the most significant partnerships in U.S. foreign policy. There are few relationships that will be as vital in the 21st century as our growing ties with India and its people.

On all of the most critical global challenges that we face, India really has a central role to play, and that means that Washington is going to be looking to New Delhi not only for cooperation, but increasingly for innovation, for regional leadership.

India's growing significance has been clear to many of us for some time now. In the 1990s, I traveled to India, took one of the first business trade missions right after the economic reforms were first put in place, and I have been there many times since.

And President Obama, immediately upon entering office, invited Prime Minister Singh to be his guest at the very first state dinner. Secretary Clinton has visited India twice. And both countries inaugurated the U.S.-India Strategic Dialogue 2 years ago.

Republicans and Democrats alike understand the need to capitalize on the democratic values and strategic interests that our two countries share. And that is why it is important that we work together every day, as I believe we are right now, to further cultivate the relationship.

Given the significance of that relationship, we are particularly pleased that President Obama has nominated Nancy Powell to represent us in New Delhi. Nancy is a former Ambassador to both Nepal and Pakistan, and she has served tours of duty in both India and Bangladesh, making her one of the foremost South Asia experts in the Foreign Service. She is one of our best, and it is only appropriate that she be tasked with one of the State Department's most important postings.

I think Ambassador Powell would agree with me that United States and India interests and values are converging today, as perhaps never before. And consequently, America is an interested stakeholder in India's increasing ascent to greater economic and greater global power and participation.

India's economy is projected to be the world's third-largest in the near future, and total trade between our countries reached \$73 billion in 2010 and could exceed \$100 billion this year.

On defense, our security cooperation has grown so dramatically that India now conducts more military exercises with the United States than any other country.

Education is fast becoming one of the strongest links between our nations, and I look forward to building on the progress that we made at the higher education summit last fall. Whether it is helping India to build a network of community colleges that could revolutionize access to education or whether it is creating educational opportunities via the Internet, we can give millions of people a greater set of choices and opportunities for the future.

As our economies and education systems grow more intertwined—and I am convinced they will—our peoples will have greater opportunity to work together on technological breakthroughs. Already, India is playing a leading role in clean energy innovation. A report released last week found that India saw a 52-percent growth in clean energy investment in 2011, a rate higher than any other significant global economy.

With leadership from companies like Suzlon and Reliance Solar, India has the world's fourth-largest installed wind capacity and incredible solar energy potential. That is why I strongly support the 2009 U.S.-India Memorandum of Understanding on Energy and Climate Change signed by President Obama and Prime Minister Singh, which is being implemented through initiatives like the Partnership to Advance Clean Energy.

It is clear that India's strategic role is also growing. We all agree that the dynamism of the Asia-Pacific region requires India's sustained presence and engagement, whether to combat nuclear proliferation, to promote economic stability in Afghanistan, or to encourage human rights in Burma and Sri Lanka.

India enjoys strong cultural, historical, people-to-people, and economic links to East Asia, and I frequently hear that its eastward neighbors see real merit in India's contributions to regional peace and prosperity. In the coming years, I hope our two countries can

deepen our cooperation throughout Asia not based on any common threats, but on the bedrock of shared interests and values.

One area that is showing signs of promise, especially on economic cooperation, is the India-Pakistan relationship. I am encouraged that Pakistan granted India most-favored-nation status and that the two nations are continuing their dialogue on a host of issues. And I hope both countries can seize this moment to break with the perilous and somewhat stereotyped politics of the past.

There is no doubt that even as India moves forward and even as we celebrate the pluses that I just enumerated, it is clear that India will also have to continue addressing its own complex domestic challenges, including the challenge of building its own infrastructure, of dealing with booming energy demand, of dealing with some restrictive trade and investment practices, and also the problem, which is not just India's, but a global problem of human trafficking.

Moreover, there are some 500 to 600 million people living in poverty. But clearly, India is moving rapidly, through its own economic development, to address that, and I am confident that that will continue to change.

So we can be real partners in this effort, and we can do so in ways that empower all classes of Indian society. And Indians, I hope, will feel that a partnership with the United States delivers real, tangible benefits to their everyday lives.

So, Ambassador Powell, we thank you and your family for your service, and we look forward to the Senate moving your confirmation as quickly as possible.

Senator Lugar.

May I just say that we have a Finance Committee markup this afternoon on the transportation bill. So I am going to have to turn the gavel over to Senator Udall shortly in order to be at that, and I appreciate Ambassador Powell's understanding of that.

Senator Lugar.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,  
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Well, thank you very much, Mr. Chairman.

Let me just take the liberty of joining you in the concern you expressed about events in Egypt. I was startled, I should say shocked, by the arrest and detainment of those Americans involved in attempting to work with citizens of Egypt to promote democracy.

I think each one of us over the years who have been involved in delegations going to other countries to monitor elections or to assist citizens with the National Democratic Institute, the International Republican Institute, and various other groups, know how much we cared about those countries and the follow-through that we have exemplified.

It is especially important, as the chairman has pointed out, that given the status of the Egyptian economy and those in the countryside, far away from Tahrir Square, who lack adequate food supplies, that the United States is generous and eager to be helpful. But we are facing certainly comments from our colleagues who are wondering how we can consider providing \$1.5 billion in assistance to Egypt given both this new development and, more broadly, the

deficit situation we have in our own country. I am hopeful that the Egyptians will reconsider their position and that this matter will be resolved promptly.

In any event, I join the chairman in welcoming Ambassador Powell back to the Foreign Relations Committee. This hearing presents us with an opportunity not only to evaluate the distinguished nominee, but also to examine the current state of our evolving ties with India.

I start from the premise that enhancing our relationship with India is a strategic and economic imperative. India is poised to be an anchor of stability in Asia and a center of economic growth far into the future.

It has a well-educated middle class larger than the size of the entire U.S. population. It is already the world's second-fastest-growing major economy, and bilateral trade with the United States has more than tripled during the past 10 years.

The United States and India are working to build a strategic partnership that will benefit both sides, and we have ongoing cooperation with India on many fronts. This includes efforts to ensure security in South Asia. India and the United States have strong incentives to cooperate on counterterrorism in the region and beyond. We also share concerns about the stability of Afghanistan and Pakistan and the growing military capabilities of China.

Energy cooperation between the United States and India also should be at the top of our bilateral agenda. India's energy needs are expected to double by 2025. The United States has an interest in expanding energy cooperation with India to develop new technologies, cushion supply disruptions, address environmental problems, and diversify global energy supplies.

The United States own energy problems will be exacerbated if we do not forge energy partnerships with India and other nations experiencing rapid economic growth. In 2008 the United States concluded the civil nuclear cooperation agreement with India. The legislation lifted a three-decade American moratorium on nuclear trade with India and opened the door for trade in a wide range of other high-technology items, such as supercomputers and fiber optics.

This agreement remains important to the broad strategic advancement of the United States-Indian relationship. But in the narrower context of nuclear trade with India, it has yet to bear significant fruit. In large measure, this stems from the Indian Parliament's adoption of the Civil Liability for Nuclear Damage bill. This legislation effectively rules out Indian accession to the Convention on Supplementary Compensation for Nuclear Damage, the CSC, and could frustrate the United States nuclear industry's efforts to play a role in India's expanding nuclear power sector.

The bill's plain terms are fundamentally inconsistent with the liability regime that the international community is seeking to achieve in the CSC. To date, this administration has made very little progress on the CSC with India, and I am hopeful that you will address the Obama administration's strategy for advancing United States-Indian nuclear cooperation.

What high-level exchanges have occurred between our governments regarding the status of liability protections for United States

nuclear exporters to India? More broadly, what is the current state of our energy dialogue with New Delhi?

I would also appreciate the Ambassador's views on ongoing security cooperation efforts in South Asia. In light of the Obama administration's intent to reduce U.S. forces in Afghanistan and our complex relationship with Pakistan, what opportunities exist for United States-Indian initiatives designed to combat terrorism?

I look forward to hearing Ambassador Powell's thoughts about how to address these and other important issues in the United States-India relationship. I thank the chair.

The CHAIRMAN. Thanks very much, Senator Lugar. Appreciate it.

Ambassador Powell, we welcome your testimony. And I don't know if you want to introduce any family members or anybody who may be here with you, but we welcome that also.

**STATEMENT OF HON. NANCY J. POWELL, OF IOWA,  
TO BE AMBASSADOR TO INDIA**

Ambassador POWELL. Mr. Chairman, Senator Lugar, I am honored to appear today as President Obama's nominee to be the Ambassador of the United States to the Republic of India, and I am grateful for the President and Secretary Clinton's trust and confidence.

I would like to thank the committee for giving me the opportunity to appear again before you. If confirmed, I look forward to working closely with you to advance our strategic partnership with India.

I would like to say a special thank you to my State Department family members who are here today with me and for their support and advice during my preparations for the hearing.

I have had the pleasure of serving in India previously from 1992 through 1995 as the Consul General in Kolkata and Minister Counselor for Political Affairs in New Delhi. I thoroughly enjoyed my time in India, where I had the opportunity to observe the beginnings of India's dramatic economic transformation and to participate in the early efforts to expand our bilateral relations.

Today, I see an India that has catapulted itself onto the global stage. India is becoming an economic powerhouse, having averaged 7 percent annual economic growth over the last decade, lifting tens of millions of its citizens out of poverty.

India will also be a leading security partner of the United States in the 21st century. The number and kinds of interactions between our two countries at all levels is staggering in its breadth and depth. At its heart are the people-to-people links—students, businesses, and tourists, along with the 3-million-strong Indian-American community.

At the government-to-government level, our relations are firmly grounded in a set of shared democratic values and an increasingly shared strategic vision of both the opportunities that can promote those values, as well as the threats that can undermine them.

If confirmed, I will be working with an interagency team at the Embassy in New Delhi and our four consulates to advance a growing agenda that includes issues that are most vital to our national security and prosperity. Among our top priorities will be the following.

Bolstering trade and investment. We have made unprecedented progress in expanding our economic relations with India. Our bilateral goods and services trade will top over \$100 billion in 2012. This represents an astounding quadrupling of trade since 2000, moving India up from our 25th-largest trading partner to our 12th.

I look forward to working with the interagency team and with our Indian counterparts to reduce barriers, including through the negotiation of a bilateral investment treaty, and to expand the areas where we do business. I am eager to support efforts to ensure full implementation of the civil nuclear cooperation agreement, including ensuring a level playing field for American companies in the commercial applications of nuclear energy.

The U.S. mission in India actively seeks opportunities to keep and create jobs in America. In response to the President's National Export Initiative, the U.S. mission promotes the export of U.S. products, services, and technologies supporting tens of thousands of jobs in the United States. India, with its population of 1.2 billion and its large consumer economy, represents a huge fast-growing market for U.S. manufactured goods.

Our exports are growing at nearly 17 percent a year. At this rate, exports from the United States to India are expected to nearly double in 5 years.

Another priority is our defense cooperation, which currently is at an all-time high. U.S. defense sales to India reached nearly \$8 billion last year, and India holds more military exercises with the United States than with any other country.

As stated in the National Security Strategy, we see India as a net security provider in the Indo-Pacific region. As India continues to modernize its armed forces, there are additional opportunities for us to expand our cooperation across all the services and at all levels. I appreciate the Congress' support for expanding defense ties and note the report delivered to Congress in November on potential defense cooperation with India.

We will also work to enhance our cooperation in international and multilateral fora. Reflecting its growing importance, India is an increasingly active member of key international bodies, including its current tenure on the United Nations Security Council, its inclusion in the G20, the East Asia summit, the South Asian Association for Regional Cooperation, and the World Trade Organization.

In December, we held the first-ever trilateral consultations with Japan, India, and the United States. Encouraging India's leadership in cooperation across the Asia-Pacific will be a top priority.

If confirmed, I look forward to expanding our consultations and collaboration, narrowing our differences on key multilateral issues, and working with the Government of India to advance international peace and security through common understandings and approaches to strengthening these bodies and the international community's ability to address the threats that face our world.

Another priority will be encouraging India's role in supporting peace and stability in the Indian Ocean region. India and the United States share a common interest in supporting continued efforts to establish a peaceful, prosperous, and democratic Indian Ocean region.

Taking a cue from history, the new silk road vision foresees a network of economic, transit, trade, and people-to-people connections across South and Central Asia. India supports this vision and is a significant donor in Afghanistan and has taken steps to facilitate better trade with Pakistan.

I look forward to increasing cooperation on counterterrorism and global threats. Terrorist groups like Lashkar-e-Taiba pose a critical threat not only to our partners like India, but also to United States strategic objectives in the region.

If confirmed, I will work to expand the current level of consultation and coordination on key counterterrorism exchanges, as well as to advance our efforts to expand cooperation in the areas of non-proliferation and nuclear security. As national intelligence officer for South Asia, these were issues that I dealt with firsthand.

If confirmed, I will also continue United States engagement with Indians to advance human rights and freedoms that are constitutionally protected in both our countries and to work to encourage democratic institutions in countries like Afghanistan.

If confirmed, I look forward to participating in and advancing the U.S.-India Strategic Dialogue, as well as the substantive exchanges on more than 20 distinct policy areas, including education, agriculture, energy, and development. I hope we can use this framework to address issues of mutual concern and to enhance collaboration to achieve concrete results that create additional opportunities for our two peoples and that eliminate threats to our two democracies.

I take seriously my role as chief of mission in the management of our Government resources—the people, infrastructure, and programs that are committed to this relationship—and will work to ensure that they are protected and used creatively to enhance U.S. interests.

If confirmed, I will devote my energies and experience to enlarging and expanding our relations with India. I believe we can continue to convert our vision for a future of peace and prosperity based on our mutual democratic values into a reality through expanded exchange, dialogue, and engagement at all levels of society and government.

Thank you very much.

[The prepared statement of Ambassador Powell follows:]

PREPARED STATEMENT OF HON. NANCY J. POWELL

Mr. Chairman, members of the committee, I am honored to appear today as President Obama's nominee to be the Ambassador of the United States to the Republic of India and am grateful for the President's and Secretary Clinton's trust and confidence in me. I would like to thank the committee for giving me the opportunity to appear before this esteemed body today. If confirmed, I look forward to working closely with you to advance our strategic partnership with India.

I have had the pleasure of serving in India previously from 1992 through 1995 as Consul General in Kolkata and Minister-Counselor for Political Affairs in New Delhi. I thoroughly enjoyed my tour in India where I had the opportunity to observe the beginnings of India's dramatic economic transformation and to participate in the early efforts to expand our bilateral relations. Today I see an India that has revolutionized itself onto the global stage. India is becoming an economic powerhouse, having averaged 7 percent annual economic growth over the last decade, lifting tens of millions of its citizens out of poverty. India will also be a leading security partner of the United States in the 21st century. The number and kinds of interactions between our two countries at all levels is staggering in its breadth and depth. At its heart are the people-to-people links—students, businesses, and tourists along with the 3 million strong Indian-American community. At the government-to-government

level, our relations are firmly grounded in a set of shared democratic values and an increasingly shared strategic vision of both the opportunities that can promote them as well as the threats that can undermine them.

If confirmed, I will be working with an interagency team at our Embassy in New Delhi and the four consulates to advance a growing agenda that includes issues that that are most vital to our national security and prosperity. Among our top priorities will be the following:

- **Bolstering trade and investment:** We have made unprecedented progress in expanding our economic relations with India. Our bilateral goods and services trade will top \$100 billion in 2012. This represents an astounding quadrupling of trade since 2000, moving India up from our 25th largest trading partner to our 12th. I look forward to working with a wide interagency team and with our Indian counterparts to reduce barriers, including through negotiation of a Bilateral Investment Treaty, and to expand the areas where we do business. I am eager to support the efforts to ensure full implementation of the Civil Nuclear Cooperation Agreement, including ensuring a level playing field for American companies in the commercial applications of nuclear energy.
- **The U.S. mission in India actively seeks opportunities to keep and create jobs in America.** In response to the President's National Export Initiative, the U.S. mission promotes the export of U.S. products, services, and technologies, supporting tens of thousands of jobs in the United States. India, with its population of 1.2 billion people and large and balanced consumer economy, represents a huge, fast-growing market for U.S. manufactured goods, and our exports are growing at nearly over 17 percent a year. At this rate, exports from the United States to India are expected to nearly double in the 5 years from 2009 to 2014.
- **Expanding our defense cooperation, which currently is at a cumulative all-time high:** U.S. defense sales to India reached nearly \$8 billion last year and India holds more military exercises with the United States than any other country. As stated in the National Security Strategy, we see India as a net security provider in the Indo-Pacific region. As India continues to modernize its armed forces, there are additional opportunities for us to expand our cooperation across all the services and at all levels. I appreciate the Congress' support for expanding defense ties, and note the report delivered to Congress in November on potential future defense cooperation with India.
- **Enhancing our cooperation in international and multilateral fora:** Reflecting its growing importance, India is an increasingly active member of key international bodies, including its current tenure on the United Nations Security Council, its inclusion in the G20, the East Asia summit, the South Asian Association for Regional Cooperation, and the World Trade Organization. In December, we held the first ever trilateral consultations with Japan, India, and the United States. Encouraging India's leadership and cooperation across the Asia Pacific will be a top priority. If confirmed, I look forward to expanding our consultations and collaboration, narrowing our differences on key multilateral issues, and working with the Government of India to advance international peace and security through common understandings and approaches to strengthening these bodies and the international community's ability to address the threats that face our world.
- **Encouraging India's role in supporting peace and stability in the Indian Ocean region:** India and the United States share a common interest in supporting continued efforts to establish a peaceful, prosperous, and democratic Indian Ocean region. Taking its cue from history, the New Silk Road vision foresees a network of economic, transit, trade, and people-to-people connections across South and Central Asia that will embed Afghanistan more firmly into its neighborhood. India supports this vision and is a significant donor in Afghanistan and has taken steps to facilitate trade with Pakistan.
- **Increasing cooperation on counterterrorism and global threats:** Terrorist groups like Lashkar-e-Taiba pose a critical threat not only to our partners like India, but to U.S. strategic objectives in the region. If confirmed, I will work to expand the current level of consultation and coordination on key counterterrorism exchanges, as well as advance our efforts to expand cooperation in the areas of nonproliferation and nuclear security. As National Intelligence Officer for South Asia, these were issues I dealt with firsthand.
- **If confirmed, I will continue U.S. engagement with all Indians to advance human rights and freedoms that are constitutionally protected in both of our countries, and work with India to encourage democratic institutions in countries like Afghanistan.**

If confirmed, I look forward to participating in and advancing the U.S.-India Strategic Dialogue, as well as the substantive exchanges on more than 20 distinct policy areas, including education, energy, agriculture, and development. I hope we can use this framework to address issues of mutual concern and enhance collaboration to achieve concrete results that create additional opportunities for our two peoples and that eliminate threats to our two democracies.

I take seriously my role as chief of mission in the management of our government resources—the people, infrastructure, and programs that are committed to this relationship—and will work to ensure that they are protected and used creatively to enhance U.S. interests.

If confirmed, I will devote my energies and experience to enlarging and expanding our relations with India. I believe we can continue to convert our vision for a future of peace and prosperity based on our mutual democratic values into reality through expanded exchange, dialogue, and engagement at all levels of society and government. Thank you.

Senator UDALL [presiding]. Thank you, Ambassador Powell.

We really appreciate your testimony. And I came in a little bit late, and I think, as Chairman Kerry said, I am supposed to take over for him.

Let me just say initially that in looking at your resume and seeing your long history of service to the State Department that we really appreciate that public service. I mean, some of the areas you have served in are very difficult areas in the world, and I am sure you have done it with enthusiasm and a great spirit of public service. So thank you for doing that.

I just returned, Ambassador Powell, from recently visiting India for the first time. I was lucky to go with a group, a CODEL headed by Senator Warner, and we had both of the cochairs of the India Caucus. Senator Warner is the cochair in the Senate, and Joe Crowley, the Congressman from New York, is the cochair in the House. And they had been there a number of times. I think Representative Crowley had been there eight times.

And so, I learned a lot from that discussion. And one of the things I did was meet with the Nobel Laureate, Dr. Rajendra Pachauri. Dr. Pachauri and I had a long discussion about India's energy needs and energy demands and the need to address climate change.

He expressed his disappointment with the outcome in Durban, South Africa, and his belief that a multilateral solution is needed to really make progress on this issue. With regards to the scientific issues, he stated he believes that the findings on the committee that he cochairs are stronger and that heat waves and other abnormal climatic events are increasing in frequency and intensity.

And while meeting with him and other business leaders, I stressed not only the need to invest in renewable energy, but also the opportunities presented by increased investment and partnership between the United States and India. With India in need of increased sources of energy to maintain its economic growth, how do you think the United States should work to facilitate partnerships between the United States and India to promote renewable energy?

Ambassador POWELL. Senator, I am pleased that you had the opportunity to visit India and look forward, if confirmed, to welcoming you back often.

Senator UDALL. Thank you.

Ambassador POWELL. On the energy side, I think those who look at India's progress and its potential almost universally will point

to energy as one of the key determinants in how India addresses its growing energy needs not only for its economic development, but also for advancing the needs of its people for electricity and other sources of energy.

I think we are poised to be very, very good partners on this. We have an energy dialogue as part of the 20 that I mentioned in my testimony. It is done at the highest levels and involves a look at traditional sources of energy, as well as new technologies.

We also have a partnership that Senator Lugar mentioned in his testimony that is looking particularly at innovations in energy. I think, given the very strong scientific communities, the very strong entrepreneurial communities in both of our countries, that this is an extraordinarily important complement to the government efforts.

There will certainly have to be support for some of these technologies, support for the research regulatory framework that allows them to be used. But the ingenuity and entrepreneurial spirit of our two countries I think provide us with opportunities to look at these new sources.

The partnership provides funding. AID is also working with what they consider to be an innovation incubator approach to development in India that will allow for programs to be—experiments and others to be looked at for plus-up by the private sector in India for use in other parts of the developing world.

I think all of these are very important. Obviously, the civil nuclear energy piece is another important part of the dialogue of trying to make sure that as India turns to nuclear energy to provide some of its energy resources that it can benefit from the extraordinary technology that United States companies bring to nuclear energy, to the safety and security standards, and to working with those companies with the Government of India to find a way for us to have a level playing field for that endeavor.

Senator UDALL. Ambassador, thank you very much for that answer.

And I think one of the areas—and thank you for your willingness to work on the renewable energy issues—I think one of the areas that could be a welcome development would be with the villages in India. As you know, I mean, you have served over there. We have double than the people who live in the United States, 700 million people that live in villages, many times without adequate drinking water, clean drinking water, no electricity.

And those kinds of conditions are really ripe for deploying solar panels or wind or something out in those villages. Dr. Pachauri, by the way, has an NGO where he has started an entrepreneurial model. He puts a solar panel in a village, has one of the women who really organizes the village take charge of it. She then leases out the solar panel to charge solar lanterns, and this replaces the kerosene lanterns, which are very dangerous and can't be used under mosquito nets and things like that.

And it seems to me that this whole area is one that there is a huge potential, if we work with them, if we partner with them, to help them get electricity into the villages without moving all of the village people into the cities, which I think could end up causing serious problems.

And with that, I am not really asking a question there, but it is an honor to be here with Senator Lugar and to be up here chairing this. And I look forward to his questions and any others as we move along.

Senator LUGAR. Well, thank you very much, Mr. Chairman.

Let me just raise a different subject for the moment because at least today's press reports indicate that India's Oil and Natural Gas Corporation, the ONGC, has come under pressure to finalize a service contract for natural gas production with Iran. Now could you please give us your thoughts on an Indian company's involvement in Iran's energy sector, particularly something of this significance?

Ambassador POWELL. So, Iran and India have a long tradition of trade across energy and other fields. It is one that is clearly a part of our sanctions regime that we are hoping to see it significantly reduced.

I noted in Foreign Secretary Mathai's speech yesterday, he indicated that the current efforts to diversify India's sources of oil and petroleum and a reduction in their use of Iranian oil to 10 percent or less, and I think these are positive developments. I think our own efforts to support India in looking at other sources of energy will be a contributor to this, and we will certainly, if confirmed, I know that this is going to be one of the issues that I will be spending a great deal of time on and working with the Iranian sanctions legislation with our own policies and with the Indians to work with them.

Senator LUGAR. Well, speaking of our assistance in this respect, as you pointed out earlier, large numbers of Indians lack access to electricity, and energy poverty limits their economic advancement options. The scale of this challenge, however, demands transformational technologies, such as Senator Udall was pointing out, and this leads to my question.

Could you please describe the efforts, as you see them, which are being made by Indian entrepreneurs to tackle energy poverty? Furthermore, what barriers stand in the way for American entrepreneurs to enter the Indian market for the so-called transformational strategies that are going to be able to meet the doubling of demand?

Ambassador POWELL. The two official government-to-government dialogues are on energy policy specifically and then on trade, which includes a variety of looking at various ways to encourage trade, to determine how barriers can be reduced, and to look at ways to make it possible for American companies to participate. We have some very good success stories.

I was looking at the results of an Arizona company that has been quite successful on solar energy and to find, using our resources at the Embassy, our commercial services, our discussions with the private sector through the India Business Council, U.S.-India Business Council, the American Chamber of Commerce, and others, to find those links where we can put American companies in touch with opportunities for them to provide their expertise.

I would also point to what USAID is doing. Although the amounts of money are relatively small, I think the payback potential is very, very high if we can encourage innovation. We are

partnering with Indian private sector on this. We are also providing a mechanism for funding, called the Clean Energy Finance Center, that will develop opportunities to think creatively about how to finance new and somewhat risky adventures sometimes. But to make it possible for the private sector to participate in this, not to depend strictly on government funding.

I think although our projects are relatively small in their scope, the Indians have a very good network of working with the many, many villagers and trying to work on this. So if I could just piggy-back on Senator Udall's comments? My experience in Nepal with the lanterns was a fantastic one. It made an enormous amount of difference in the ability of children to do their homework, to stay in school, and to have an opportunity to encourage literacy.

It also, in a similar way, empowered women and provided a source of income for them through the sales of these very small-scale entrepreneurship with the lamps. And I think it is a very, very good program. It has been used in other countries as well.

Senator LUGAR. Well, we are counting on you to reduce the barriers to American entrepreneurs working with Indian entrepreneurs to the benefit of the people.

Ambassador POWELL. Thank you.

Senator LUGAR. You mentioned earlier the dialogue between the United States and India on 20 different areas. Last year, Secretary Clinton visited India and engaged in the U.S.-India Strategic Dialogue which, as you pointed out, includes security, regional cooperation, partnership, and technology.

Can you highlight for us the most effective parts of the dialogue and the ones on which you believe the administration hopes to make the most progress in the coming year?

Ambassador POWELL. I think my timing is quite good. Foreign Secretary Mathai is in the United States right now. And although I am not in a position to meet with him, my colleagues at the State Department are. And he had, I believe, extensive meetings this morning, setting up the agenda for the June or July meeting, the next meeting here in Washington of the strategic dialogue.

He also spoke yesterday, and I believe I could certainly endorse the agenda that he put forward, of the things that are very, very important. Certainly, the energy dialogue is one of those, the trade dialogue, our cooperation in looking at our defense partnership, our look at making sure that we are looking at what we would call our homeland security dialogue. Our counterterrorism dialogue is a new and, I think, a very dynamic part of the dialogue that will continue to be a priority for both countries.

Maritime security I feel certain will be part of the dialogue as well this summer. And as a former high school teacher, I would like to see the education dialogue raised to the Cabinet-level strategic dialogue as well.

Senator LUGAR. And presumably intelligence-sharing will be a part of that?

Ambassador POWELL. Absolutely, as part of the homeland security and counterterrorism.

Senator LUGAR. Thank you very much.

Senator UDALL. Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Ms. Powell, congratulations on your nomination.

Ambassador POWELL. Thank you.

Senator MENENDEZ. I have a concern. I am a strong believer that the relationship between the United States and India is a critical one, but, as I am sure you are aware, in December, I, along with other colleagues, sponsored legislation in the Congress by amendment that the Senate passed unanimously and the President signed into law with reference to comprehensive sanctions on the financial institutions of the Central Bank of Iran.

And I have been encouraged by the efforts of Japan, South Korea, and others to look for ways to come into compliance with the law. They have come to it even as they face challenges, with the attitude of how do I meet the spirit of these sanctions and try to ensure that we are not subject to any sanctions and that we are working not only with the United States, but the international community to ensure that Iran does not achieve nuclear power.

However, the Indian Government, which is one of Iran's largest crude customers, seems to be rebuking the sanctions and looking for workarounds, including considering payments in gold and transactions that detour around the Central Bank of Iran, which at the end of the day still is helping the Iranian Government have the resources to fuel its nuclear ambitions.

For our sanctions to be effective, it is really crucial that all nations, particularly democratic nations like India, work together to confront Iran and insist that it terminate its efforts to achieve nuclear weapons capability.

What is your view of the Indian Government's rationale behind supporting the Iranians in this regard? And if you are confirmed as our Ambassador, will you carry the message to New Delhi that this is a policy priority for the United States and that we will not hesitate, as appropriate, to pursue the law as it exists?

Ambassador POWELL. Senator, certainly, if confirmed, I understand and appreciate that this is going to be a very important topic and one of those that I will be dealing with very seriously and very early in my tenure.

I think approaching it perhaps a little bit differently than you did, but to recognize that India shares with us a desire to see a nonnuclear state in Iran. They have supported us in the IAEA four times. We continue to have a very important dialogue at the most senior levels of the U.S. Government, and I fully intend to be a part of that dialogue.

I believe that making sure that there is clarity on what the legislation and the U.S. sanctions mean, what their implications are for India is one step. Also looking to make sure that we understand what actions India is taking. Foreign Secretary Mathai yesterday in his republic remarks commented that there already appears to be a reduction in the amount of oil, the percentage of oil that India receives from Iran out of its total imports. That would be a very good sign.

But I will certainly commit to working very hard on this issue.

Senator MENENDEZ. Well, I appreciate that. This is incredibly important to us. If countries like India are going to pay in gold or find other ways to circumvent the sanctions, then while I appreciate what you said about India sharing our goals, it could

ultimately continue to facilitate the resources that are necessary for Iran to achieve its nuclear power.

And so, we need more than their goodwill of sharing our goals. We need their actions to join us and the rest of the international community in that regard. And I hope that, if confirmed and in short order will hopefully be in India, that this will be one of your top priorities.

Would you tell the committee, that this will be one of your top priorities when you get there?

Ambassador POWELL. It most certainly—it will be one of the top priorities.

Senator MENENDEZ. Now, last, and I won't take all of the time that I have left, but I do want to ask a question that I would like you to answer for the record. And it has to do with the work that has to be done for our overall recruitment. I am seriously concerned that despite years that I have been raising this, including with your advent to this office, that the issue of Hispanic recruitment at the State Department remains pathetic.

The 2010 Census has indicated that there are over 50 million Hispanics in the United States, 16 percent of the population. Yet, however, Hispanics make up only 5 percent of the State Department's employees, 3.9 percent of the Foreign Service officers, and about 6 percent of Foreign Service specialists.

So, I would like two things for the record. One, can your office share the most recent statistics with the committee as well as what barriers you have encountered in any effort to improve your outreach, recruitment, and retention of qualified Hispanics?

In all of my work in this regard, this is really one of the worst departments of the Federal Government as it relates to Hispanic participation. I appreciate what has been said about the State Department reflecting the look of America but when Hispanics make up 16 percent of the population and their rate of growth is not reflected at the State Department, that doesn't include a full look of America.

So, as you move on to your next assignment, I would like to get the benefit of whatever challenges there were so that we can look at your successor in this role and have a strategic plan as to how we turn those numbers around.

[The requested information follows:]

The Department of State is committed to a workforce that reflects the diversity of America (racial/ethnic/national-origin, gender, geographic, educational, and occupational) with the skills, innovation, and commitment to advance our national interests in the 21st century.

Hispanics make up 4.7 percent of State Department Civil Service employees, 3.9 percent of Foreign Service officers, and 6.6 percent of Foreign Service Specialists. The number of self-identified Hispanics who took the Foreign Service officer test during 2011 was 2,030 or 10 percent of the total. In FY 2011, the Department hired 49 Hispanics into the Foreign Service, or 4 percent of all new Foreign Service hires, and 27 into the Civil Service, or 2 percent of all Civil Service hires. Our statistics are based on individuals who self-identify, and do not take into account individuals who are multiracial.

#### DEPARTMENT OF STATE'S LARGE-SCALE RECRUITMENT EFFORTS

Targeted outreach is the cornerstone of the Department's recruitment strategy. Specific recruitment portfolios include African-Americans, Hispanics, Asian-Americans, American Indians and Alaskan Natives, Native Hawaiians/Pacific Islanders, women, military veterans, and those with disabilities. In FY 2011 our Diplomats in

Residence and Washington-based recruiters personally engaged an estimated 50,000 potential candidates at events across the country, supported by an events management system which markets our public events across our social recruitment networks. The system also facilitates ongoing engagement and communication between the Department and prospects/candidates.

The Department's careers Web site ([www.careers.state.gov](http://www.careers.state.gov)) is the hub for all online recruitment engagement and receives an average of 60,000 visitors a week. Public forums that provide quick and open responses to questions regarding Department career opportunities have proven extremely successful, continuously receiving more than 20 million views since their inception in 2010.

Marketing studies demonstrate that minority professionals use social media at higher rates than nonminority professionals. Our public outreach is integrated with a comprehensive marketing and recruiting program that includes leveraging new media and networking technologies (Facebook, Linked-In, Twitter, YouTube), direct sourcing, e-mail marketing, and online and limited print advertising with career and niche-specific sites and publications (Hispanic Business, NSHMBA, LatPro, Saludos, LATINASStyle).

In FY 2011, the Department spent \$42,350 on advertising in Hispanic print and electronic media. In addition, 39.5 percent of the total we spent on print and electronic media included general diversity-specific sites which incorporated Hispanics. In FY 2012, we are allocating \$95,789 to Hispanic-focused, career-specific media which is 21 percent of our total spending on advertising in print and electronic media. An additional 20 percent of the total media buy will include diversity-specific sites which incorporate Hispanics.

The Department's Recruitment Outreach Office developed and hosted Diversity Career Networking Events as a tool to target diverse professionals for Department of State careers, specifically highlighting deficit Foreign Service career tracks. In FY 2011, events were hosted in Los Angeles; Denver; Santa Fe, Albuquerque, and Las Cruces, NM; Miami; Cincinnati (to attract attendees at the National League of United Latin American Citizens conference), Houston, Dallas, New York, and Washington, DC, reaching over 1,000 candidates including African Americans, Asian Americans, Hispanics, Native Americans, women, and critical language speakers. In addition, over 900 Department employees have volunteered to support our strategic outreach, highlighting the diversity of our existing workforce and leveraging existing networks of internal affinity groups like the Hispanic Employment Council in Foreign Affairs Agencies (HECFAA).

#### COOPERATIVE EDUCATION PROGRAMS

The Department strives to achieve diversity throughout its workforce through various career-entry programs, including the Presidential Management Fellowship. All qualified applicants referred to the Department by the Office of Personnel Management are given full consideration. The Office of Recruitment conducts regular outreach to institutions that serve Hispanics in order to increase the pool of applicants from the Hispanic community and promote awareness of entry-level employment opportunities.

Our outreach to college students plants the seeds of interest in global public service and promotes a long-term interest in our internships, fellowships, and careers. In FY 2009, Congress funded additional paid internships for recruitment purposes. In 2009, 2010, and 2011, our Diplomats in Residence identified outstanding, diverse candidates for those internships, providing them the chance to experience work in Washington, DC, and embassies and consulates around the world. In 2011, 20 percent of these 80 paid interns were Hispanic.

Two particularly successful student programs are the Thomas R. Pickering Foreign Affairs Undergraduate and Graduate Fellowships and the Charles B. Rangel International Affairs Fellowship. These ROTC-like programs provide financing for graduate school and paid professional experience in Washington and at our embassies to highly qualified and mostly minority students, in exchange for their commitment to the Foreign Service. Diplomats in Residence help recruit candidates for these fellowships, which have been essential to increasing the presence of underrepresented groups in the Foreign Service. In FY 2011, 10 out of 40 (25 percent) Pickering Fellows and 4 out of 20 (20 percent) Rangel Fellows were Hispanic.

Ambassador POWELL. Senator, may I respond just briefly?

Senator MENENDEZ. Absolutely, sure.

Ambassador POWELL. We clearly will give you more details in the taken question, but I took very seriously your charge to me when I accepted the Director General position, was confirmed by the

committee, to try to improve the outreach to the Hispanic and other minority communities, to make sure that they understood what opportunities were available to them at the State Department, whether it was the Foreign Service or the civil service and to expand the information that they had, their ability to ask questions, to be informed, and to participate with us.

I share with you a desire to see a better than 5-percent ratio for the Hispanics in the Foreign Service and a 4.9 for the civil service. But I do have some encouraging statistics about the efforts of a very, very vigorous and targeted recruitment effort that we have undertaken over the last 2 to 3 years.

In the past year, we have among the people who have taken the Foreign Service test, we had an increase of 82 percent among the Hispanics. From those who passed the test, having taken it, 172-percent increase by Hispanics, and for the hiring, a 43-percent increase. Those statistics, if we can maintain them—and I certainly think that my successor will be committed to the effort that we started—represent an opportunity to improve on our total percentage of Hispanics.

I would also like to share one other statistic with the committee because the other part of our outreach, in addition to our minority populations, was to our disabled veterans. And we have been able in the Foreign Service generalists to increase by 350 percent the hiring of disabled veterans. And among our specialists, a whopping 4,700-percent increase.

So I would also like to comment that the number of minorities, including Hispanics, that are part of our Pickering and Rangel Fellowship Programs, and these are opportunities that provide graduate education opportunities as well as internships and other experience in the department, has increased dramatically.

And I personally served as the mentor for our Hispanic affinity group, which has been reenergized under the leadership of its new president, and I took great pride in working with them.

Senator MENENDEZ. Well, I appreciate that. I look forward to seeing the employment figures which you gave, which sound promising, what sections across the spectrum they are.

But thank you very much.

Senator UDALL. Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

And Ambassador—congratulations. I wish you well in the new assignment, for which I know you are going to be confirmed. You have got a terrific wealth of experience in this region. I think you are going to be very valuable to our country when you go there.

India is a long way from Iowa. I went to high school in Nebraska. I can remember one cold winter morning working in a grocery store, I was reading “Hawaii” by James Michener and becoming fascinated with the stories of Asia, and he talked about mangoes. I looked over on a shelf in this grocery store I was working in—and there was a mango. I had never seen one before and I bought it with all my tip money. I brought it home that night, and I could not figure out how to peel it.

But I said someday I am going to go where they grow these mangoes, and of course, a couple of years later, Uncle Sam helped me out and sent me to Vietnam. But I know what it is like to really

become so intensely interested in an area, and you certainly have the background when it comes to South Asia and India.

That leads me to a question. Just something that I have been wondering for some time, and I think from your background, maybe you can help me understand it—help us understand it.

We consistently speak about India as a democracy, and in political terms, one would think that is true. It certainly seems demonstrably true. We talk consistently about the entrepreneurship that comes out of India. Some of the most wealthy entrepreneurs in the world are in India. Those who have come to this country from India do extremely well.

And yet, if you look at “The World Factbook,” the per capita income in India is about \$800—at least the one that I just looked at, “The Economist World Factbook”—which is less than \$3 a day. What would be your observations about the nature of this democracy in terms of the obvious, glaring inequality from top to bottom in its society?

Ambassador POWELL. Senator, I think India’s democracy is a thriving one with right now they are engaged in five states voting, with over 200 million residents in one of those states. So that part of the democracy, in terms of its forms and its norms, is well established.

They are voting after a very vigorous debate over policies and, particularly in these five states, are looking at the economic reforms, whether they have answered the question that we would ask here in the United States. Are you better off than you were at the last election?

They are very, very vigorous in that debate. They are looking at it very seriously.

I take a lesson from my time as a teacher of American Government and American history of reminding myself that our Constitution starts with the words about “forming a more perfect union.” I think that India is in the process of doing that as well.

It has enormous societal inequalities based on historic caste systems of economic differences. But surely, one of the engines that moves a society is the commitment to democracy, a ballot box that allows people to vote for their leaders and to vote for change, but also a rising economy.

I contrast my earlier time in India, where they were just emerging from a very, very closed economic system, one which required enormous amounts of work to start a business or to close one, for that matter, with the current system. It is not perfect yet. It still takes a long time in India. It is still not a redtape free society. But all of those things are freeing up India.

I think we have seen over the 20 years of economic reforms a tremendous number of people who have been removed from absolute poverty. They are into the Indian middle class now. They are able to afford education for their children. They are dedicated to that as one of the first things that they use their disposable income for, but also a rising consumer network, better housing.

Senator WEBB. So you would say—and I have got one other question I want to ask you, You are optimistic about the potential for broader sharing of the wealth in that society?

Ambassador POWELL. I am. I am very optimistic about India.

Senator WEBB. I wanted also to get your comment on the obvious and growing interrelationship among the United States, ASEAN, and India in terms of naval activities, but also security activities not only in the Indian Ocean and around into what we call the Western Pacific or the South China Sea.

We have seen cooperative naval maneuvers between India and Vietnam, for instance. At the same time, we have seen over the past couple of years on many different levels increased Chinese naval activity into the Indian Ocean. What are your thoughts about this new mix?

Ambassador POWELL. I think India is certainly one of those countries that is a rising power in this part of the world. It has interests that match ours in many ways, particularly as we have looked at our defense dialogue of looking at maritime security, of looking at the potential for cooperation and humanitarian relief and disaster assistance. And also in looking at piracy, particularly off the coast of Somalia, of cooperating with the international effort there.

The dialogue that we have through the Defense Policy Group, through ASEAN, through the Indian Ocean rim conferences, with India playing a growing role in that, I think will assist us in aligning a policy that works internationally to make sure that we can protect those sea-lanes, that we will have a peaceful area there.

Senator WEBB. Thank you, Mr. Chairman.

Senator UDALL. Ambassador, the ongoing friction between India and Pakistan is a strategic concern for the United States and for the region. Do you believe that there may be a more proactive role for the United States to play, which could help ease tensions between the countries?

For instance, Sandia National Laboratories Cooperative Monitoring Center—Sandia is located in Albuquerque, NM—has programs to help create trust between countries, such as border monitoring. As part of its mission, Sandia's Cooperative Monitoring Center assists political and technical experts from around the world to acquire the technology-based tools they need to implement nonproliferation, arms control, and other cooperative security measures.

It is a soft power tool that I believe could be utilized in such hot spots. I would note that this is not a new proposal, that a paper released by the Cooperative Monitoring Center in 2001, which was written by retired Pakistani Major General Mahmud Ali Durrani, called for a "cooperative border monitoring experiment."

What are your thoughts on these and other proposals to relieve security tensions in the region?

Ambassador POWELL. Senator, I firmly believe in encouraging a dialogue and the resolution of problems between India and Pakistan. I believe that ideas that are supported by both countries, if General Durrani's ideas were to be endorsed through the Track II or Track I negotiations that are very active on both levels, that there would be a role for the United States to play.

I have had the opportunity to meet many of the people that are engaged in these dialogues and certainly think that the United States plays a role in encouraging ideas and looking for additional creative solutions, but that the primary responsibility rests with the two countries. Having worked with so many of their leaders

and their diplomats, I am very confident that they have the ability to do that, but certainly don't rule out our ability to assist.

Senator UDALL. Thank you.

During our visit to India, we visited a USAID site in Jaipur. This site truly highlighted the needs of rural and impoverished Indians. Work being done by USAID included aiding women with prenatal care, vaccinations and other child services, and training for women to help them interact with other groups to help discuss community needs and solutions.

Madam Ambassador, what are your thoughts on such programs, and how do you think our relations would be impacted if there are substantial cuts to such USAID programs?

Ambassador POWELL. I am very, very supportive of these efforts. I think particularly supporting women's health has a major impact on the health of their children. I have a particular interest in looking at women's education opportunities. Particularly in rural India, as in many parts of the developing world, women have not had equal opportunity and access to education. This is an area that as India needs to expand its economy is one that I think is very important.

The AID programs that are being conducted in India are ones that I look forward to visiting and to having a better understanding of. But I think particularly the one you visited is one that would warm my heart. I would like to have the opportunity to do that, if confirmed, but also to look at the opportunities to do things like the new stoves that are both ecologically and in terms of health a much improved facility. This is something that Secretary Clinton has taken a great deal of interest in.

In terms of the impact of our aid program, our numbers and the amount of assistance to India has been reduced substantially from what I remember. But I think it is a quality program, and I would like to see it continued so that it can be this incubator for innovation and development technology and development programming, that we can identify things that work in this environment and see how they can be plussed up by the private sector, by the government of India, but also exported to other developing countries that may have similar problems.

Senator UDALL. Ambassador, we went into a village and saw—you mentioned the cookstoves and Secretary Clinton's initiative. We went in and saw in a village locals cooking on traditional stoves. It was fueled, I think, by dung. It was very dirty. The smoke was all over the house. I mean, it was a pretty dreadful situation.

Could you tell us a little bit more about the initiative Secretary Clinton has on the stoves and how that has progressed?

Ambassador POWELL. I am going to have to take the question to get you the details on it, but I know that it is one she is committed to. And I have had the similar experience that you had. Not only do you deprive the fields from the benefits of having the fertilizer, but you also spread enormous amounts of smoke that, particularly for the lungs and health of children and the women who are doing the cooking, is quite dramatic.

And the new smokeless stoves both cut down on the amount of energy that is required, but also contribute far, far less to pollutants that damage their health.

Senator UDALL. Thank you.

And if you would supplement the record a little more on that, I think that would be great.

Ambassador POWELL. I will be glad to do so.

[The requested information follows:]

Secretary Clinton announced the Global Alliance for Clean Cookstoves in September 2010 as an innovative public-private partnership led by the United Nations Foundation to save lives, improve livelihoods, empower women, and combat climate change by creating a thriving global market for clean and efficient household cooking solutions. Today, the Alliance comprises of over 250 partners, including 27 countries. In November 2011, the Alliance published a roadmap to achieve universal adoption of clean cookstoves and fuels. Under this strategy, the Alliance will work with its public and private partners to focus on three core thematic activities: enhancing demand for clean cookstoves and fuels; strengthening supply of clean cookstoves and fuels; and fostering an enabling environment for a thriving market for clean cookstoves and fuels. The U.S. Government's commitment to the Alliance includes diplomatic support and an investment of up to \$105 million across 10 Federal agencies over the first 5 years of the Alliance, with a focus on financing, applied research, capacity-building, stove testing, field implementation, and evaluation. The Secretary held a public event in Chennai, during her July 2011 visit to India, to announce new Indian private sector partners and raise international awareness and engagement on these issues. Special Representative for Global Partnerships, Kris Balderston, would be happy to provide you a detailed briefing on the activities of the Global Alliance for Clean Cookstoves.

Senator UDALL. Senator Lugar.

Senator LUGAR. I have no further questions. I simply wish the very best to the Ambassador.

Ambassador POWELL. Thank you.

Senator LUGAR. I look forward to strongly supporting your nomination.

Ambassador POWELL. Thank you very much.

Senator UDALL. Ambassador, let me, on behalf of the committee, just thank you very much for your testimony today.

We are going to keep the record open for the record for 24 hours. We would ask that all members please submit any questions before tomorrow afternoon.

Senator UDALL. Also, I have been informed by Chairman Kerry that the committee is working to get Ambassador Powell's nomination on the agenda for the business meeting to take place on February 14, and I believe, Senator Lugar, the ranking member, is also aware of that? Yes.

Ambassador POWELL. Thank you very much.

Senator UDALL. So, thank you.

And being no further questions and no further business, the hearing is adjourned.

[Whereupon, at 3:40 p.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF HON. NANCY J. POWELL TO QUESTIONS SUBMITTED BY  
SENATOR JOHN F. KERRY

*Question.* How can the United States best support India and Pakistan in their talks and efforts to resolve regional tensions? If confirmed, what types of steps will you take to facilitate improved relations between India and Pakistan?

Answer. The United States has always welcomed dialogue and better relations between India and Pakistan. The pace, scope, and character of the dialogue are for Indian and Pakistani leaders to decide. If confirmed, I will encourage all dialogue between India and Pakistan, particularly including the expansion of trade and strengthening of people-to-people linkages between the countries. The United States should continue to encourage both Track I and Track II efforts to improve relations. We particularly welcome the upcoming meeting of trade ministries and the planned visit to Pakistan of a large commercial delegation. Normalizing trade relations will bring benefits to both countries.

We applaud the dialogue between India and Pakistan on bilateral issues, including on expanding economic contacts. The latest rounds of dialogue have produced concrete steps to improve relations in ways that will directly benefit the Indian and Pakistani people, particularly on easing barriers to trade and commerce. It is our hope that this process of normalization in both directions, including the eventual extension of most-favored-nation status by Pakistan and the reduction of nontariff barriers by India, will lead to expanded economic opportunity and stability for both countries that also could serve as a much-needed catalyst for regional integration.

*Question.* What steps can the Indians realistically take this year to liberalize their economy, particularly to encourage more foreign investment?

Answer. In November 2011, India's Cabinet voted to allow 51 percent FDI in the multibrand retail sector and 100 percent investment in the single brand retail sector. Multibrand retail implementation has been postponed, but we remain hopeful it will be implemented. The FDI increase in single-brand retail has moved forward, though with local procurement and small business provisions that foreign companies will need to work through before they can enter the Indian market in a significant way. We have also continued to encourage liberalization in the aviation, pensions, and insurance sectors, as well as in defense-offsets. The release of India's FY 2013 budget and 12th Five-Year Plan in March may provide some additional clarity into the government's plans for its economic reform agenda.

*Question.* How can the United States work with India to encourage further political and economic reforms in Burma?

Answer. India serves as a model for the values we hope will become universal across East Asia and is in a strong position to encourage Burma to deepen its democratic reform efforts. Although India and the United States have historically approached Burma differently, both countries have welcomed the significant Burmese reforms, share a strong desire to see these reforms continue, and support Burma's reintegration into the region. In support of this goal, the Indian Government hosted a Burmese parliamentary delegation in December 2011 to study India's democracy ahead of Burmese by-elections this spring. India's continued outreach, both to the Burmese Government, as well as to opposition leaders, such as Aung San Suu Kyi, reinforces this message. In fall 2011, India offered Burma a \$500 million line of credit to support development of transport and energy infrastructure and is exploring the development of new transport corridors through Burma that would link India with markets in Southeast Asia. We continue to urge the Indian Government to use its deep historical friendship and cultural ties with Burma to engage its civil society and encourage concrete action on political and economic reform and national reconciliation. In addition, Special Representative and Policy Coordinator for Burma, Derek Mitchell, has proposed to visit India in the coming months to explore ways to deepen our bilateral cooperation.

*Question.* How can the United States work with India to encourage further political and economic reforms in Sri Lanka?

Answer. The Department of State believes the Government of Sri Lanka needs to take concrete actions to promote national reconciliation, strengthen democratic institutions, and credibly investigate violations of international humanitarian law and international human rights law alleged to have occurred during Sri Lanka's 26-year separatist conflict. We continue to engage closely with India on encouraging Sri Lanka to implement a comprehensive national reconciliation process that includes holding those credibly alleged to have violated international humanitarian law and international human rights law accountable for their actions. Both the United States and India have also emphasized the need to implement the recommendations of Sri Lanka's own Lessons Learnt and Reconciliation Commission in a timely manner.

*Question.* Last week Bloomberg New Energy Finance released a new report showing that India led in the growth of renewable energy investments in 2011, with a 52-percent jump to over \$10 billion. This jump in investments was helped by India's

growing wind and solar sectors. If confirmed, please describe what you plan to do to connect this growing market demand with the technologies and private sector investment based in the United States, where we are a leading innovator and developer for many of these clean energy technologies. What would you do to help implement the Partnership to Advance Clean Energy, one of our largest bilateral relationships in this area?

Answer. In 2009 Prime Minister Singh and President Obama agreed to strengthen United States-India cooperation on energy and climate change through a number of bilateral and multilateral initiatives. One of these initiatives is the U.S.-India Partnership to Advance Clean Energy (PACE), which seeks to improve energy access and promote low-carbon growth through the research and deployment of clean energy technologies. PACE includes bilateral public-private projects that have advanced the goals under the CEO Forum.

If confirmed, I would continue to promote and encourage the sale of U.S. technology to India to meet India's ambitious targets for the deployment of renewable energy, energy efficiency, and other clean energy solutions in support of the National Export Initiative. Over the next 10 years, India is expected to be one of the largest sources of new solar capacity and other clean energy solutions. India will look to the United States to supply the most advanced solar technology in the world.

If confirmed, I would continue the Embassy's strong support of the Energy Cooperation Program, a public private partnership in PACE that leverages the U.S. private sector to promote commercially viable project development and deployment in clean energy and energy efficiency.

The United States also has the opportunity to shape India's clean energy market through financing and investment. If confirmed, I would fully support the efforts of the Overseas Private Investment Corporation, Export-Import Bank, and U.S. Trade and Development Agency to promote U.S. clean energy exports and ensure U.S. companies can play a significant role in developing India's clean energy market.

Largely due to clean energy contracts, India has become the largest loan portfolio for the Overseas Private Investment Corporation and will soon constitute the largest portfolio for the Export-Import Bank. If confirmed, I would continue to advocate for the sale of U.S. technology in clean and renewable energy and energy efficiency to keep India as the top destination for U.S. Government-supported sales. Finally, if confirmed, I would help bring to fruition the Joint Clean Energy Research and Development Center that will bring together industry and academic experts in the United States and India to mobilize \$100 million in funding for clean energy research to benefit both countries.

*Question.* What is the status of the TAPI pipeline, particularly with respect to securing Western multinational involvement in pipeline operation and the associated gas field development in Turkmenistan? What is the status of plans between Pakistan and India to jointly develop the Daulatabad gas field in Turkmenistan? What is the administration's position on these plans? Pakistan has reportedly proposed a uniform transit fee for the import of gas under the TAPI pipeline project, which it would receive from India and pay to Afghanistan. What is the administration's position on the pipeline transit fee? What are its economic implications?

Answer. Since the TAPI Intergovernmental Agreement was signed by the Presidents of Turkmenistan, Pakistan, and Afghanistan and the Minister of Petroleum and Natural Gas of India in December 2010, the parties have been negotiating gas sales and purchase agreements. We believe these agreements may be finalized in the next few months. All four TAPI parties welcome the participation of international oil companies (IOCs) in the project, although there are differing views on exactly what the role of the IOCs would be. There has been some erroneous reporting on development of the gas field that will feed TAPI. Although the Daulatabad field had initially been selected, the current plan is for the gas to come from the South Yolotan/Galkynysh gas field. Although we understand that both Pakistan and India would like to participate in development of the gas field feeding TAPI, we are not aware that any agreements have been reached. We believe the prospects for the TAPI project would be enhanced if an IOC, perhaps working together with Pakistani and Indian companies, were involved along with Turkmengaz, the Turkmen Government gas company, in developing the gas field that would feed the TAPI pipeline. We have advocated for American companies to play this role. The transit fee and other commercial issues are a matter for negotiation among the TAPI parties and the companies that ultimately compose the consortium that will build and operate the pipeline, so it would be premature for us to comment on the transit fee. If realized, the TAPI pipeline could help meet India's fast growing need for natural gas and also foster regional economic development.

*Question.* What steps is the administration taking to implement the New Silk Road initiative, consistent with the recommendations put forth by the Senate Foreign Relations Committee December 2011 report on “Central Asia and the Transition in Afghanistan”?

*Answer.* The report on “Central Asia and the Transition in Afghanistan” put forth by the Senate Foreign Relations Committee in December 2011 recommended that U.S. policy should “translate the New Silk Road (NSR) vision into a working strategy for the broader region beyond Afghanistan.”

In 2011, high-level engagement on the New Silk Road (NSR) vision supported this recommendation by achieving broad international consensus on the need to promote greater economic integration throughout Afghanistan, Central Asia, and South Asia. India has been particularly vocal in endorsing publicly this New Silk Road vision. In 2012, we plan to take additional concrete steps to operationalize the NSR concept, focusing on the expansion of energy, trade, and transit between South and Central Asia, with Afghanistan at its heart. We will also capitalize on people-to-people linkages that support the NSR vision, such as follow-on activities related to the 2011 Women’s Economic Symposium in Bishkek, promotion of regional commerce associations, and enhanced cooperation with multilateral organizations active in the region such as the Organization for Security and Cooperation in Europe and OECD.

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RESPONSES OF HON. NANCY J. POWELL TO QUESTIONS SUBMITTED BY  
SENATOR RICHARD G. LUGAR

*Question.* As a growing oil consumer, India plays an increasingly important role in global oil markets. However, since India is not in the OECD, they also are not formally party to oil crisis response mechanisms. In your view, should the United States advocate for full Indian membership in the International Energy Agency?

*Answer.* Noting India’s growing weight as a major energy consumer (No. 2 in the non-OECD world) and as part of a broader USG effort to integrate India into institutions of global governance and multilateral cooperation, we continue to encourage India’s growing cooperation with the International Energy Agency (IEA). At present, there are several prerequisites for IEA membership, such as OECD membership, adherence to shared IEA principles and a requirement of 90 days of strategic petroleum stocks (for emergency response). We have been working with India on energy security through the U.S.-India Energy Dialogue and other bilateral mechanisms and support India’s Enhanced Engagement program with the OECD, with a view toward eventual IEA membership for India. India should have a seat at the table with the world’s major consumers to coordinate on a possible collective response in the event of a major oil supply disruption, exchange views on key energy dynamics, and discuss energy security issues.

*Question.* The Indian economy offers tremendous opportunities for U.S. trade and investment in both conventional energy and clean energy technologies. Yet, numerous obstacles exist from pricing controls to local content requirements. Is the administration playing a role in spurring pricing reform in the oil and gas sector, which allow investors are reasonable return on investment? What is the administration doing to encourage the liberalization of the Indian power markets? Please describe local content requirements in renewable energy, and the administration’s position on those rules.

*Answer.* Energy and climate change cooperation is a strategic pillar under the U.S.-India Strategic Dialogue, and the Energy Dialogue is the main bilateral platform to advance our efforts to improve energy access, infrastructure development, regulatory frameworks, and energy security. During Prime Minister Singh’s November 2009 visit to Washington, he and President Obama announced a Memorandum of Understanding on clean energy, now known as the U.S.-India Partnership to Advance Clean Energy (PACE). PACE incorporates an ambitious energy agenda, focused on bilateral cooperation on energy security, climate change, clean energy research, shale gas, and private sector participation in India’s energy sector.

Department of Energy Deputy Secretary Poneman traveled to India in July 2011 for the most recent meeting of the Energy Dialogue, which included senior-level representatives from Indian Government ministries in the energy sector, including petroleum and natural gas, and new and renewable energy. Both sides noted the importance of appropriate policy and regulatory frameworks in improving energy policies and energy access. We have engaged with numerous Indian Government ministries, including the Ministry of Commerce and Industry and the Ministry of Renewable Energy on local content requirements both during policy development

and during policy implementation. U.S. companies, such as Azure Power Ltd. and First Solar, are active players in India's solar market. India has become the largest loan portfolio for the Overseas Private Investment Corporation and will soon become the largest portfolio for the Export-Import Bank, largely due to clean energy development financing. The Export-Import Bank has financed 75 million dollars' worth of solar power generating projects in India and is considering loans worth an additional \$500 million to support India's growing solar infrastructure. The U.S. Department of Commerce facilitated expanded trade and commercial partnerships in clean technology products through a November 2011 trade mission.

As India's solar industry matures, Indian regulators are revising their regulations for the industry. If confirmed, I would work with the Indian Government to ensure that India's regulations continue to allow access to products manufactured by U.S. companies so that India can enjoy the best technologies at the lowest prices.

*Question.* India has sought the support of the U.S. Government in securing a permanent seat on the United Nations Security Council. Can you give us an update on efforts between the U.S. and Indian Governments to promote greater cooperation on U.N. and multilateral measures generally?

*Answer.* India has partnered with the United States at the U.N. and other multilateral fora on several key issues, including its support in February 2012 for a (ultimately unsuccessful) Security Council resolution calling for an end to the current violence in Syria. Moreover, India has joined the United States four times in support of International Atomic Energy Agency Board of Governors votes on Iran's nuclear program and has been a strong proponent of a Fissile Material Cut-Off Treaty at the Conference for Disarmament. Given India's status as a current member of the U.N. Security Council, and its historic role as one of the leading providers of U.N. peacekeeping troops, we have welcomed the opportunity to increase our bilateral exchanges on these issues, including the Government of India's decision last March to resume the bilateral U.S.-India Peacekeeping Joint Working Group. India also participates with the United States in a wide range of East Asian multilateral forums, including the ASEAN Regional Forum and the East Asia summit, where Indian Prime Minister Singh met with President Obama last fall. Consistent with the administration's foreign policy "pivot" to Asia, we look forward to continuing to consult with India closely on issues affecting the Asia-Pacific region and the globe.

*Question.* The United States and India have pledged to work together to share knowledge and technology as part of an "Evergreen Revolution" to extend food security in India as well as to countries in Africa. This partnership includes plans to increase agricultural productivity, reduce trade barriers, and develop long-term sustainable economic development. Can you give us an update on these efforts and describe what further steps can be taken to achieve food security for the greatest number of people?

*Answer.* As one of our strategic partnership countries, India is actively engaged in our food security efforts, and is itself a driver of global solutions in food security. Through the Partnership for an Evergreen Revolution, the United States and India are working together to leverage expertise to enhance weather and climate forecasting for agriculture, improve food processing and farm-to-market links, and partner for global food security in Africa.

As a key regional player, India is an active partner in our efforts to make sustained and accountable commitments to fight against global hunger, address the longer term challenges of global food security, and build future markets. USAID is currently transforming its relationship in India to highlight Indian innovations which may have global applications. On his recent trip, USAID Administrator Raj Shah launched the Confederation of Indian Industries (CII)-Food and Agriculture Center of Excellence (FACE) event which aims to develop a partnership strategy for expanding rural business hubs to eastern India, and then to Africa. Developing the 30 hubs in eastern India and promoting the adoption of agrobusiness hubs for agriculture growth globally, including in Africa, will expand innovations in post-harvest technologies and establish greater food safety/security standards. If confirmed, I will support private sector partnerships such as the CII-FACE initiative, which will play a catalytic role in transferring innovations to improve food security in India and Africa. The U.S. Government and the Government of India are currently exploring opportunities to train African participants from Kenya, Liberia, and Malawi at Indian universities and research and technical institutes in mutually agreed capacity building programs. I believe Indian private sector and civil society hold great promise in advancing innovations and leveraging resources which can improve development outcomes.

*Question.* How can the United States play a constructive role in the India Pakistan dialogue? As Ambassador, what could you do to increase cooperation in the areas of security and intelligence sharing between the United States and India?

*Answer.* The United States has always welcomed dialogue and better relations between India and Pakistan. The pace, scope, and character of the dialogue are for Indian and Pakistani leaders to decide.

We applaud the dialogue between India and Pakistan on bilateral issues, including on expanding economic contacts. The latest rounds of dialogue have produced concrete steps to improve relations in ways that will directly benefit the Indian and Pakistani people, particularly on easing barriers to trade and commerce. It is our hope that this process of normalization in both directions, including the eventual extension of most-favored-nation status by Pakistan and the reduction of nontariff barriers by India, will lead to expanded economic opportunity and stability for both countries that also could serve as a much-needed catalyst for regional integration.

With respect to security cooperation with India, homeland security and counterterrorism cooperation are areas where our partnership with India now operates at unprecedented levels. If confirmed, I will continue to encourage a close, productive, and cooperative relationship with India in these areas that includes regular and frequent exchanges of information. We are committed to providing India full support in ongoing counterterrorism investigations, through continued exchanges between designated agencies and by bringing the perpetrators of the 2008 Mumbai terrorism attack to justice, which killed Americans along with citizens of many other countries. We remain deeply concerned about the potential of another terrorist attack—in India, the United States, and elsewhere in the world—and are working very closely with our Indian and Pakistani colleagues to prevent such an incident.

*Question.* What steps is the administration taking to pressure the Pakistan Government to bring those responsible for the November 2008 Mumbai terrorist attacks to justice? What further steps would you suggest be taken?

*Answer.* We continue to press Pakistan to bring those responsible for the 2008 Mumbai attacks—which claimed the lives of six Americans among the scores of innocent victims—to justice. Moreover, we have stressed to Pakistani authorities the dangers of Lashkar-e-Taiba (LeT) and the importance of efforts to disrupt the group's activities. We also remain concerned about the potential of another terrorist attack—in India, the United States, or elsewhere in the world—and are working closely with our Indian and Pakistani colleagues to prevent such an incident. We have a close, productive, and cooperative relationship with India on counterterrorism that includes regular and frequent exchanges of information. We are committed to providing full cooperation and support in ongoing counterterrorism investigations, through continued exchanges of information between designated agencies and by bringing the perpetrators of the 2008 Mumbai terror attack to justice. Homeland security and counterterrorism cooperation are areas where our partnership with India operates at unprecedented levels.

*Question.* The Indian Government has traditionally been slow to open its doors to foreign investment. How can we advance the ability of U.S. companies to invest in India? There are regulations now permitting foreign single brand retailers to operate in India. How can we further discussions with India to allow a broader range of retail industries to fully operate in India?

*Answer.* We encourage India to have an open and welcoming environment to foreign investment including investment from the United States. We are always looking for new ways to support U.S. businesses overseas and facilitate opportunities for investment that India needs to support its development goals, particularly in infrastructure. Though businesses interested in investing in India do face some challenges, we are encouraged by the Indian Government's intention to liberalize investment into some sectors, including retail. One mechanism we have to directly advance the ability for U.S. companies to do business or have a level playing field when they invest in India is continued negotiations on and completion of a bilateral investment treaty (BIT). A BIT would deepen our economic relationship with India and provide important protections to investors of each country. If confirmed, I will encourage India to continue making progress on economic liberalization, which supports jobs and growth in both our countries.

*Question.* We have had on-and-off negotiations with India on a bilateral investment treaty. How would completion of such a treaty advance the ability of U.S. companies and enterprises to invest in India?

*Answer.* We had very positive Bilateral Investment Treaty (BIT) technical discussions with our Ministry of Finance and Ministry of Commerce counterparts last

October, and are looking forward to the next round of discussions being scheduled for this spring. High-standard BITs like that which we hope to conclude with India can encourage investment by improving investment climates, promoting economic reforms, and strengthening the rule of law. Completion of the BIT could provide investors in India and the United States increased market access; protections that guard against discriminatory, arbitrary, or otherwise harmful treatment of investments; and legal remedies for breaches of the treaty. If confirmed, I will encourage continued, robust engagement to work together to conclude a BIT that will support our efforts to promote economic growth and job creation, and to advance our strategic engagement with India.

*Question.* In India there is a large community of exiled Tibetans, led by the Dalai Lama and the new democratically elected Kalon Tripa (whom the Tibetans refer to as their Prime Minister), which has been hosted by the Indian Government for many years and which receives some funding from the United States. Will you include this programmatic assistance in your oversight of U.S. programs in India, and will you meet with His Holiness Dalai Lama and the Kalon Tripa to discuss issues of mutual concern?

*Answer.* We appreciate the fact that India for many years has provided a welcome reception for refugees from Tibet. The State Department, through the Bureau of Population, Refugees, and Migration (PRM), oversees U.S. assistance to the Tibetan refugee population in India and Nepal. In India, support has centered around humanitarian assistance for Tibetan refugees in the area of new refugee arrivals, health, and education. PRM also funds two Tibetan Refugee Reception Centers in New Delhi, and Dharamsala, as well as a transit center in Kathmandu, through regular contributions to the Tibet Fund (\$2.3 million in FY11). The USG is in the process of increasing support for Tibetan settlements in India and Nepal through a USAID-funded grant to support organic agriculture and livelihood development. The U.S. mission to India supports the Tibetan Scholarship Program through a congressionally mandated grant to the Tibet Fund. Mission India has been and will remain involved in supporting this assistance.

Like previous Ambassadors to India, if confirmed, I plan to continue the tradition of engagement on Tibetan refugee issues, including meeting with His Holiness, the Dalai Lama, as an internationally recognized religious leader and Nobel Laureate, and recipient of the Congressional Gold Medal.

*Question.* What high-level exchanges have occurred between our governments regarding the status of liability protections for U.S. nuclear exporters to India? What further steps would you suggest to encourage greater cooperation on this issue? And more broadly, what is current state of our energy dialogue with New Delhi?

*Answer.* Completing our civil nuclear cooperation partnership is central to both our nations' long-term prosperity and India's future energy security. Senior executive branch officials from State, Energy, Commerce, and the White House have raised our concerns with their counterparts in the Indian Government over the past year. Prime Minister Singh agreed last November to host a delegation of U.S. officials and private companies to discuss our concerns and to find a way ahead "within the four corners" of Indian law. We heard clearly in this first meeting India's commitment to ensuring a level playing field for U.S. companies, which was reiterated during Foreign Secretary Mathai's early-February visit to Washington. Our companies are interested in continuing our discussions on liability as well as in making tangible progress on commercial arrangements this year. If confirmed, I will continue our engagement at all levels on this matter—political, legal, and commercial—and believe we will make measurable progress this year.

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RESPONSES OF HON. NANCY J. POWELL TO QUESTIONS SUBMITTED BY  
SENATOR ROBERT P. CASEY, JR.

*Question.* Although international conventions place liability for nuclear accidents solely with the operators of nuclear reactors, current Indian law would also make suppliers potentially liable. American companies like Westinghouse that wish to provide peaceful nuclear technology to India could be held at unreasonable liability levels, and maintain that they can not bid on Indian nuclear contracts until the liability law is changed. Meanwhile, French and Russian companies, which might not have the same reservations with respect to the liability law, are aggressively pursuing this market.

- Based on the United States assessment of the Indian political situation, how possible is a change in Indian liability law?

- As Ambassador, what specific steps will you take to ensure that U.S. companies are able to compete for this critical market?

Answer. Completing our civil nuclear cooperation partnership is central to both our nations' long-term prosperity and India's future energy security. Senior executive branch officials from State, Energy, Commerce, and the White House have raised our concerns with their counterparts in the Indian Government over the past year. Prime Minister Singh agreed last November to host a delegation of U.S. officials and private companies to discuss our civil nuclear cooperation and to find a way ahead "within the four corners" of Indian law. We heard clearly in the first meeting of this group India's commitment to ensuring a level playing field for U.S. companies. Indian Foreign Secretary Mathai reiterated this during his early-February visit to Washington, declaring at Center for Strategic and International Studies, that American firms will be provided a level playing field, and the Indian Government is prepared to address specific concerns within the framework of the law. We have remained engaged and must now take practical steps to advance our cooperation with Foreign Secretary Mathai. Our companies are interested in continuing our discussions on liability as well as in making tangible progress on commercial arrangements this year. If confirmed, I will continue our engagement at all levels on this matter—political, legal, and commercial.

*Question.* Despite mounting international support for isolating the Iranian regime, India continues to not cooperate fully in sanctioning Iran. While it has taken steps to diminish its financial and energy ties with Iran, it continues to do a limited amount of business with the country.

- What is the United States doing to translate India's stated opposition to a nuclear-armed Iran into concrete action aimed at preventing the regime's acquisition of a nuclear weapon?
- As Ambassador, how will you work to increase India's commitment to isolating the Iranian regime? What specific steps will you encourage India to undertake in the near term to demonstrate this commitment?

Answer. India is very cognizant of the significant regional implications that would result from Iran acquiring a nuclear weapon, and Prime Minister Singh has stated on multiple occasions that an Iranian nuclear weapons program would be unacceptable to India. Moreover, India has voted four times with the United States in the International Atomic Energy Agency (IAEA) Board of Governors on Iran's nuclear program and consistently has called on Iran to fulfill its international obligations as a nonnuclear weapon state under the Nuclear Non-Proliferation Treaty and comply with EU and UNSC resolutions. If confirmed, I will work closely with my counterparts in India to ensure that our governments continue to send a strong message to Iran that its behavior is unacceptable and carries serious consequences. Already, Indian companies have, to the best of our knowledge, ceased activities such as selling refined petroleum products to Iran. However, Iranian oil continues to represent a significant—though steadily declining—share of Indian oil imports. If confirmed, I want to work closely with Indian officials to identify and encourage alternative sources of imported oil that also will help to ensure India's energy security for the future.

*Question.* Despite the high demand for physicians in many areas of the United States, Indian physicians have encountered difficulty in obtaining their J-1 visas to enter the United States. Hospitals in underserved areas of Pennsylvania have benefited greatly from their experience with visiting Indian physicians, but undue delays in issuing visas have prevented some physicians from entering the country.

- What steps is the United States taking to improve the efficiency of the J-1 visa process for foreign physicians, particularly those with agreements to work in Medically Underserved Areas?
- As Ambassador, how will you work to ensure that Indian physicians with the required licenses and certificates are able to obtain visas and enter the United States in a timely manner?

Answer. Upon completion of a J-1 medical residency program sponsored by Educational Commission for Foreign Medical Graduates, many physician applicants who wish to adjust to an H-1B status in order to work in a U.S. hospital must obtain a waiver of the 2-year residency requirement required by INA 212(e). Once an applicant completes the J-1 waiver application adjudication process with the Waiver Review Division, it forwards any favorable recommendations to U.S. Citizenship and Immigration Services (USCIS), which has the authority to grant waivers. The Department is committed to completing these decisions within 4 to 6 weeks, so that applicants can receive a timely decision from USCIS.

Currently, Consular Team India works diligently to facilitate all legitimate travel to the United States. We have not experienced any significant delays in issuing J-1 visas to Indian physicians with the appropriate licenses, certificates, and documents. We anticipate strong future growth in visa demand in India and will continue to focus on leveraging our resources and expertise to maintain our short appointment wait times, currently less than 10 days across the country, and efficient handling, with 97 percent of cases processed by the next business day. Although we recommend that everyone apply early, any visa applicant who urgently needs to travel can request an expedited visa appointment.



**NOMINATIONS OF FREDERICK D. BARTON,  
WILLIAM E. TODD, AND SARA MARGLIT AVIEL**

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**TUESDAY, MARCH 13, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Frederick D. Barton, of Maine, to be an Assistant Secretary of State (Conflict and Stabilization Operations) and to be Coordinator for Reconstruction and Stabilization  
Hon. William E. Todd, of Virginia, to be Ambassador to the Kingdom of Cambodia  
Sara Margalit Aviel, of California, to be United States Alternate Executive Director of the International Bank for Reconstruction and Development

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The committee met, pursuant to notice, at 10:05 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Tom Udall presiding.

Present: Senators Udall and Corker.

**OPENING STATEMENT OF HON. TOM UDALL,  
U.S. SENATOR FROM NEW MEXICO**

Senator UDALL. The Senate Foreign Relations Committee will now come to order.

Let me welcome our nominees who are here this morning: the Honorable Frederick D. Barton, of Maine, to be Assistant Secretary of State for Conflict and Stabilization Operations and also the Coordinator for Reconstruction and Stabilization; the Honorable William E. Todd, of Virginia, to be Ambassador to the Kingdom of Cambodia; and Ms. Sara Aviel, of California, to be the United States Alternate Executive Director of the International Bank for Reconstruction and Development.

We meet this morning to consider these three nominations, which are important to achieving the smart power goals of the United States—Ambassador Frederick Barton to be Assistant Secretary of Conflict and Stabilization, as I have said, and the Honorable William Todd and Mrs. Sara Aviel. All of these nominees play a crucial role in promoting the smart power of the United States.

In 2009, Joseph S. Nye Jr., a Harvard professor, former Assistant Secretary of Defense for International Security and a former chair of the National Intelligence Council, wrote a piece in *Foreign Affairs* titled, “Get Smart: Combining Hard and Soft Power.” In

this piece, he began with a statement by Secretary of State Hillary Clinton, who, at her confirmation hearing, stated: “America cannot solve the most pressing problems on our own, and the world cannot solve them without America. We must use what has been called smart power, the full range of tools at our disposal.”

Joseph Nye Jr. would conclude in his piece that, “The United States can become a smart power by once again investing in global public goods, providing things that people and governments in all quarters of the world want but cannot attain on their own. Achieving economic development, securing public health, coping with climate change, and maintaining an open, stable international economic system all require leadership from the United States.

“By complementing its military and economic might with greater investments in its soft power, the United States can rebuild the framework it needs to tackle tough global challenges. That would be true smart power.” And he ended there.

The three nominees we are considering today will all serve, if confirmed, at the front lines of smart power for the United States. Since the earliest days of our republic, our Ambassadors have served at the tip of the spear of our diplomatic mission, using smart power when it was simply known as diplomacy.

Our Ambassador to Cambodia will continue the long legacy of past Ambassadors to the region. The formation of the International Bank for Reconstruction and Development was one of the early tools the United States employed immediately after World War II to help promote stability and development across the globe.

The International Bank for Reconstruction and Development has been responsible for fostering economic development and stability in developing countries, improving lives, and working to prevent conflict through economic development before it occurs. The Alternate Executive Director of the International Bank for Reconstruction and Development plays a key role in tackling the World Bank’s development goals.

And today, we will also consider the nominee to fill a new position, the Assistant Secretary of State for Conflict Stabilization Operations and Coordinator for Reconstruction and Stabilization. These new positions present many opportunities to improve coordination between agencies from within the State Department to respond to conflicts and prevent them from occurring.

So we welcome our nominees today, and as I am going to—if Senator Corker wants to make any opening, or we can go directly to your statements. Feel free to introduce family members that are here and any description you have of them. I know some of you have some family members that have some history either with the Department or service overseas. And we very much appreciate the sacrifice we know that the entire family makes in these kinds of positions.

And with that, Senator Corker, if you want to say a few words, welcoming, and then we will proceed to the witnesses.

**STATEMENT OF HON. BOB CORKER,  
U.S. SENATOR FROM TENNESSEE**

Senator CORKER. Thank you, Mr. Chairman.

The chairman knows I don't make a lot of opening statements. But we welcome each of you and certainly your families. Sometimes the families can have greater impact than the nominees. But we thank you all.

I know that Ms. Aviel has been in our office several times since last fall. I may not stay for a lot of questioning after your original testimony, but we will follow up with other questions.

But we thank all of you for your willingness to serve in this way and coming before us today, and I look forward to your statements.

Senator UDALL. Thank you.

And please, your full statement will be in the record. So we're asking you to just address the committee for 5 minutes at this point. And why don't we start with Mr. Barton?

**STATEMENT OF HON. FREDERICK D. BARTON, OF MAINE, TO BE AN ASSISTANT SECRETARY OF STATE, CONFLICT AND STABILIZATION OPERATIONS, AND TO BE COORDINATOR FOR RECONSTRUCTION AND STABILIZATION**

Ambassador BARTON. Great. Thank you very much, Senator Udall. Thank you, Senator Corker. It is great to be here today.

I would also like to give a special thanks to your colleagues, Senator Kerry and Senator Lugar, for their path-breaking work in this conflict and crisis space. They have been pushing for us to do what we are trying to do right now for a number of years, and happy to have this opportunity, if confirmed.

I would also like to thank the SFRC staff. They have been working this issue for as long as I have been around, and would to say that since my father was on this staff many, many years ago, it is great to be back in this place. I think he might be making it here, but he is 91, and sometimes he will move at his own pace, I find. But he is an old friend of Bertie's and others. And so, it really does feel good to be back here.

My deepest thanks to President Obama and Secretary Clinton for giving me this opportunity and, obviously, to Ambassador Rice for having called upon me to serve in New York.

Mine is a lifelong commitment to public service, and the advancement of peaceful democratic change is what I have been trying to do for the last 18 years. Obviously, much of that foundation is built on the service of my parents, and it has been reinforced by my wife, Kit Lunney, who is here, and our daughter, Kacy, who is serving the public in her own way as well.

So it is great to have everybody here today. I have heard "break a leg" more often in the last 24 hours than I have probably in the rest of my life, so.

Senators, you have my written testimony. So what I would like to do is just bring together three of the elements of the testimony.

First, today's conflicts and crises present fresh challenges. Whether it is popular revolts, economic collapses, threats without borders, or hyperemergencies where a combination of factors come together, we are being challenged in a very different way. The United States will continue to play a pivotal, if not a dominant role, and we must be more ready.

To be more effective, we have to especially expand in the area of local ownership. And CSO can help by making sure that the U.S.

Government model is built off of an analysis that is driven by local voices. Second, that has to lead into an integrated strategy with really clear priorities, two or three priorities. And then the resources that the U.S. Government has have to be driven at those particular elements.

We can't be all over the place. We have to answer the question "What is most needed?" rather than "What can the United States do?"

And third, I believe that CSO's success in the coming year is going to be determined by two key elements. Whether we will have a real impact in two to three places of significance to the United States, and will we be able to build a trusted and respected team?

If confirmed, that will be my intent, and I will make sure that our relationship with the Congress is open and responsive in every way.

Thank you again for this honor.

[The prepared statement of Ambassador Barton follows:]

PREPARED STATEMENT OF FREDERICK D. BARTON

Chairman Udall, Senator Corker, and members of the committee, it is an honor to appear before you today. Thank you for your support in creating the Bureau of Conflict and Stabilization Operations (CSO), and to President Obama and Secretary of State Clinton for giving me this opportunity. Public service is a family commitment, and I am grateful to my wife, Kit Lunney; our daughter, Kacy; my late mother, Nancy; and my father, Bob, who served this committee at the end of his career, for their encouragement.

The State Department's Quadrennial Diplomacy and Development Review (QDDR) concluded that "we must be faster, more innovative, and more effective than [the] forces of instability and we must be flexible enough to adapt to rapid changes that occur in conflict." To strengthen our coherence and cohesion in preventing and responding to conflict and crisis, Secretary Clinton established CSO.

Its mission is to prevent countries' descent into crisis and speed their emergence from conflict, thereby contributing to a more peaceful, just world. If we succeed, our investments will save the lives of both local civilians and Americans. Our work will also save money by avoiding expensive military interventions, and help produce resilient societies that contribute to the global economy.

CSO will build on the valuable conflict-related work of its predecessor, the Office of the Coordinator for Reconstruction and Stabilization (S/CRS), and other parts of the U.S. Government. This work has ranged from helping to facilitate South Sudan's referendum on independence to supporting efforts to stamp out the Lord's Resistance Army, from working to allay ethnic violence in the Kyrgyz Republic to helping the Transitional National Council take charge in Libya. CSO is now looking at engagements on Kenya, Burma, Syria, and northern Central America.

In its engagements, the Bureau first asks: "What is most needed?" And then: "What can the U.S. do?" Too often in conflict we begin by deploying costly tools regardless of whether they are right for the situation. Critically, solutions must be driven by local dynamics and actors. As Secretary Clinton has said, our job is to "work to make sure a government's first obligation is to its own people."

CSO will improve our effectiveness by driving a rigorous four-step engagement process. We must start with an inclusive, joint, independent analysis, driven by local voices and avoiding predetermined answers. Second, that analysis should lead to a strategy that identifies a few main priorities. Third, resources—funding and personnel—should be directed to address these priorities, consistent with U.S. interests and capacity. And finally, the process must include ongoing, transparent measurement, evaluation, and adaptation. That includes applying lessons that we have learned in places like Afghanistan and Iraq.

We must partner with those who will make us most effective, building inclusive teams from the start, making timely decisions, and ensuring we are all moving in the same direction. CSO works with its sister bureaus in the Undersecretariat for Civilian Security, Democracy, and Human Rights, and depends on close partnerships with USAID, the Department of Defense, and others. It goes without saying that CSO must act as an accessible and responsive partner with Congress.

As I met with more than 200 stakeholders in the Department, on the Hill, and elsewhere, I learned that CSO faces real pressure to prove itself. If confirmed, I will focus on three goals for the next year: Bring high-impact engagements to a few strategic places where targeted prevention and response can be most effective; add innovation and agility to the approaches we use; and build a respected team and trusted partnerships.

CSO is already expanding its ability to deploy while shrinking its overhead, simplifying its structure, consolidating offices, targeting efforts on key countries, and building a stronger leadership cadre in the Civilian Response Corps. The Corps is becoming more flexible and conflict-focused.

In the last 10 years, we have learned the hard lesson that conflict in even the most remote state can have a serious impact on our national security. In over 17 years of work in more than 30 of the world's most unstable places, I have seen that nothing is more wasteful to human potential than violent conflict. If confirmed, I will bring to the job my personal dedication to help the United States expand the course of peaceful, democratic progress for people around the world and ensure our security here at home. Many lives—within and beyond our borders—depend on a more timely, efficient, and organized response.

Thank you and I look forward to your questions.

Senator UDALL. Mr. Todd, please proceed.

**STATEMENT OF HON. WILLIAM E. TODD, OF VIRGINIA, TO BE  
AMBASSADOR TO THE KINGDOM OF CAMBODIA**

Ambassador TODD. Thank you, Mr. Chairman. Thank you, Senator Corker.

Before I get started, I would like to introduce my wife, Ann. She has been the inspiration throughout this entire process. She is probably happier about this day than I am, getting it over.

I would also like to introduce the heroes in my life, my parents, Jack and Marie Todd. My dad was a combat helicopter pilot. He served two tours in Vietnam, won the Silver Star. And my mother was a career Federal employee. And they basically gave me the commitment to Federal service. So, thank you.

Senator UDALL. Great to have you here.

Ambassador TODD. I will also try to be brief, but it will be a little longer than my colleague.

Mr. Chairman and members of the committee, I am deeply honored to come before you today as President Obama's nominee to be the next American Ambassador to the Kingdom of Cambodia. I want to thank President Obama and Secretary Clinton for their confidence in nominating me for this position.

Mr. Chairman, thank you for the kind words on my background. For the sake of time, I will just highlight my last two assignments.

As you mentioned, in 2008, I was confirmed as U.S. Ambassador to Brunei, where I proudly promoted democracy, human rights, and religious freedom and worked with Brunei to become a more active player in APEC, ASEAN, and as a contributor to regional security. I am excited by the opportunity to give back to the region, if confirmed.

In 2011, I finished a 1-year tour in Afghanistan as Coordinator of Development and Economic Affairs. In that capacity, I was responsible for overseeing a \$4 billion development program, managing over 600 Americans, and running the mission's regional and provincial civilian operations. It was the most challenging, but rewarding job I have had in my career, and I would happily do it again if asked.

Mr. Chairman, I believe these past assignments, as well as the variety of other positions I have held in the Federal Government over the past 25 years, provide me with the skill set that will effectively advance our interests in Cambodia.

Cambodia's modern history is one marked by tragedy, conflict, and survival. Today, however, we see a Cambodia that is refusing to let its past dictate its future and is looking to that future with a new sense of confidence and optimism.

Cambodia's economy is one of the fastest-growing economies in Asia. That growth has created thousands of new jobs. The Khmer Rouge tribunal secured its first conviction in 2010, and the trial of case No. 2 is underway, bringing to justice the people who caused so much pain and suffering.

The HIV infection rate has been reduced by two-thirds.

Death and injuries caused by unexploded ordnances have been reduced by almost 75 percent, and roads that were once impassable have been demined and rebuilt. And Cambodia has been a model partner in our efforts to achieve the fullest possible accounting of American servicemen missing from the Indochina war.

These successes have been transformative, but much work remains, particularly in the areas of rule of law, democratic institutions, human rights, combating human trafficking, and corruption. Mr. Chairman, if confirmed, I assure you that I will continue to take each of these issues head on and will take the lead in advancing the causes of freedom, democracy, rule of law, and respect for human dignity.

Mr. Chairman, I would also like to highlight two additional issues that I will focus my efforts on, if confirmed. First, as you know, Cambodia is the ASEAN chair this year. As the United States pivots toward the Asia-Pacific and deepens its engagement, we will look to ASEAN to play a crucial role in maintaining and promoting regional peace and security, coordinating humanitarian assistance and disaster relief, and fulfilling the region's promise for democracy, respect for human rights. I see the chairmanship as an opportunity for the United States to partner with Cambodia, helping where we can and addressing together challenges when they arise.

Second is the Lower Mekong Initiative, which is designed to increase cooperation within the subregion for those who live, work, rely on the Mekong. I believe that as ASEAN chair, Cambodia can help push this initiative forward by promoting cooperation on the environment, education, health, and infrastructure in order to make the region more peaceful, prosperous, and secure.

In closing, Mr. Chairman and members of the committee, if confirmed, I will dedicate all of my energy and experience to advance United States foreign policy objectives in Cambodia and to strengthen the relationship between our two great countries. I look forward to working with you, this committee, and any interested Members of Congress to advance our shared interests in Cambodia.

I would be happy to answer any of your questions. Thank you.  
[The prepared statement of Ambassador Todd follows:]

## PREPARED STATEMENT OF WILLIAM E. TODD

Mr. Chairman, members of the subcommittee, I am deeply honored to appear before you today as President Obama's nominee to be the Ambassador of the United States to the Kingdom of Cambodia. I want to thank President Obama and Secretary Clinton for the confidence they have shown in me by nominating me for this position. If confirmed, I will work closely with this committee and other interested Members of Congress to advance U.S. interests in Cambodia.

Cambodia's history is marked by tragedy, conflict, and survival. Today, however, we see a modern Cambodia that refuses to let its past dictate its future. Although Cambodia is still recovering from three decades of strife and war, including the atrocities of the Khmer Rouge era, there are a number of good reasons that Cambodia is imbued with a new sense of confidence and optimism. Cambodia boasts one of the fastest growing economies in Asia over the past decade, and it is reforming and attempting to improve its business and foreign investment climate. The Khmer Rouge Tribunal, which the United States has supported since its inception in 2006, secured its first conviction in 2010 and the trial of the surviving leaders of the Khmer Rouge is underway. These trials are important for accountability and national healing. Cambodia has also started to combat human trafficking, and its cooperation with the international community to combat terrorism is to be commended. Local and national elections in 2012 and 2013, respectively, offer an opportunity for Cambodia to renew its commitment to multiparty democracy. In these ways, the Cambodian people are seeking justice to close the darkest chapter of their recent history and build a new era of greater prosperity and more capable government and democratic institutions—and for that I believe they deserve our support.

Nevertheless, despite the many significant accomplishments of the past 20 years, Cambodia's development remains a work in progress. Notwithstanding its strong record of economic growth, Cambodia is among the poorest countries in the world. Weak rule of law inhibits progress and threatens the promise of inclusive development. In addition, every year, hundreds of men, women, and children are killed or maimed by unexploded ordnance left behind as remnants of war. Food security and adapting to global climate change represent emerging challenges for the country. Most significantly, Cambodia's democratic transition is still unfolding. Although civil society and public media have made important gains in achieving political space and greater freedoms, much work still needs to be done to strengthen Cambodia's rule of law, democratic institutions, and respect for human rights.

U.S. engagement in Cambodia has made—and can continue to make—a real and lasting difference. Since the United States reestablished relations with Cambodia in 1993, we have served as a buttress of support for democratic development and the protection of human rights. Cambodia's civil society now flourishes due to the strength and dedication of Cambodians willing to take action to accomplish extraordinary things. The United States is proud to stand by them and provide our support. If confirmed, I will ensure that we continue to take the lead in advancing the causes of freedom, democratic governance, the rule of law, and respect for human dignity.

In addition to encouraging a more democratic Cambodia, our bilateral engagement is fostering change in other ways as well. Our military-to-military ties assist the Cambodian Armed Forces in their own efforts to professionalize, adhere to international human rights norms, and contribute to regional and global peace and stability. U.S. economic engagement helps open doors to increased U.S. investment and trade—something I believe will be a positive driver of change and development in Cambodia. Finally, the United States has been intimately involved in improving the health and livelihoods of Cambodians. If confirmed, I will work tirelessly to deepen our relationship with Cambodia in order to achieve greater progress on these and many other bilateral objectives.

U.S. engagement with Cambodia is increasingly focused on regional objectives. Like the rest of Asia, Cambodia has welcomed an increased U.S. commitment to the region and seeks to strengthen its ties to the United States in order to secure its own future. Over the course of this year, Cambodia is serving as Chair of the Association of Southeast Asian Nations (ASEAN), an important collective that has a population of half a billion people and is already the United States fourth-largest trading partner. The United States has made clear that as we deepen our engagement with the Asia-Pacific region, we will look to ASEAN as a valued partner in maintaining and promoting regional peace and security, committing to intraregional coordination on disasters and humanitarian crises, fulfilling the region's promise for democracy and respect for human rights, and creating economic opportunities for U.S. business in order to increase exports and create jobs here in the United States. As ASEAN Chair, Cambodia can demonstrate regional leadership on these and

other critical issues in the ASEAN Regional Forum and East Asia summit. In addition, the Secretary of State's Lower Mekong Initiative is fostering cooperation and building capacity on the "connective tissue" of the subregion—especially education, public health, and the environment. We welcome Cambodia's partnership in this multicountry initiative and its efforts to make the region more prosperous, secure, and peaceful.

Mr. Chairman, I believe the broad range of experience I have gained during my 28-year career in public service will assist me in further advancing our goals with the Kingdom of Cambodia. I have been in the Senior Executive Service for over 14 years and have had the privilege of managing a number of the Department's most important and complex programs. Recently, I finished a 1-year assignment in Afghanistan, where I was Coordinator of Development and Economic Affairs. I was responsible for overseeing a \$4 billion development program, managing 600 Americans, and running the mission's regional and provincial civilian operations. It was the most challenging and rewarding job I have had in my career and I would happily do it again if asked.

From 2008 to 2010, I served as the U.S. Ambassador to Brunei, where I proudly promoted democracy, human rights, and religious freedom initiatives. As Ambassador, I worked closely with Brunei to help it play a more active role in the Asia-Pacific Economic Cooperation forum, in ASEAN, and as a contributor to regional security.

Prior to serving in Brunei, I held several senior positions in the State Department, including Acting Inspector General. In the Bureau of International Narcotics and Law Enforcement, I directed global operations and spearheaded anticrime, counternarcotics, and antiterrorism programs, as well as initiatives to strengthen rule-of-law capabilities and institutions all over the world, including Southeast Asia. During the mid-1990s, I helped develop and implement the Big and Emerging Market Strategy for the U.S. and Foreign Commercial Service, which expanded U.S. exports to countries like China, and opened U.S. Commercial Centers overseas, including three in Asia.

Mr. Chairman, if confirmed, I will dedicate all of my energy and experience to advance U.S. foreign policy objectives in Cambodia and strengthen the relationship between our two countries.

Thank you for giving me this opportunity to appear before you. I would be happy to answer any questions you may have.

Senator UDALL. Thank you.  
And Ms. Aviel, please.

**STATEMENT OF SARA MARGALIT AVIEL, OF CALIFORNIA, TO  
BE UNITED STATES ALTERNATE EXECUTIVE DIRECTOR OF  
THE INTERNATIONAL BANK FOR RECONSTRUCTION AND  
DEVELOPMENT**

Ms. AVIEL. Chairman Udall, Ranking Member Corker, thank you for the opportunity to appear before you today.

It is an honor to have been nominated by the President to serve as the Alternate Executive Director at the World Bank. I am extremely grateful to Secretary Geithner, Under Secretary Brainard, and U.S. Executive Director Ian Solomon for their support.

I also want to thank you and your staffs for taking the time to meet with me. If confirmed, I look forward to advancing our shared commitment of making the World Bank a more effective and accountable organization.

I was blessed to grow up with parents who ingrained in me a deep respect for other cultures and traditions. For my mother, who is here with me today, as a professor of international relations, this was her life's work. And for me, that meant trips that often included meetings with government and civil society officials and lessons about local history and politics.

At the same time, my parents instilled in me a deep appreciation for my country and the tremendous opportunities, privileges, and responsibilities that come with being an American.

For my father, it was particularly personal. As a Holocaust survivor, his childhood was one of horrific deprivation and suffering that is hard for me to even imagine. So when he told me that just by being born in this country was like winning the lottery, I believed him.

So to now come before you with the opportunity to represent this great country at the World Bank, an institution formed in the wake of that dreadful war, is a particular honor for me.

American leaders helped create the World Bank in the recognition that a multilateral institution would advance our smart power. In a time of high unemployment and tight fiscal constraints at home, the importance of the World Bank may not always be readily apparent.

Yet my experience in the administration, both in my current role as Director of International Economic Affairs at the National Security Council and National Economic Council and previously as a senior adviser to Secretary Geithner, has reaffirmed the belief that support of the World Bank is a moral, strategic, and economic imperative for our country and that U.S. leadership at the institution is essential.

The World Bank has played a central role in promoting open economies that become growing export markets for American companies. During the global financial crisis, the World Bank acted quickly, dramatically increasing lending to help protect the poorest from the worst impacts of the crisis and to restore liquidity for world trade flows.

As we grapple with how best to support transitions in places where we have important interests at stake, like Afghanistan and the Middle East, we find ourselves turning again and again to institutions like the World Bank. Strong American leadership is essential. I have seen firsthand how often we are the driving force for action.

Before joining the administration, my career was focused on international development. From war widows in Afghanistan to AIDS orphans in Zambia, I have worked with the world's most vulnerable people and experienced the successes and challenges of development firsthand.

As President Obama has said, broad-based economic growth is the most powerful force the world has ever known for eradicating poverty and creating opportunity. That understanding led me to make leveraging the private sector a focus of my work. Prior to joining the Treasury Department, I served on the leadership team of a social investment fund that provided financing to small and medium enterprises in developing countries.

Another theme that cuts across much of my experience is the need to demonstrate impact and improve effectiveness through rigorous evaluations of projects and sharing of best practices. As a lecturer at Yale University, I brought these experiences into the classroom as I taught my students to look beyond the latest development trends to the enormous complexity of implementation in challenging environments.

If confirmed, I will work diligently to advance U.S. objectives at the World Bank by serving as a careful steward of U.S. taxpayer

resources and promoting greater accountability, transparency, and effectiveness.

I have learned invaluable lessons from being a part of international diplomacy and policy at the highest levels of the U.S. Government. And those lessons, combined with the hard-earned experiences of working in some of the most complex settings, will make me an effective representative and advocate for U.S. interests at the World Bank.

If confirmed, I look forward to working closely with the members of this committee and your staff. I have seen firsthand how congressional involvement can provide leverage to U.S. negotiators, and I will seek ways to partner together on behalf of the American people.

Thank you for your consideration, and I look forward to any questions you might have.

[The prepared statement of Ms. Aviel follows:]

PREPARED STATEMENT OF SARA MARGALIT AVIEL

Chairman Udall, Ranking Member Corker, members of the committee, thank you for the opportunity to appear before you today.

It is an honor to have been nominated by the President to serve as the Alternate Executive Director at the World Bank. I am extremely grateful to Secretary Geithner, Under Secretary Brainard, and the U.S. Executive Director, Ian Solomon, for their support.

I also want to thank you and your staffs for taking the time to meet with me. If confirmed, I look forward to advancing our shared commitment of making the World Bank a more effective and accountable organization.

I was blessed to grow up with parents who ingrained in me a deep respect for other cultures and traditions. For my mother, as a professor of international relations, this was her life's work. And for me, that meant trips that often included meetings with government and civil society officials and lessons about local history and politics.

At the same time, my parents instilled in me a deep appreciation for my country and the tremendous privileges, opportunities, and responsibilities that come with being an American. For my father it was particularly personal. As a Holocaust survivor, his childhood was one of horrific deprivation and suffering that is hard for me to even imagine. So when he told me that just by being born in this country was like winning the lottery, I believed him.

So, to now come before you with the opportunity to represent this great country at the World Bank—an institution formed in the wake of that dreadful war—is a particular honor for me.

American leaders helped create the World Bank in the recognition that a multilateral institution focused on reconstruction and development would advance our strategic and economic interests and moral values. In a time of high unemployment and tight fiscal constraints at home, the importance of the World Bank may not always be readily apparent.

Yet my experience in the administration—both in my current role as a Director of International Economic Affairs at the National Security Council and the National Economic Council, and previously as a Senior Advisor to Secretary Geithner—has reaffirmed the belief that support of the World Bank is a moral, strategic, and economic imperative for our country and that U.S. leadership at the institution is essential.

The World Bank has played a central role in promoting open economies that become growing export markets for American companies. During the global financial crisis, the World Bank acted quickly, dramatically increasing lending to help protect the poorest from the worst impacts of the crisis and to restore liquidity for world trade flows.

As we grapple with how best to support transitions in places where we have important interests at stake like Afghanistan and the Middle East and North Africa, we find ourselves turning again and again to institutions like the World Bank.

Strong American leadership is essential. I have seen firsthand how often we are the driving force for action, forging consensus in the midst of seemingly intractable international disputes.

Before joining the administration, my career was focused on international development. From war widows in Afghanistan to AIDS orphans in Zambia, I have worked with the world's most vulnerable people and experienced the successes and challenges of development firsthand.

As President Obama has said, broad-based economic growth is the most powerful force the world has ever known for eradicating poverty and creating opportunity. That understanding led me to make leveraging the private sector a focus of my work. Prior to working at the Treasury Department, I served on the leadership team of a social investment fund that provided financing to small and medium enterprises in developing countries.

One theme that cuts across much of my experience is the need to demonstrate impact and improve effectiveness through rigorous evaluations of projects and sharing of best practices. As a lecturer at Yale University, I brought these experiences into the classroom as I taught my students to look beyond the latest development trends to the enormous complexity of implementation in challenging environments.

If confirmed, I will work diligently to advance U.S. objectives at the World Bank by serving as a careful steward of U.S. taxpayer resources and promoting greater accountability, transparency, and effectiveness.

I have learned invaluable lessons from being a part of international diplomacy and policy at the highest levels of the U.S. Government. Those lessons, combined with the hard-earned experiences working in some of the most complex settings, will make me an effective representative and advocate for U.S. interests at the World Bank.

If confirmed, I look forward to working closely with the members of this committee and your staff. I have seen firsthand how congressional involvement can provide leverage to U.S. negotiators and I will seek ways to partner together to advance our shared goals on behalf of the American people.

Senator UDALL. Thank you for your testimony, all of you.

And Ambassador Barton, as—oh, OK. Here, Ambassador Barton, is this your father who has just arrived here? Please, OK.

Yes, I believe Ambassador Barton's father used to work for the committee and knows the gentleman here that helps us every day keep the committee rolling along.

Thank you. Great to have you here today. Great to have you here.

I am just about ready to start firing a question at your son. So you arrived right in time. [Laughter.]

Senator UDALL. Arrived right in time.

Ambassador Barton, what role, if any, do you foresee for the CSO Bureau in complementing the work of the recently created Office of the Special Coordinator for Middle East Transitions, and how can USAID workers effectively assist countries in transition, given the enormous political, economic, and security challenges Arab States are currently facing?

In what fields could the U.S. Conflict and Stabilization Operations make the most difference, and would Arab States even accept this kind of aid?

Please.

Ambassador BARTON. Well, first off, in my various meetings that I have been going around and having, Bill Taylor was one of the first people that I met with. And he is one of those people that I feel if we can't work with him, we have no future in the State Department. He is just a first-rate public servant, and he is focused mostly on North Africa right now, and we are definitely working with him on—the CSO Bureau has already started to work with him on Libya in particular of the countries that he is working in.

All of these places are so tough and so complicated that anybody who doesn't look for friends and partners within the U.S. Government is making a very big mistake. And so, I would hope that our

Bureau, and if confirmed, under my leadership would fashion a pretty high degree of modesty in terms of both the challenges of these places and recognizing that we have to work closely with others.

So we have already had extensive meetings with AID. As you know, I worked there. I helped to start the Office of Transition Initiatives, which is, I think, thought of as one of the really agile parts of the U.S. Government in these places.

We need more assets and resources that are directed the way that OTI does it. So they are going to be a key partner as well.

So then, in terms of the welcome, CSO is looking at three particular country cases right now in the Arab Spring world. We are trying to work in Libya. We are hoping CSO also has people working on Syria and on Yemen. And each one of those cases is so dramatically different.

In Syria, we really cannot—CSO cannot work inside of the country. So it is all about how do you help to grow the opposition from within? And I know that a couple of CSO people have already—last week were meeting with about 25 representatives of local governing councils inside of Syria, trying to figure out ways to strengthen that relationship. And I think that is the way to move in that space.

Libya is a very different challenge because the U.S. Government is there. We have an Embassy. We have a mission. The CSO is already backing up the existing post operation there.

But we are also being asked, CSO is also being asked to really address the border security issues and the militia issues, and those are the kinds of strategic concerns that I hope that the CSO will continue to be focused on.

Yemen, again, is a very different case—much, much more fragile. Much, much more in transition with its new government. And in that case, CSO has been asked by the national security staff to work on the strategic planning process, which is really underway right now.

So that gives you an idea of sort of the way we would go. I think we will—the United States help is welcome in most of these places, as long as it is not too heavy a hand and we don't take over. And there is no reason to take over because we don't have that ambition, and we won't be effective if we do.

Senator UDALL. Thank you.

Ambassador Todd, there are increasing concerns that Cambodia's ruling party has become more authoritarian and that human rights and corruption issues have not been adequately addressed. Human Rights Watch has concluded that, and I quote from one of their reports, "The government of the ruling Cambodian People's Party, the CPP, continues to use the judiciary, the penal code, and threats of arrest or legal action to restrict free speech, jail government critics, disperse peaceful protests by workers and farmers, and silence opposition party members."

What will you do to address these human rights concerns, and what are the best ways for the United States to work with the Cambodian Government to improve Cambodia's human rights record?

Ambassador TODD. Thank you, Chairman.

The overall human rights situation in Cambodia is not good. There are many, many, many challenges. We consider each one of those challenges to be a work in progress.

As you mentioned, freedom of speech, freedom of expression is a problem. There are several others. We have land seizures. We have titling problems, where today you own something, tomorrow you don't. And it is subject to political whim.

We have corruption. Transparency International ranked Cambodia as one of the most corrupt countries in the world.

And then, last, we have a weak and vulnerable judiciary where the elite believe that they are immune from the law.

I think the "get well, stay well" plan is to stay the course with civil society. It is to promote the political freedoms that has made America great. It is doing what we do best in human rights. It is doing what we do best by doing Leahy vetting.

We also, I think, have a great opportunity with the youth of Cambodia. Seventy percent of Cambodia is 30 or younger, and believe it or not, the young—now that I am 50, 30 is young—they love America. They think that we are the greatest thing since sliced bread.

And so, if confirmed, what I would like to do is to deliver the hard messages to the leadership on these human rights issues and also promote the political freedoms that we hold near and dear as Americans to all of society, but particularly the youth.

Thank you.

Senator UDALL. Thank you, Ambassador Todd.

Ms. Aviel, in your previous position, you have worked hard on finding a path forward out of the ongoing financial crisis. How do you think the World Bank has responded to the financial crisis, and what do you think the World Bank could have done to improve its effectiveness?

Ms. AVIEL. The World Bank played a very important role in helping us respond to the financial crisis. By tripling lending dramatically, it was able to prevent and mitigate the impacts of the crisis on the poorest. It was able to restore liquidity for global trade flows.

Financial flows dropped dramatically, and the World Bank was able to make up some of that difference, which was very important.

Senator UDALL. Thank you.

Senator Corker, if you would like to proceed with questioning?

Senator CORKER. Thank you, Mr. Chairman.

And thank you again, all of you, for being here and with your families. And Mr. Barton is used to Senate time, and so he came here when we would normally start. But you got us going in good shape, and we are glad all of you are here.

I am going to focus my questions with Ms. Aviel and really on the World Bank. Mr. Todd, I know we spent some time in Afghanistan while you were there, and Mr. Barton, certainly I have known of your past. And Ms. Aviel, you come with very high recommendations, I might add, and I thank you for being here.

One of the things I guess people might focus on a little bit is just age and experience. It is a pretty big—I know on the other hand, you have 32 years a professor of international studies. And so,

probably way beyond both the chairman and mine as far as experiences.

But your role as the alternate, can you describe what those responsibilities are to everyone here?

Ms. AVIEL. Certainly. The Alternate Executive Director serves as the deputy to Ian Solomon. The World Bank has an in-house board of directors, which is sort of an unusual arrangement, and they meet twice a week at least, and there are numerous committees.

And so, to have a second person to be able to represent the United States will enable us to expand the influence of U.S. leadership at the institution, especially since one of the most important ways that you can make a difference in these roles is not actually waiting until things come to the board, but helping to work through issues beforehand. And so, having two people appointed by the President, confirmed by the Senate, enables the Executive Director's office to expand its reach.

I believe that I have had significant experience, that the credibility that I have had from working in development settings around the world will enable me to speak with credibility about development issues on the ground. And I have also been a part of policy and diplomacy within the Government at the highest levels, and I have seen very effective U.S. leadership and—

Senator CORKER. And very ineffective U.S. leadership?

Ms. AVIEL. And I believe I will take the lessons from those experiences and be able to represent the United States well.

Senator CORKER. Yes. Thank you.

How would you—and I know Mr. Solomon has been there, I guess, for almost 2 years now. And I don't know what the normal length of time is for someone to serve in this role. But do you see a period of time where, in essence, it is almost a mentoring role, or you will be working closely with him? How will that relationship be?

Ms. AVIEL. Well, I certainly would work hand-in-hand with Ian Solomon and believe that we both have different expertise that we will bring to the table. So certainly I would work closely with Ian Solomon.

Senator CORKER. Some of the developing countries really would like a very different role or a different type of presidential leadership at the World Bank, and some of them are saying that we really ought to—because of what the World Bank does, we should have a group of non-American countries deciding who the next leader of the World Bank should be. I am just wondering what your views might be on that?

Ms. AVIEL. Senator, I think American leadership has served the institution well. I think President Zoellick has done a tremendous job. Secretary Geithner issued a statement a few weeks ago that the President will be putting a candidate forward to lead the World Bank soon, and I look forward to supporting that candidate.

Senator CORKER. OK. Did you say the President is getting ready to nominate somebody in the next few weeks?

Ms. AVIEL. That is correct.

Senator CORKER. Yes. Very good. Do you know who that is?

Ms. AVIEL. I don't. [Laughter.]

Senator CORKER. Are you on the short list? [Laughter.]

Ms. AVIEL. I promise you, I am not.

Senator CORKER. The World Bank provides a lot of financial assistance to middle-income countries that really could access financial assistance from other places. There has been some commentary about that. I am just wondering what your views might be on the World Bank making loans available to countries that might seek financing from China or other places just as easily?

Ms. AVIEL. Senator, that is a very important issue. I certainly would like the World Bank to focus on the poorest. But two-thirds of the poorest do live in middle-income countries, and the World Bank has tremendous expertise in helping to target and encourage broad-based economic growth that is very relevant for those countries.

The World Bank brings with it important safeguards and procurement standards that serve as an important model for those countries in terms of the projects they do across the board. And so, countries that could access financing from the capital markets find it an advantage to come to the World Bank because of the technical expertise and the safeguards that it provides.

And it is very important that the World Bank serves as this model of how to finance projects. You have said, as you mentioned, countries can get financing from China and others, and it is important that the World Bank serve as an alternative to China financing because it brings with it much higher standards. It enables American companies to compete for procurement contracts. It brings with it environmental and social safeguards.

So we greatly value the role that the World Bank plays in ensuring those high standards across the board.

Senator CORKER. And then, just my last question, the World Bank—I know you answered a question from the chairman regarding how it has handled the financial crisis.

But generally speaking, where would you rank the World Bank today as it relates to its effectiveness and leadership and ability overall to address the issues that it is chartered to address?

Ms. AVIEL. Senator, I think the World Bank has proven itself as a very effective organization. It is one of the premier development institutions, and you can see that when international leaders are looking to deal with pressing issues, such as food security, for example, they look to the World Bank to lead those efforts because it has such a strong track record of effectiveness.

That being said, there is always room for improvement. I think U.S. leadership has played a very important role in making the World Bank a more accountable and effective organization, and I would look to continue those efforts.

Senator CORKER. Well, to all three of you, thank you very much for coming today. Thank you for bringing family members with you, and thank you for being willing to serve in these positions.

And all are very important. I think in particular the World Bank is a place, an institution that can certainly play a very vital role, and I thank you so much for your answers and look forward to seeing all of you again very soon.

Thank you very much, Mr. Chairman.

Senator UDALL. Thank you, Senator Corker. We really appreciate you being here today and your insightful questioning always. Appreciate it.

Senator CORKER. Thank you.

Senator UDALL. Thank you.

Ambassador Barton, as the United States and its allies continues to transition to an Afghan-led mission, the role of the State Department and USAID will increase dramatically. What do you think needs to be done today to create a smooth and effective transition in light of the many problems still facing Afghanistan, including corruption, which I think is still among the worst in the world? And what is the role envisioned for the conflict, the CSO operations in Afghanistan in the future?

Ambassador BARTON. Thank you, Senator.

CSO is currently focused on trying to help the Embassy, the military, the U.S. military, and a range of Afghan ministries to advance their transition planning. That is really—that is what the Ambassador has asked us to focus on, and that is where we are concentrating our effort.

We are on a little bit of a glide path ourselves in terms of leaving Afghanistan. But this particular task seems to be one that our people are really well suited for. And since we have been involved with quite a lot of the planning processes in the last couple years, focusing on this transition planning is exactly what we need to do.

The toughest part here is obviously to make sure that the Afghans are in as capable a position as possible as soon as possible. And that is really what I think we can be helpful with, and that is where we are going to stay focused.

Senator UDALL. Thank you.

Ambassador Todd, while the United States is one of the largest donors of foreign aid to Cambodia, I understand that the United States is far behind in foreign direct investment compared to China. By some measures, China is contributing foreign direct investment at a rate 10 times of the United States.

How does this shortfall impact our ability to influence and conduct diplomacy with Cambodia, and what should the United States Government do to make up for this shortfall?

Ambassador TODD. Thank you, Mr. Chairman.

There is no denying that China is making a full-court press in Cambodia and throughout Asia. President Obama said recently, talking about China in the region, that we shouldn't look at this in terms of a zero-sum game. He said we have strong bilateral relationships. He said we are a Pacific power.

Last year, Secretary Clinton also announced that this would be the century for the Asia-Pacific, and we would be pivoting our resources, both financial resources and human resources, from Iraq and Afghanistan toward Asia because it is that important and because they know that this full-court press is going on.

And so, if I am confirmed, my goal is to obviously implement the pivot, if you will, of those resources. And I plan to do it, again, by promoting the political freedoms that we as Americans hold near and dear, as well as continuing the great programs that we have in Embassy Phnom Penh.

Thank you.

Senator UDALL. Thank you.

The high amount of Chinese foreign direct investment is changing Cambodia and the region in many different ways. One of the ways is an increase in environmental degradation. I was concerned to read a report that the Botum Sakor National Park, a home to tigers, elephants, and many other species, is being slowly sold to Chinese investors, including a Chinese real estate company, which is working to turn 130 square miles of these forests into a gambling resort.

Is there a way for the United States to work with Cambodia to prevent or mitigate against such environmental destruction, and what will be the long-term impacts of losing critical pristine forest land to the developers?

Ambassador TODD. That is an excellent question, Mr. Chairman.

Cambodia is one of the poorest countries in the world. There is a tradeoff between protecting the environment and promoting economic development. At the mission in Embassy Phnom Penh, we have many programs that promote the environment.

We have the Lower Mekong Initiative that has an overarching goal of basically promoting the environment not only within Cambodia, but through the four other countries. We have a number of programs that focus on forestry management, watershed management. We have the President's initiative on global climate change.

We have a number of programs that address these issues and try to build capacity with the Cambodians. We also have a number of programs like Forecast Mekong, which is a climate change type program that basically takes the data that is gathered in Cambodia and compares it to other main watersheds around the world, particularly the Mississippi River.

And if you have 10 minutes, if you Google it, Forecast Mekong, you have a wonderful video about the effects of global climate change on the Mekong River basin. One of the things that it talks about, aside from deforestation and other things, are the dams that are being created on the Mekong.

And for me as a neophyte in terms of hydraulics on a river, one of the things that I learned is that the silt and sediment that comes from the north part of the river basically supports the southern part of the river. And what it does is it feeds the fish. It also replenishes the land, if you will, where the Mekong enters the ocean.

And that is very important because as global climate change occurs, the predictions are that sea levels are going to rise. And studies that the Cambodians have had done and the internationals have done have shown that if the sea level rises 3 feet, the country will be in very, very difficult straits.

The rice crop will be significantly reduced. The population will have to move. And so, Cambodia is taking this very seriously, and thus, the U.S. Embassy is taking it seriously.

So, for me, if I am confirmed, there is no more important thing to do than this because time is of the essence.

Thank you.

Senator UDALL. Thank you very much.

Ms. Aviel, the World Bank supports a wide range of projects around the world, and they often have an environmental compo-

ment. Many projects fall within the theme of environment and natural resources management. These projects fall under the following categories—biodiversity, climate change, environmental policies and institutions, land administration and management, other environmental and natural resources management, pollution management, environmental health, water resource management.

How should natural resource conservation factor into the planning for World Bank projects?

Ms. AVIEL. Senator, thank you for that question. It is a very important issue.

The world's poorest often depend on natural resources the most for their livelihoods, and they are often the most vulnerable to environmental degradation and the impacts of environmental destruction. So it is very critical that the World Bank factor in environmental considerations and issues regarding sustainable management of natural resources across the work that it does.

And so, it does so in two different ways. One is sort of a defensive approach, making sure that in any project that it does there is a strong environmental impact assessment that occurs and that there are strong environmental safeguards to make sure that any damage the project might do is mitigated.

And then it also does so by having an affirmative environmental agenda, by working in all of the areas you mentioned—biodiversity. The World Bank has helped to support the largest tropical conservation region in the world in Brazil. It works to help promote sustainable management of fisheries.

So it works in a variety of different ways to make sure that the environment and development can go hand in hand, and it plays a very important role in doing so.

Senator UDALL. Thank you for that answer.

One of the keys, it seems to me, is—and it falls in the area of what we call “sustainability.” And I think all of you realize this, that when we do our development and we work with other countries that we hope that the projects over the long term are sustainable. And my next question to you has to do with the standards and how we reach for that goal of sustainable development.

What standards does the World Bank have in place to ensure that projects funded by the World Bank do not facilitate logging and other resource development that is in conflict with international agreements and standards? And if confirmed, will you work to ensure the World Bank does not foster unsustainable natural resource development practices?

Ms. AVIEL. Senator, thank you for that question.

If confirmed, I absolutely commit that I will be an active advocate for sustainability across the board. The World Bank has very careful policies in place. It has a forestry policy. It has safeguards in place to make sure that it does not contribute to degradation of those resources.

And I would work very hard to make sure that those standards are upheld and strengthened, if needed.

Senator UDALL. Thank you.

Thank you. I guess we don't have any other Senators attending today and going to ask questions. So you are spared some additional questions here.

We very much appreciate your testimony, your commitment to service, and we really look forward to seeing you serve in these positions and continuing to visit with us on the committee and with Members of Congress.

So, with that, we are going to keep the record open for 48 hours so that any additional questions can be submitted to you, and we hope you will get back with us promptly on that.

Senator UDALL. And we would hope that the committee will move expeditiously on these nominees.

And having no further questions, the committee is adjourned.  
[Whereupon, at 10:50 a.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF FREDERICK D. BARTON TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* In your testimony, you stated that CSO must partner with those who will make us most effective. However, there have been some concerns that agencies such as the Department of Agriculture and the Department of Justice will play much smaller roles in the new Civilian Response Corps. What role do you envision for other agencies and what steps will you take to ensure that a whole of government approach continues to be a key element of the program?

*Answer.* The Quadrennial Diplomacy and Development Review (QDDR) calls on the Bureau of Conflict and Stabilization Operations (CSO) to improve U.S. Government effectiveness in conflict areas. To be more innovative and agile, CSO is developing a new model for the Civilian Response Corps (CRC) that will focus its work on conflict-related issues and expand its access to interagency skills.

Rather than support a larger standing group that can address the panoply of issues facing a country (a just-in-case model), the Corps will focus on deploying targeted experts quickly to address priority issues in conflict (a just-in-time model). This reduction in the size of the CRC-Active component will help address the need to move resources toward field operations in a restrictive budget environment.

If I am confirmed, we will seek to build the CRC-Active component on a leadership cadre made up of those with proven effectiveness in the field and conflict-focused skills, such as conflict analysis, prevention tools, contingency planning, and expeditionary operations. In CSO engagements, the ability to understand conflict dynamics and U.S. Government responses has proven more important than reconstruction-related technical expertise.

To tap more specific areas of expertise such as rule of law or food security, CSO plans to rely more upon its CRC-Standby capacity. The model will allow CSO to reach more broadly across the Federal Government to find the right people at the right time.

In addition, CSO will seek to include the widest possible range of partners, including the interagency, from the beginning of its engagements. The result should be a single expeditionary team made up of leaders and experts, rather than the inefficient parallel structures that previously existed.

This model is the product of extensive analysis and deliberation, including examination of:

- Use of CRC and related personnel from 2005–11, and our evolving relationship with posts and bureaus seeking our support;
- The QDDR;
- A Multi-Criteria Decision Analysis Force Review of the Corps conducted in 2010;
- Observation of peer organizations' interagency relations; and
- The work of the transition team designing CSO in summer 2011.

In sum, CSO will maintain a whole-of-government approach, albeit in a more targeted manner.

*Question.* As you also noted in your testimony, CSO was established in order to strengthen our coherence and cohesion in prevention and responding to conflict and crisis. Please expand on the role you envision for CSO in conflict prevention, if confirmed. As part of this discussion, please comment on what role CSO could play in

training other Foreign Service officers in conflict prevention through the Foreign Service Institute?

Answer. CSO advances conflict prevention through policy, strategy, and practical applications in conflict/preconflict areas around the world.

In the policy realm, CSO works with the State Department, National Security Staff, and other departments and agencies to ensure that the U.S. Government can identify where creative approaches can head off violence and channel conflicts toward peaceful solutions. CSO is already supporting policy initiatives such as Presidential Study Directive 10 on prevention of genocide and mass atrocities, including creation of an Atrocities Prevention Board. CSO is also supporting efforts to make the National Action Plan for Women, Peace and Security vital and productive. These cross-cutting efforts offer practical ways to influence how U.S. agencies work to prevent conflict.

In CSO's engagements, the critical first step is analysis. CSO uses a systematic, participatory approach to capturing local voices and understanding the deep causes of conflict and community strength. Through analytical tools, such as the Inter-agency Conflict Assessment Framework (ICAF) and Conflict Prevention Matrix, CSO can identify and build on indigenous resilience so that U.S. policies and programs can focus on the root causes of the conflicts, and be sustained by our partner nations.

CSO is exploring innovative ways to help U.S. embassies or host-nation partners respond to conflicts. Its staff members have a wide range of skills and experiences from both the government and private sector. CSO can provide technical advice, research capacity, mediation and negotiation support, lessons from past experience, and other assistance. For example, CSO is currently working with an embassy and host country to design and implement community-based mediation, focused on gangs. Providing mediation training to local communities, including gang members, ensures the sustainability of the endeavors.

Since its creation in 2004, the Office of the Coordinator for Reconstruction and Stabilization (S/CRS) and now CSO has played a leading role in providing conflict prevention training to Department of State personnel. We have worked closely with our partners at the Foreign Service Institute (FSI) to determine the best means—whether through social media, classroom instruction, or blended learning—of training Foreign Service Officers (FSO) and other U.S. Government personnel on mainstreaming civilian security and preventing conflict.

CSO's new Office of Learning and Training (OLT) will continue working closely with FSI to add further innovation to the approaches we use when preparing FSOs for response activities across the globe. If confirmed, one of my priorities will be to expand and institutionalize conflict prevention and response learning opportunities throughout the Department.

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RESPONSES OF WILLIAM E. TODD TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* Cambodia will chair the Association of Southeast Asian Nations (ASEAN) this year. In what ways will you seek to promote common interests and values in venues such as the U.S.-ASEAN Leaders Meeting, the ASEAN Regional Forum, and the East Asia summit in 2012?

Answer. As Chair for ASEAN and its associated multilateral bodies such as the East Asia summit, the ASEAN Regional Forum, and the ASEAN Defense Ministers Meeting Plus, Cambodia plays a critical role in setting the tone and agenda of these bodies over the course of the year. The United States supports Cambodia's chairmanship and will urge Cambodia to view 2012 as an opportunity to demonstrate to the world that it is a responsible leader at home and in the region.

The United States is looking to ASEAN to play a key role in maintaining and promoting regional peace and security. I see Cambodia's chairmanship as an opportunity for the United States to partner with Cambodia, helping where we can, and addressing together regional challenges within the ASEAN framework. Specifically, if confirmed, I will work closely with the Cambodian Government to use its ASEAN year to secure progress on U.S. objectives, such as regional and maritime security, nonproliferation, humanitarian assistance and disaster relief, fulfilling the region's promise for democracy and respect for human rights, and deepening our trade with Southeast Asia to increase U.S. exports to the region and create jobs in the United States.

*Question.* A number of well-informed observers contend that a draft law on associations and NGOs in Cambodia could seriously constrain their ability to operate.

What role does civil society play in Cambodia, how does the United States support their role, and how would you encourage the Cambodian Government to protect this important political space?

Answer. The United States firmly believes that a healthy, independent civil society is absolutely vital for the advancement of democracy and prosperity around the world. Civil society organizations play a key role in promoting respect for human rights, defending human dignity, and advancing human progress. Cambodia is no exception. Cambodian civil society organizations contribute to growing grassroots activism. International NGOs are also invaluable to monitoring developments in Cambodian society, advancing key protections, and providing assistance programs. The United States has worked to nurture these developments.

In December 2011, following a year of intense scrutiny and pressure by national and international NGOs, as well as public and private engagement by the United States, Prime Minister Hun Sen announced that his government would continue consultations with civil society on the draft law until 2014 if necessary to achieve government-civil society consensus.

The United States has strongly and consistently expressed in private and public venues our deep concern for the status of civil society in Cambodia, and we remain absolutely dedicated to advancing and protecting civil society and its role in Cambodia's development. The United States has encouraged the Cambodian Government to consult with civil society groups on the substance of any future draft law and has publicly called on the Cambodian Government to reconsider pursuing any legislation that would hinder the development and important work of civil society organizations.

The United States is a strong supporter of civil society organizations in Cambodia, and engages with them in a number of ways. For example, USAID funding builds political party and civil society capabilities to improve greater transparency and engagement of citizens in public policy and political processes. The State Department and USAID partner with civil society to monitor and report human rights violations, protect human rights defenders, and increase the capacity of government institutions and the judiciary. The United States also works closely with NGOs who are engaged in efforts to improve the health, safety, and economic well-being of the Cambodian people.

I view our civil society friends as vital partners and, if confirmed, will work closely with them. I will do everything I can to protect and support Cambodia's flourishing civil society. If confirmed, I will make U.S. support for civil society a pillar in every U.S. foreign policy objective I pursue in Cambodia, including humanitarian and foreign assistance, political and economic diplomatic engagement, and security and law enforcement cooperation.

*Question.* The Lower Mekong Initiative (LMI) is a multinational effort spearheaded by Secretary of State Hillary Clinton to promote cooperation and capacity-building among the United States and Lower Mekong Delta countries (e.g., Cambodia, Laos, Thailand, and Vietnam) in the areas of education, health, environment, and infrastructure. If confirmed, how would you further the aims of the LMI program? From your perspective, is the program adequately resourced to meet its objectives?

Answer. Since Secretary Clinton launched the LMI in July 2009, the United States has worked in cooperation with Cambodia, Laos, Thailand, and Vietnam to launch and expand a number of projects designed to address the pressing transnational environmental and developmental challenges affecting the communities in the lower Mekong basin. The United States welcomes Cambodia's partnership in this multicountry initiative and its efforts to make the region more prosperous, secure, and peaceful. If confirmed, I will strongly support and advance the LMI's efforts to nurture and build the "connective tissue" of the subregion by emphasizing the strength of the U.S. commitment to, and the importance of, the LMI in my discussions with Cambodian officials as well as by raising specific issues relative to the LMI as they develop. As likely host of the next LMI Ministerial and Friends of Lower Mekong donor coordination ministerial meeting, if confirmed, I will work closely with the Cambodian Government to ensure these meetings advance the Secretary's vision by identifying tangible areas to build the capacity of the region and combine our efforts with other partners.

Overall fiscal constraints in the foreign affairs budget have placed limits on our ability to increase direct resources for EAP regional programs, including LMI. However, we are working in close coordination with a wide spectrum of interagency partners to leverage and expand existing programs to support our key objectives for this important initiative. If confirmed as Ambassador, it will be my job to effectively and efficiently implement the LMI budget in Cambodia.

*Question.* Section 620M of the Foreign Assistance Act of 1961 imposes restrictions on assistance to any unit of a foreign country's security forces for which there is credible evidence that the unit has committed gross violations of human rights. U.S. embassies are heavily involved in ensuring compliance with this requirement.

- If confirmed, what steps will you take to ensure that the Embassy effectively implements section 620M?
- In particular, what actions will you take to ensure, in a case in which there is credible evidence that a gross violation of human rights has been committed, that assistance will not be provided to units that committed the violation?
- What steps will you take to ensure that the Embassy has a robust capacity to gather and evaluate evidence regarding possible gross violations of human rights by units of security forces?

*Answer.* Under standard State Department vetting procedures, every individual and unit proposed for State-funded security assistance or Defense Department training is vetted, both in Phnom Penh and Washington, DC, for credible information of involvement in gross violations of human rights and in strict accordance with U.S. law and State Department policy. "Leahy vetting" is conducted under the International Vetting and Security Tracking (INVEST) system, the Department's uniform system for vetting worldwide since January 2011. In addition to the various internal background checks conducted at the U.S. Embassy, which uses information the Embassy has amassed from contacts and open sources, Embassy personnel also check names against a database maintained by a prominent human rights NGO. This database tracks human rights violations throughout the country and includes cases submitted by NGO monitors and contacts in the provinces. In Washington, the Department of State's Bureau of Democracy, Human Rights and Labor and East Asian and Pacific Affairs vet Cambodian candidates by reviewing information from multiple sources to ensure that U.S. funding is not used to train individuals or units if there is credible information implicating them in gross human rights violations.

Senior Department of Defense visitors to Cambodia discuss human rights issues in their meetings with senior officials of the Royal Cambodian Armed Forces (RCAF) and Ministry of National Defense (MoND). The RCAF and MoND are fully aware of our position on gross human rights violations as it pertains to security training, and all units and individuals receiving training are required to receive human rights awareness training prior to the start of any U.S.-funded program.

If confirmed, I pledge to continue strict adherence to U.S. law and State Department procedures. Where credible information exists of gross human rights violations, candidates implicated in the violations will not receive any assistance per the law. I will ensure that adequate human resources are devoted to properly carrying out local vetting at the Embassy, and that all Embassy personnel clearly understand the law and procedures, and that they seek guidance from me and Washington, DC, if they are unclear about a unit or individual's background or unsure how to proceed. In keeping with Department practice, I will ensure that any review takes into account not only the results from the Embassy's internal background checks, but also credible information gathered from open sources and by civil society. Finally, if confirmed, I will regularly and proactively engage the MoND and RCAF to ensure that they are aware of the law's requirements and implications.

*Question.* The first trial of the Extraordinary Chamber in the Courts of Cambodia, an international tribunal set up by the United Nations and the Cambodian Government to try former Khmer Rouge leaders of crimes against humanity and war crimes, secured its first conviction in 2010. A trial of three new defendants began in November 2011. Human rights groups have pushed for expanding the scope of prosecutions to include more cases, while Prime Minister Hun Sen has opposed the idea, arguing that bringing more persons to trial would undermine "national reconciliation." What are your views on this subject?

*Answer.* The United States has long supported bringing to justice senior leaders and those most responsible for the atrocities perpetrated under the Khmer Rouge regime. The Extraordinary Chambers in the Courts of Cambodia ("ECCC" or "Khmer Rouge Tribunal") needs to fulfill its judicial mandate, not only to fulfill its promise to find justice for the victims, but just as importantly, as a vehicle for national reconciliation and a mechanism to strengthen the rule of law in Cambodia.

The RGC and U.N. established the ECCC in 2006, as a national court with U.N. assistance in order to bring to justice "senior leaders and those most responsible" for atrocities committed under the Khmer Rouge regime. To date, the ECCC has completed the legal process on one case, Case 001, and is undergoing deliberations on a second case, Case 002. Two additional cases (Cases 003 and 004) are currently in the investigative phase.

In Case 001, the ECCC found Kaing Guek Eav (aka Duch, commandant of the Tuol Sleng prison, who sent at least 14,000 people to their deaths) guilty in July 2010 of crimes against humanity and grave breaches of the Geneva Convention, and sentenced him to 35 years imprisonment. On February 3, 2012, the Supreme Chambers extended his sentence to life in prison. The United States welcomed the final outcome as a landmark moment in Cambodia's efforts to find justice for the atrocities of the Khmer Rouge era, and for Cambodian national reconciliation.

Case 002, the trial against three surviving members of the Khmer Rouge's senior leadership, began in November 2011. A fourth defendant was found mentally incompetent to stand trial, but the ECCC has not yet released her from custody. Stephen Rapp, U.S. Ambassador at Large for Global Criminal Justice, calls Case 002 " . . . the most important trial in the world," given the gravity of the alleged crimes and the level of the defendants in the Khmer Rouge regime.

In Cases 003 and 004, where investigations are still ongoing by the Office of the Co-Investigating Judges (OCIJ) of five suspects, the United States has consistently called on the U.N., the RGC, and all interested stakeholders to protect the ECCC's judicial independence from political interference of any kind. I believe the question of whether a suspect falls within the jurisdiction of the ECCC is a judicial one, and should be made free from outside interference or pressure. Therefore, the OCIJ must be allowed to investigate Cases 003 and 004 according to the facts and the law. The United States has called on the U.N. and the RGC to follow through on their commitments under the agreement that established the ECCC. If confirmed, I will clearly advance this message to the government and people of Cambodia, and will support the United Nations and the ECCC as they attempt to ensure that nothing is cut short, and that the ECCC's implementing statute is fully respected.

*Question.* Following last year's national elections in Thailand, relations between Cambodia and Thailand appear to be on a more even footing, including in particular, over the disputed border region that houses the Preah Vihear Temple. Please provide an update on this situation and the current status of Cambodia-Thai relations.

*Answer.* Cambodia's bilateral relationship with Thailand was complicated in recent years due to unresolved and longstanding border disputes—including over territory surrounding the Preah Vihear Temple—that flared up in the first half of 2011. Relations have warmed significantly since a Puea Thai Party coalition came to power in Thailand in August 2011, led by former Prime Minister Thaksin Shinawatra's youngest sister and current Prime Minister, Yingluck Shinawatra.

The United States does not take a position on the legitimacy of either side's territorial claims. Since the 2011 border clashes, the United States has consistently called on both sides to exercise maximum restraint and take every necessary step to reduce tensions and return to peaceful negotiations. In this regard, the United States has supported the efforts of Indonesia as ASEAN Chair in 2011 to facilitate a resolution to the conflict.

While tensions have lessened, the underlying territorial dispute around Preah Vihear remains unresolved. There is a 1962 judgment by the International Court of Justice (ICJ) relevant to the dispute; in 2011, Cambodia asked the Court to interpret that earlier judgment, and asked for temporary "provisional" measures. In July 2011 the ICJ issued a provisional decision that created a demilitarized zone around Preah Vihear and ordered implementation of Indonesia's offer to deploy border observers. Both sides have pledged to implement the ICJ's decision and are working with Indonesia to develop terms of reference. The ICJ has authorized both sides to submit further filings as it considers a final decision on Cambodia's submission, which Cambodia did this month; Thailand's filings are not due until June 2012. In addition to action at the ICJ, the two sides are also using existing bilateral dialogue mechanisms, such as the Joint Boundary Commission and the General Border Committee to discuss outstanding boundary disputes.

The United States strongly supports Cambodia and Thailand's efforts to improve their bilateral relationship in all ways.

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RESPONSES OF SARA MARGALIT AVIEL TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* The World Bank Board recently approved the "Program for Results" (P4R) in an effort to streamline its development operations while improving the accountability of borrowers to produce concrete results.

- Please discuss how you believe the Bank should ensure community engagement, transparency, and accountability for specific investments within a P4R program.

Answer. I believe that community engagement, transparency, and accountability are critical elements to the success of P4R, and all the work the World Bank is engaged in. If confirmed, I will work with the Bank to provide affected communities, the private sector, and other stakeholders with the ability to review and provide input on the individual program risk assessments, proposed capacity-building measures, and proposed activities. Upon the project's completion, these stakeholders should also be informed of the results at the activity level.

Under a P4R program, the borrower government will make information available to the public at both the program and project/subproject level through methods that are appropriate to the scope and nature of the program.

As part of any P4R program, the World Bank will conduct an assessment of the borrower country's environmental and social systems, including the arrangements by which program activities that affect local communities will be disclosed, consulted upon, and subject to a grievance redress process. Key considerations during the review will be whether stakeholders' views and concerns are solicited in an open and effective manner, and whether these views and concerns are considered in program design and implementation. If relevant, the World Bank will identify measures to improve effectiveness.

Relevant stakeholders, including local communities, will be consulted regarding the findings of these environmental and social assessments, and the Bank will make both the draft and final assessments available to the public. In addition, a summary of the assessments will be disclosed in the Program Appraisal Document (PAD). Furthermore, Implementation Status and Results Reports (ISRs), which are available to the public, will provide an overview of progress in the implementation of the operation, including agreed actions to improve environmental and social systems performance.

If confirmed, I will engage closely with the Bank to verify that all P4R programs which are brought to the Board for review have followed the above guidelines in conducting environmental and social assessments, in consulting all relevant stakeholders and in providing adequate disclosure of the assessments and transparency into the P4R program.

- How should the Bank ensure that information reaches the most affected communities regardless of income or language?

Answer. If confirmed, I will work with the World Bank to undertake considerable efforts to provide information to affected communities, regardless of income or language. World Bank information (documents, data, materials, projects, or research) is available online as well as in person at more than 200 locations around the world. In partnership with universities and other local organizations, the Bank established these Public Information Services so that local citizens can access information at the country level. If confirmed, I would encourage the World Bank to work with local civil society organizations to take advantage of this information and share it with the communities where they work.

The World Bank also has a set of guidelines for translation of documents, publications, and Web content, which call for the translation of "country- and project-specific information into the national language of a country, local languages within a country and/or language(s) understood by people affected by, or likely to be affected by, a project." I support these guidelines, and if confirmed, I would work to make sure they are implemented effectively.

- In a time when an increasing number of people across the globe are learning to use new communication technologies to share information and viewpoints, what can the Bank do to promote greater community involvement in projects at all stages—planning, monitoring implementation, and evaluation?

Answer. As was made vivid in the Arab Spring, new communication technologies are connecting and mobilizing people across the globe. If confirmed, I would support the World Bank taking advantage of these tools to promote greater community involvement in its work. The World Bank is already making impressive strides in this area. President Zoellick launched the Open Data Initiative, enabling individuals around the world to access all of the World Bank's rich data. Similarly, "Apps for Development" is encouraging innovators around the world to design new tools for development. There have also been efforts to pilot the use of SMS technology and social network tools for greater community and beneficiary feedback and to improve accountability. Across the board, civil society organizations play an important intermediary role and if confirmed, I would work to encourage the World Bank to continue strengthening the role of civil society in its work.

*Question.* As the Bank has extensively documented, climate change threatens us all, but it will impact low-income countries and vulnerable populations the hardest.

In addition to doing their part to reduce greenhouse gases, countries that are the largest contributors to climate change need to improve the integration of efforts to adapt and respond to the impacts of climate change.

- How will you improve the World Bank's role in integrating climate change in their development assistance?

Answer. The poor are most likely to depend on natural resources for their livelihoods and thus suffer the most from environmental degradation and weather related disasters. Accordingly, it is appropriate that the World Bank focus on sustainable development assistance, including helping affected communities respond and adapt to the impact of climate change. The World Bank already does considerable groundbreaking research on the climate change-development nexus as evidenced by its flagship publication, the World Development Report, which focused on this issue in 2010.

If confirmed, I will urge the World Bank to continue to serve as a convener and leader on sustainable development. I will encourage the Bank to continue to support innovative new approaches and products to address this global issue. Finally, the World Bank should take into account climate vulnerability and risk management in its country programs in key sectors including: health, water supply and sanitation, energy, transport, industry, mining, construction, trade, tourism, agriculture, forestry, fisheries, environmental protection, and disaster management.

- What measures will you advance at the Bank to support increasing resilience to the impacts of climate change in vulnerable countries and within vulnerable populations?

Answer. Adaptation is a critical issue for all countries but particularly the poorest. Building climate resilience into development plans, projects, and programs is good practice. If confirmed, I will encourage the World Bank to continue to build climate change adaptation considerations into Country Assistance Strategies and apply its adaptation screening tool to projects and programs to assess and address potential sensitivities to climate. I will urge the Bank to conduct further work on sector-specific tools and guidance to address adaptation in its work.

*Question.* In a series of papers, the International Energy Agency has demonstrated that delivering universal energy access for the poor would require dramatically scaling up off-grid clean energy investments. Currently, the World Bank Group (including the International Finance Corporation) is underinvesting in this sector.

- Will you push for the Bank to adopt clear metrics to measure energy access for both grid-tied and off-grid populations, and for such metrics to be essential components in project selection?

Answer. A lack of access to energy is a significant constraint to economic growth and poverty reduction—the two key pillars of the World Bank's work. The Bank has worked on this issue for a number of years and, I understand, is committed to improving energy access in its partner countries. It currently measures and reports on a number of statistics related to energy (including energy access) in its data products such as the World Development Indicators. The Bank also strongly supports the development of a set of sustainable development goals by 2030 to complement the MDGs for energy, sanitation, water, oceans, biodiversity, and land. These are sound measures and if confirmed, I would support continued work on them.

- The upcoming Rio+20 Conference provides a platform for the World Bank Group to make a commitment to delivering on energy access and increasing off-grid clean energy investments. What commitments would you push the Bank to make at Rio+20?

Answer. While it is hard to say what the outcome of Rio+20 will be at this point, the World Bank is actively working for a positive outcome for the summit. The Bank is participating in the U.N. High Level Group on "Sustainable Energy for All" which is feeding into the Rio+20 process. In this context the Bank has expressed its support for the three global energy goals outlined in this U.N. action agenda:

- (1) Universal access to modern energy services;
- (2) Doubling the rate of improvement in energy efficiency; and
- (3) Doubling the share of renewable energy—all by 2030.

Answer. I understand that the Bank also supports efforts to develop more sustainable development goals. If confirmed, I would support these commitments and work with the Bank to follow through on these issues through its programs, projects, and research.

- Recognizing the need to balance the importance of increasing energy access with access to clean and renewable resources, how would you move forward an energy strategy at the institution that would phase out fossil fuel financing while scaling up investments in clean energy?

Answer. Access to energy and increasing renewable energy and energy efficiency are all priorities for the United States and the World Bank. I would expect that any energy strategy at the World Bank would need to have a strong focus on these priority areas if it were to move forward with support from the executive board of the Bank. The Bank has already scaled up investments in clean energy and efficiency significantly. The World Bank Group has invested \$17 billion in low carbon investments since 2003, of which \$14.2 billion were in renewable energy and energy efficiency.

*Question.* The administration has made the expansion of U.S. exports a priority in its economic strategy. Procurement opportunities overseas in Bank projects could potentially provide billions in revenues for U.S. firms.

- Please describe how you will work with the Commerce Department to help U.S. firms take advantage of MDB procurement opportunities and to promote improvements, if necessary, in the Bank's data management systems to be able to monitor procurement trends.

Answer. If confirmed, I would make it a priority to conduct outreach to the private sector to highlight the various ways that American companies can benefit from the work of the World Bank. While perhaps the biggest impact comes from the work the World Bank engages in around the world to create open markets and sound investment climates, there are also a number of specific opportunities including:

- Debt and equity financing from the International Finance Corporation (IFC) to support private overseas projects, including public private partnerships with a development impact.
- Procurement opportunities both to support the Bank's own needs and for contracts that flow from sovereign lending or credits under the Bank's oversight.
- Guarantees for international trade transactions under the Global Trade Finance Program.
- Political risk insurance provided through the Bank's Multilateral Investment Guarantee Agency (MIGA).
- Dispute resolution mechanism for issues between American companies and foreign governments through the Bank's International Center for Settlement of Investment Disputes (ICSID).

Over the last decade, American companies have received over 2,500 contracts for projects supported by World Bank lending around the world, totaling more than \$1.6 billion. In addition, U.S. firms win an additional \$390 million a year on average in direct contracts with the World Bank. If confirmed, I would seek to continue and grow this strong record.

The Departments of Commerce and Treasury have already taken steps to help U.S. firms pursue MDB-funded procurement opportunities and to increase the transparency of MDB procurement data and if confirmed, I will work with both agencies to continue this progress.

Outreach to the U.S. private sector is a key part of this effort to engage more U.S. firms in MDB activities. For example, the U.S. Executive Director for the World Bank has traveled around the country to discuss World Bank procurement opportunities with business and trade organizations, including a trip earlier this month to Boston where he met with the New England Council and the Massachusetts Office of International Trade and Investment.

In response to the Departments of Treasury and Commerce, the World Bank has increased its own outreach to the U.S. private sector this year by adding seven more business organizations to its Private Sector Liaison Officer (PSLO) network. These PSLOs provide local-based guidance and engagement for U.S. firms seeking World Bank and other MDB opportunities. This brings the total of PSLOs in the U.S. to 10, more than tripling the number since the beginning of 2011.

U.S. Executive Director Solomon has been actively engaging with these PSLOs, and has already visited the new PSLOs in Alabama, Chicago, New York, and Utah. As one example of the fruits of this effort, the officer based in Chicago contributed to an 83 percent increase in World Bank contracts won by Midwest firms. If confirmed, I will work to assist in this outreach effort with the Commerce Department by taking advantage of both the PSLO network and the Commerce Department's network of Export Assistance Centers around the country.

The Departments of Treasury and Commerce have already made progress to improve transparency of the World Bank's procurement information. At the Depart-

ments' request, the World Bank began to publish procurement notices for free on its own Web site, [www.worldbank.org](http://www.worldbank.org), at the beginning of 2011. This important step allows small and medium enterprises to access these contract opportunities without having to subscribe to a database service. In addition, if confirmed, I would work with the Departments of Treasury and Commerce to continue pressing the World Bank to improve its data on contract awards under World Bank-financed projects, so that we can better track the benefits accruing to U.S. firms.

I understand the World Bank will soon be launching a review of its procurement policy. If confirmed, I will consult closely with relevant stakeholders including Congress and organizations representing the private sector to identify potential areas of improvement. I will work closely with the U.S. Executive Director, other Executive Directors, the Treasury Department, and World Bank management to incorporate these suggestions and further strengthen the World Bank's already strong procurement policies.

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RESPONSES OF FREDERICK D. BARTON TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* The CSO Bureau was established as an outcome of the QDDR and in response to continued requirement for a fundamentally organized civilian capacity in our lead foreign policy institution to respond to incipient conflict, conflict and post-conflict situations.

*Answer.* The Bureau of Conflict and Stabilization Operations (CSO) was established to address the need for greater cohesion and coherence to conflict prevention and conflict response.

- What role is foreseen for the State Department Bureau of Stabilization Operations relative to the parallel and redundant efforts at USAID and DOD?

*Answer.* The space in which CSO operates is not overcrowded in light of the dynamic challenges the United States faces in providing conflict prevention and conflict response in some of the toughest places of the world. CSO will be at the center of complex conflict-related situations, whether through integrated strategies, joint analysis, or suggesting direction of foreign assistance to priority needs. In doing so CSO will ensure USAID and DOD are brought into the discussions in the earliest stages.

- Where do those two agencies fit into the new construct at State and how will they interact?

*Answer.* The partnership that CSO is building with USAID and DOD is focused on collaboration. An example of this collaboration is demonstrated through the current review of the 1207 (Conflict Prevention) program which CSO, F, DOD, and USAID manage. We have agreed that the funds must be used with more of a strategic focus, moved faster, and evaluated in-country. We are now moving forward with these critical partners to capture unobligated 1207 funds to ensure these shared principles.

- What resources will be drawn and what additional resources and authorities can be drawn upon for the purposes of responding to CSO requirements?

*Answer.* CSO expects to influence the focused use of several funds to address early onset crisis, including Complex Crisis Fund (CCF), Global Security Contingency Fund (GSCF), Transition Initiative (TI) and 1207 along with other resources. In addition we are in the process of increasing the percentage of CSO's budget dedicated to deployment.

- What additional responsibilities will CSO have should the President or Secretary deem necessary?

*Answer.* As CSO proves itself through impact driven-responses we envision being called upon more frequently by the President, National Security Staff, and the Secretary of State to drive conflict prevention, crisis response and stabilization in priority states.

- Why does a broader interagency cooperative effort appear to have been abandoned or scaled back from former recommended levels as originally intended in the Office of the Coordinator for Reconstruction and Stabilization?

*Answer.* To be more innovative and agile, CSO is developing a new model for the Civilian Response Corps (CRC) that will seek to include the widest possible range of partners, including the interagency, from the beginning of its engagements. The result should be an expeditionary team made up of leaders and experts from all

parts of the United States, interagency, state and local governments, and other sources of talent.

We believe that this will be more effective and responsive to the needs of each case and more economical than the current model.

- Where and how will a lessons-learned and planning capacity be incorporated?

Answer. The Office of Learning and Training will serve as CSO's center of excellence in an organization that is dedicated to constant learning. The Bureau will also continue to develop new tools and approaches. Planning, as with conflict prevention, will be integrated throughout the organization where, in S/CRS, these were separate offices.

*Question.* The transition of the United States mission in Iraq and Afghanistan from a military heavy civil-military operation is complete in the former and just beginning in the latter. This winding down has long been perceived as requiring a considerable civilian follow-on component, which while evidently less robust than originally expected, is still advisable.

- Why would the CSO Bureau reduce the size of the Conflict Response Corps precisely when the necessity of complex skills in the civilian sector is so important to sustaining gains made in both these countries given the drawdown of DOD resources and personnel that had primary responsibility for programs to be maintained by the mission?

Answer. The nature of places where CSO is operating is changing. Rather than the heavy footprint of Afghanistan and Iraq, we see a range of cases where the United States role is pivotal but not dominant. In turn, we are focusing on a smaller CRC-Active component which emphasizes leaders, and a broader approach which expands potential partners and has a "pay as we use" business model like the CRC-Standby. This will allow us to use our funds more responsibly and respond with someone who can work independently, such as supporting a Presidential inquiry in Liberia, or who can lead a small team that draws on both USG and local resources. To succeed, country cases must accelerate local ownership and that too will be at the heart of CSO's emphasis.

- What if any skill sets are being reduced or eliminated?

Answer. Over the past few years, the Interagency CRC-Active component was deployed 39 percent of their time for conflict prevention work, with the remainder of their time focusing on work not directed by CSO. CSO is dedicated to building a CRC-Active component based on a leadership cadre made up of those with proven effectiveness in the field and conflict-focused skills, such as conflict analysis, prevention tools, contingency planning, and expeditionary operations. We will continue to call upon subject matter experts who can help to bring tangible progress to the early days (0-12 months) of a crisis.

- Will the CRC and the Standby be reformulated at lower levels or is this a short-term retrenchment given the growing pains of the recent past?

Answer. To tap more specific areas of expertise such as rule of law or food security, CSO plans to rely more upon its CRC-Standby capacity and other talent in the United States. The model will allow CSO to reach more broadly across our country to find the right people at the right time.

- What tools have been sustained from the S/CRS office and which have been discarded?

Answer. CSO is aggressively working to improve upon what we do best. We have retained the conflict-related response tools (i.e., analysis and integrated strategies to focus resources and programming) developed by S/CRS and its interagency partners, and continue to build on that body of knowledge through regular interaction with international partners, NGOs, academic institutions, etc. One of the signature analysis pieces, the Interagency Conflict Assessment Framework (ICAF), is now being rethought and redesigned—and that is illustrative of the approach we will take.

*Question.* Administration and Department cooperation has proven essential to productive efforts in stabilization and reconstruction.

- Is the Obama administration fully supportive of the CSO mission and mandate and how have they demonstrated such support at the NSC level or in any government agencies?

Answer. The administration, National Security Staff, and Secretary of State have all signaled the highest levels of support for CSO. In a "townhall" speech Secretary Clinton held 2 weeks ago at the Department, she highlighted CSO's creation and

its work as one of the most important QDDR elements. Secretary Clinton and Under Secretary Otero have encouraged geographic and functional bureaus to partner with us to address conflict situations in every part of the world. The NSS has included CSO in a wide variety of conflict-related policy and country-specific working groups, ranging from Presidential Study Directive-10 on prevention of Mass Atrocities to Syria, Libya and other priority countries.

The newly arrived CSO leadership is building strong relationships among senior directors at the National Security Staff, USAID, DOD, along with numerous Assistant Secretaries at the Department of State.

- What practical resistance remains to the concept of a bureau that is a priority but requires the acquiescence and participation of other bureaus and agencies?

Answer. As CSO begins to prove itself with its impact driven actions we envision the Bureau will be called upon more frequently to drive conflict prevention and response efforts around the globe. While some senior leaders have taken a wait-and-see approach, in general the response has been welcoming.

In each use, CSO seeks a clear understanding of who is leading the U.S. effort as conflicts emerge. This initial clarity provides us all with a center of gravity: someone with cross-cutting authority for the sprawling network of offices and people involved, who welcomes help and encourages innovation. With this understanding, CSO then develops a strategy and drives urgent and practical actions.

- What role would you foresee/will CSO have in the case of another Haiti earthquake that devastates a country of interest to the United States?

Answer. As a Department of State entity, our focus will be on political or other “human” conflicts. CSO defers to how the Secretary of State frames a crisis as either humanitarian or political in nature. It is entirely conceivable that a natural disaster could be the catalyst for a human/political conflict or a “hyper complex emergency” in which case we would partner closely with USAID, DOD, and others in developing a coordinated response that addresses both the humanitarian and conflict dimensions of the situation.

- What role, would you envision, will CSO have in the case of a new political freedom movement in Algeria or Sudan or Cuba?

Answer. CSO would likely play a significant role in the first 12 months. CSO has provided analytical, contingency planning, and project development support to several geographic bureaus, embassies, or special envoys in this area. It is imperative to understand the underlying sources of conflict in a complex crisis—and to plan systematically for likely scenarios. For example, S/CRS—and currently CSO—has been a strong supporter of the smooth transition of South Sudan into an independent country. Our staff has covered literally every corner of the country beginning before the referendum through independence. Our Stabilization Teams deployed to extend the diplomatic reach of the USG at the state and county levels, engaging in “operational diplomacy,” to include conflict assessment and reporting, facilitation of peacebuilding initiatives and engagements with key local actors to advance conflict mitigation and stabilization objectives. A key function was to provide early warning of growing conflict trends at the local, tribal, or provincial level, permitting the USG and the Government of South Sudan to respond before the outbreak of violence. As another example, we are currently providing support to the Bureau for Near Eastern Affairs on expanding the abilities of the Syrian opposition.

- What role, would you foresee, will CSO play in Afghanistan now and post-2014?

Answer. CSO is focused on transition planning with the host government, within the Embassy, and with the military command.

- What role, would you foresee, will CSO play in an emergent mass atrocity in Sudan?

Answer. CSO plays an active role in the interagency work on mass atrocity and genocide prevention, including direct support to the Office of the Under Secretary for Civilian Security, Democracy, and Human Rights (J) and the broader J family, CSO’s greatest value is likeliest to be at the earliest possible stage—in anticipating possible threats or atrocities and helping to provide the tools and training to better address them.

The presence of CSO Stabilization Teams in the most conflict-prone areas of South Sudan continues to serve as an important tripwire in providing early warning on emerging violence and, potentially, mass atrocities. Beyond simply raising the profile of subnational political and security threats, CSO staff in the field engage with state and county officials, tribal leaders, youth, UNMISS and other stakeholders and have used these relationships to influence behavior, including damp-

ening tensions, encouraging reconciliation and helping to set conditions that could prevent violence.

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RESPONSES OF WILLIAM E. TODD TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Given the widespread concerns about official corruption in Cambodia, I and many others believe it is imperative that Cambodia join the Extractive Industries Transparency Initiative before oil revenues begin to flow from its offshore fields, which may be as soon as next year. Does the State Department share this view, and if so, what is the U.S. Government doing to encourage Cambodia's participation in EITI? Is the U.S. providing any other assistance to help Cambodia productively manage its future oil revenues?

*Answer.* The U.S. Government continues to encourage Cambodia and others to join the Extractive Industries Transparency Initiative (EITI). Although Cambodia has yet to join, it has participated in regional EITI workshops and taken steps to make public disclosures of its oil revenue. In 2010, the Cambodian Government announced it had received a total of \$26 million in signature bonuses and social funds from PetroVietnam and Total associated with contracts for offshore oil exploration. Most significantly, Cambodia has established an interministerial working group that will publish extractive industry taxes and revenue, according to the local NGO "Cambodians for Resource Revenue Transparency" (CRRT).

EITI is emerging as a global standard for revenue transparency, an important component of good governance in the extractives sector. The United States demonstrated its commitment to this principle in September 2011, when President Obama announced that the United States would join EITI. Leading by example strengthens the U.S. position as we continue to encourage Cambodia and others to join the initiative. Industry, government, and civil society must work together to promote greater transparency and fight corruption.

Through our civil society partners, the United States has supported workshops to assist Cambodian Government officials to better understand the oil and gas industry. Additionally, we have promoted international best practices for resource management in our interactions with relevant government officials.

The United States provides technical assistance to the Cambodian Government, in the form of financial advisory services from the U.S. Department of the Treasury, to develop sound financial management practices. Related to the extractives sector, the team has assisted in the development and implementation of laws and regulations related to taxation of the oil and gas and mining industries. Additionally, a full-time U.S. advisor works with the Ministry of Economy and Finance to support overall budget reform and increase financial accountability in Cambodia.

*Question.* American democracy advocate Ron Abney passed away on December 31, 2011, without seeing justice for the grenade attack in Cambodia on March 30, 1997, in which 16 Cambodians were killed, and scores injured—including Abney himself. Elements of the ruling Cambodian People's Party (CPP) were reportedly suspected of complicity in the attack, particularly Prime Minister Hun Sen's bodyguard unit Brigade 70. What actions will you take to secure justice for the victims of the 1997 grenade attack, and what impact does impunity for such crimes have on Cambodia's democratic and legal development?

*Answer.* The lack of accountability for past crimes, and a culture of impunity among many of Cambodia's elite, is an ongoing concern for the United States, and one which, if confirmed, would be a top priority for me during my tenure as Ambassador. These actions erode confidence in the legal and political systems. Cambodia's democratic and legal development is retarded when there is no accountability for past crimes. If confirmed, I will make the issue of equality before the law, judicial independence, and accountability for past crimes a major theme of my engagement with the Royal Government of Cambodia, and I will do everything I can to assist the victims of the 1997 grenade attack find justice.

*Question.* Please describe the process by which U.S. foreign assistance to Cambodia is evaluated in terms of effectiveness. Identify every program and project funded in Cambodia for the last 5 years by the U.S. Government. For each program and project funded by the U.S. Government during that time period, please state the type of evaluation(s) which occurred on an annual basis and the findings of each evaluation.

*Answer.* U.S. foreign assistance to Cambodia is evaluated in accordance with performance management best practices, including where feasible and useful, program

evaluation, to achieve the most effective U.S. foreign policy outcomes and greatest accountability to our primary stakeholders, the American people. The U.S. Department of State has recently launched an Evaluation Policy that requires that all large programs, projects, and activities be evaluated at least once in their lifetime or every 5 years, whichever is less. Each Bureau in the State Department identifies the programs, projects, or activities to evaluate, and is required to evaluate two to four projects/programs/activities over a 24-month period beginning with FY 2012, depending on the size, scope, and complexity of the programs/projects being evaluated. USAID has implemented a similar policy.

The attached annexes represent the past 5 years of summaries of USAID, CDC, security assistance, and weapons removal and abatement projects funded by the United States in Cambodia. The State Department would be pleased to provide a briefing for you or your staff on these programs and the evaluation mechanisms, if you would like further information.

[EDITOR'S NOTE.—The annexes mentioned above (Annex 1: "Evaluation Findings, USAID/Cambodia"; Annex 2: "Security Assistance, Evaluation of Effectiveness"; Annex 3: "Weapons Removal and Abatement Summary") were too voluminous to include in the printed hearing. They will be retained in the permanent record of the committee.]

*Question.* Will you meet with opposition leader Sam Rainsy, whether that be in Cambodia, if he returns or elsewhere?

*Answer.* If confirmed, I would welcome any opportunity to meet both ruling party and opposition party figures in Cambodia, including Mr. Sam Rainsy, regardless of venue.

*Question.* Former Thai Prime Minister Thaksin Shinawatra serves as a key advisor to Cambodia Prime Minister Hun Sen on an intermittent basis. How does this relationship effect bilateral relations between Thailand and Cambodia?

*Answer.* Former Thai Prime Minister Thaksin Shinawatra served as an economic advisor to Cambodian Prime Minister Hun Sen from 2009 to 2010, and the two figures are widely believed to remain in close contact. Relations between Cambodia and Thailand have warmed significantly since a Puea Thai party coalition came to power in Thailand 2011, led by Thaksin's youngest sister, Prime Minister Yingluck Shinawatra.

The United States strongly encourages Cambodia and Thailand to continue to improve their bilateral relationship, which would also help bolster regional stability.

*Question.* Please quantify the success of the U.S. Government or U.S. funded-projects and programs in Cambodia attempting to address human trafficking.

*Answer.* Cambodia, once a Tier 3 country, was classified as a Tier 2 country in the State Department's June 2011 report.

The United States has implemented an array of programs to address human trafficking through USAID, the Department of State's Bureau of Population, Refugees, and Migration, and the Department's Office to Monitor and Combat Trafficking in Persons.

USAID/Cambodia programs to counter trafficking in persons (TIP) have reached over 7,600 Cambodians in key priority provinces through information campaigns and training events on safe migration and TIP-related issues. Participants included local officials, community change-makers (such as Village Development Committee members), and students.

In the interest of TIP prevention, USAID assistance has strengthened employment options and reduced vulnerability to trafficking of over 920 youth through support for educational scholarships and vocational training. USAID assistance has also reduced the vulnerability of nearly 300 families by mitigating pressures for family members to fall into situations involving unsafe migration, trafficking, or exploitation.

The program has provided training to 776 government officials and social workers on victim protection. USAID programs have also supported over 1,800 trafficking victims through short- and long-term services provided by shelters, including residential care, educational support, livelihoods skills training, psychosocial support, and reintegration assistance.

In the interest of prosecution, USAID supported training for over 500 police officers on TIP, criminal investigation, evidence collection techniques for trafficking cases and institutionalized trainings within the Cambodian National Police. We

have also trained over 180 judicial officials on the TIP law and regional and international legal frameworks to address TIP.

In FY 2011, the Department of State's Bureau of Population, Refugees, and Migration programmed \$300,000 in INCLE funds for antitrafficking activities in Cambodia, Laos, and Malaysia under its Southeast Asia regional migration program, implemented by the International Organization for Migration (IOM). Activities focused on improving the quality of assistance provided in shelters for trafficking victims in Malaysia and building the capacity of the Lao and Cambodian Governments to provide reintegration assistance to returning trafficking victims. In FY11 in Cambodia, IOM trained 20 central-level Ministry of Women's Affairs (MoWA) officials, 40 provincial-level MoWA officials, and 154 key local leaders, including village and commune chiefs, on methods to conduct awareness-raising activities on the risks of irregular migration and the rights and responsibilities of migrants in Thailand, a major destination for Cambodian labor migrants. The project also supported two awareness-raising campaigns in Cambodia's Prey Veng and Kampong Cham provinces that reached a total of 1,674 people.

The Department of State Office to Monitor and Combat Trafficking in Persons (J/TIP) has supported both the U.N. and nongovernmental organizations to address trafficking in Cambodia.

The United Nations Inter-Agency Project on Human Trafficking (UNIAP) is partnering with local NGOs to provide psychosocial support and other services to address trauma and other mental health needs of victims of sex and labor trafficking. The project is also providing economic support through training and job placement for victims, as well as training for staff and raising awareness of the issue. In the area of prevention, UNIAP successfully integrated an antitrafficking message into a publication on financial literacy produced by a microfinance institution. Over 50,000 copies of this publication were distributed through the microfinance institution's branch offices. In the area of protection, UNIAP has provided medical services to 20 trafficking victims, legal assistance and advice to 105 victims, counseling services to 75, and vocational training to more than 20 others. Of particular note is the repatriation assistance to Cambodia of 65 male Cambodian labor trafficking victims from Indonesia, 18 victims from Malaysia, and 21 victims from Thailand. In terms of prosecution, UNIAP has assisted with the investigation of 20 TIP cases, the arrest of eight perpetrators, six of whom have been criminally charged, and two of whom have been convicted. The traffickers were each sentenced 8 years in prison and ordered to pay compensation to their victims.

World Hope International (WHI) provides comprehensive services for girl survivors of trafficking and rape through an aftercare center in Siem Reap modeled after a successful aftercare program in Phnom Penh. Services include short-term shelter, medical and mental health assessments, art therapy, and assistance with preparing for court proceedings, with the goal of recovery and reintegration. WHI has partnered with Cambodia's Ministry of Social Affairs, Veterans, and Youth Rehabilitation (MoSAVY) to assist approximately 60 girls through the center, and conducts periodic followup visits to ensure successful reintegration into their communities.

Additionally, the J/TIP office recently funded *Agir por les Femmes en Situation Precaire (AFESIP)* to develop three service centers in Cambodia. These centers provide trafficking survivors with residential living space that meets their immediate needs, including medical evaluations and treatment; psychological counseling to establish and restore self-confidence and self-esteem; support to family members; and childcare and parenting skills to residents in order to allow them to focus on their own rehabilitation. Nearly 550 women and girls received care across AFESIP's three residential shelters throughout the project period.

*Question.* What is the status of relations between the U.S. Department of Defense and the Royal Cambodian Armed Forces? How is the human rights record of the Royal Cambodian Armed Forces factored into decisions by the United States to engage with the Cambodian military?

*Answer.* U.S. security engagement is a positive driver in deepening United States-Cambodia relations, and reinforces our efforts to promote a democratic Cambodia respectful of human rights, dedicated to the rule of law and transparent governance, at peace with its neighbors, and a contributor to regional stability.

The United States assists and engages with the Royal Cambodian Armed Forces (RCAF) in an effort to develop a modern, transparent, accountable, and professional Cambodian partner that supports U.S. efforts to maintain regional and global stability, adheres to international human rights norms, and is integrated into the international community.

The military-to-military relationship focuses on building capacity in peacekeeping (with recent deployments to Sudan and Lebanon as examples), counterterrorism, civil-military operations (including military medicine and engineering), humanitarian assistance and disaster relief response, and maritime security. The United States will also continue to enhance the RCAF's capabilities to meet reform, force restructuring, and professionalization objectives.

Every individual and unit that participates in U.S.-funded training is thoroughly vetted, both in Phnom Penh and Washington, in strict accordance with U.S. law and State Department regulations. For example, in addition to the various internal background checks conducted at the U.S. Embassy, using information the Embassy has amassed from contacts and open sources, Embassy personnel also check names against a database maintained by a prominent human rights NGO. This database tracks human rights violations throughout the country and includes cases submitted by NGO monitors and contacts in the provinces. In Washington, the Department of State's Bureau of Democracy, Human Rights and Labor implements the Leahy amendment by reviewing information from multiple resources to ensure that U.S. funding is not used to training individuals or units implicated in human rights abuses.

Senior Department of Defense visitors to Cambodia discuss human rights issues in their meetings with senior RCAF and Ministry of National Defense (MoND) officials. The RCAF and MoND are fully aware of our position on gross human rights violations as it pertains to security training, and all units and individuals receiving training are required to receive human rights awareness training prior to the start of the program.

*Question.* Please cite specific examples during the past 3 years when the United States protested the illegal eviction and "land grabbing" of private citizens, which has occurred at the direction of Cambodian officials and in violation of Cambodian law.

*Answer.* The United States has consistently expressed its concerns about the increasing number of land disputes in Cambodia and the potential they have to escalate into violent confrontations. These disputes underscore the importance of clearly delineated property rights and the need for a dispute resolution system that is independent and treats all Cambodians equally and according to the law.

The United States has previously joined others in the international community to urge the Royal Government of Cambodia (RGC) to ensure that property rights are respected. For example, in 2009, the United States coordinated and publicized a joint statement that urged the RGC to end its development of Boeung Kak Lake until and unless Cambodian authorities and the affected citizens reached a lawful resolution. In 2011, the World Bank suspended new lending to Cambodia until and unless the RGC satisfactorily resolved the Boeung Kak Lake situation. The United States, as a shareholder, strongly supported the World Bank's decision.

In 2012, the United States publicly raised our concerns regarding land disputes during the eviction of land claimants from the Borei Keila settlement and continues to call on protestors to refrain from violence and for security forces to exercise maximum restraint.

The United States, through our USAID mission in Phnom Penh, provides funding and training to civil society groups that work in the areas of land and livelihood rights, judicial reform, and legal awareness.

*Question.* How do you recommend approaching the plethora of rule of law challenges and issues within Cambodia? Please assess the success or failure of the United States on this front in recent years in Cambodia. What other countries are actively concerned about the rule of law challenges in Cambodia?

*Answer.* The United States is concerned about Cambodia's weak and vulnerable judiciary. Weak rule of law hinders political reform, encourages an environment of impunity, hinders economic and social development, and cripples the public's confidence in the political process. Land rights issues are a tangible example of a larger need for rule of law for many Cambodians.

Though recent arrests may indicate greater political will in Cambodia to tackle corruption, the United States continues to encourage Cambodia to comprehensively enforce its Anti-Corruption Law. We also encourage Cambodia to write effective, applicable laws and have offered technical assistance and critical feedback to support those efforts.

If confirmed, I will not only recognize and praise positive developments, but also make clear our strong position on issues related to the rule of law and corruption. I will persistently engage with Cambodian officials and political leaders to stress the vital importance of the rule of law and the need to create the political will to build

and protect it. At the same time, I believe the United States needs to continue its robust support for civil society organizations that actively monitor and promote the rule of law in Cambodia.

Various USAID programs support justice sector reform, including a project with the Ministry of Justice to improve collection and use of justice-system data. USAID supports legal education, which is critical for building the next generation of legal professionals who can promote rule of law, a key element in democratic transformation. Through a robust subgrant program, USAID supports civil-society organizations that engage in human rights advocacy and provide legal aid to indigent persons.

The United States \$11.8 million contribution to the Khmer Rouge Tribunal (pledged and delivered contributions since 2008) is assisting the Cambodian people in achieving a measure of justice and accountability for the atrocities of the Khmer Rouge era. If confirmed, I will continue to call on the Cambodian Government to respect and protect the Tribunal's independence with regards to all cases before the Court.

The U.S. Government is also engaging with Cambodia's military and law enforcement forces to develop their professionalization and accountability, thus advancing their respect for the rule of law. Professional and competent security forces will not only be better equipped to address transnational threats and domestic criminal activities, but also be better prepared to support and sustain democratic institutions.

The United States coordinates closely with other donors supporting rule-of-law programs and assesses that many of Cambodia's international partners are concerned about rule of law, given its impact on a broad spectrum of issues, from the inviolability of contracts for foreign investors to human rights for Cambodians and myriad other issues. Many countries are actively concerned about the rule of law in Cambodia, including Australia, members of the European Union, Japan, Canada, and South Korea.

*Question.* In what ways does the United States consult and coordinate with other major international donors of assistance to Cambodia?

*Answer.* The United States consults and coordinates with other major international donors on a regular basis, through formal and informal means, and through the strategy, design, implementation, monitoring, and evaluation cycle of assistance programs. Mechanisms include a monthly meeting in Phnom Penh attended by heads of development partner agencies, consultations at the program design and implementation level, consultative workshops with other development partners, and even the contributions of resources from other donors to USAID programs.

Formal coordination between development partners and the Cambodian Government occurs at three levels. First, a consortium of 19 technical working groups addresses a range of development issues at the working level. Second, the "Government Donor Coordination Council" serves as a higher level forum for coordination and dialogue between the Cambodian Government and development partners, with the most recent such meeting occurring in April 2011. Third, the Country Development Cooperation Forum (CDCF) is the highest level forum for policy dialogue among the development partners and the Cambodian Government, is typically chaired by the Prime Minister, and includes the participation of Ambassadors and heads of development agencies. The most recent CDCF was held in June 2010.

*Question.* Please identify U.S. "partners" in Cambodia, receiving U.S. funds, whom have direct or indirect relations with one or more key Cambodian official or their family.

*Answer.* CDC: The implementing partners for the U.S. Centers for Disease Control's (CDC) Global AIDS Program and Influenza Program include the Ministry of Health; the National Center for HIV, AIDS, Dermatology and Sexually Transmitted Infections; the National Tuberculosis Control Program; the National Institute of Public Health; the Communicable Disease Control Division; and the World Health Organization (WHO). Each of these partners is led by a key Cambodian official (for the Cambodian Government agencies) or has direct professional ties to such officials (WHO).

USAID/Cambodia: The Cambodia mission of the U.S. Agency for International Development (USAID/Cambodia) works with local and international NGO partners to implement programs in democracy, human rights, elections and political processes, health, education, agriculture, food security and environment. These partners necessarily have direct professional relationships with key Cambodian Government officials.

USAID/Cambodia is aware of only one direct partner receiving U.S. funds that has a family relationship with a key Cambodian official. The Chief of Party of the

Sustainable Action Against HIV/AIDS in Communities project, implemented by the Khmer HIV/AIDS NGO Alliance, is the spouse of an Under Secretary of State with the Ministry of Commerce.

Ambassador's Fund for Cultural Preservation (AFCP): The United States is providing AFCP funds to two nongovernmental organization (NGO) implementing partners that have direct professional relationships with key Cambodian officials at the Ministry of Culture and/or the APSARA Authority. The NGOs are the World Monuments Fund (conservation work at Phnom Bakheng Temple) and Cambodian Living Arts (documentation of three Khmer music traditions). These grants were awarded through a standard competitive process that complied with all relevant U.S. laws and regulations.

English Access Microscholarship Program (Access): The following NGO implementing partners, which receive Access funding to conduct English-language education for disadvantaged students, are led by a key Cambodian official. Grants to these organizations were awarded through a standard competitive process that complied with all relevant U.S. laws and regulations.

- Cambodian Islamic Youth Association—The director is an Under Secretary of State with the Ministry of Social Affairs, Veterans and Youth Rehabilitation, and the deputy is an Under Secretary of State with the Ministry of Rural Development.
- Islamic Local Development Organization—The founder, who is still a member of the group's Board of Directors, is a Secretary of State with the Ministry of Social Affairs, Veterans and Youth Rehabilitation.
- Cambodian Islamic Women Development Association—The project director is an Under Secretary of State with the Ministry of Women's Affairs.
- Cambodian Muslim Development Foundation—The project director is an Under Secretary of State with the Ministry of Education, Youth, and Sports.

Other Public Diplomacy Programs: The United States funds American Corners at Panasasstra University of Cambodia (PUC) in Phnom Penh and the University of Management and Economics in Kampong Cham and Battambang, all of which have professional relationships with key Cambodian officials, mainly with the Ministry of Education, Youth and Sports. Additionally, the President of PUC is a former Minister of Education and continues to serve as an advisor to the Cambodian Government. The United States also provides support for the annual CamTESOL conference, organized by the private company, IDP, which works closely with the Ministry of Education on the event.

NADR: Though Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR) funding, the United States provides grants to humanitarian demining organizations in Cambodia to remove mines and other explosive remnants of war (EWR). In addition to mine and EWR clearance activities, U.S. assistance supports technical training and public education programs. Implementing partners for these programs include DynCorp International, the Mines Advisory Group (MAG), the HALO Trust, and Golden West Humanitarian Foundation. These organizations necessarily have direct professional relationships with key Cambodian officials.

IMET/FMF: International Military Education and Training (IMET) and Foreign Military Financing (FMF) funds are not provided directly to any Cambodian partner, but government elements led by key Cambodian officials, including the Royal Cambodian Armed Forces and the Ministry of National Defense, do benefit from IMET/FMF-funded programs and projects. All programs and activities are contracted and disbursed in strict accordance with applicable U.S. laws on competitive bidding.

*Question.* What are "best prospects" for U.S. companies exporting to Cambodia in the next 3 to 5 years?

*Answer.* While Cambodia has enjoyed considerable economic growth over the past decade, it is still among the poorest countries in the world. Most Cambodian consumers are extremely price sensitive. While products from China, Vietnam, or Thailand tend to dominate the market because of their relatively cheaper prices, there are some key areas in which American products and services are positioned to increase their market share. If confirmed, I will do everything I can to increase U.S. exports to Cambodia, including working with the Cambodian Government to improve the business and investment climate in Cambodia.

- *Agribusiness and Food Processing:* Roughly 80 percent of Cambodia's population is engaged in the agriculture sector. As a matter of policy, the Cambodian Government encourages investment in agriculture, diversification of agricultural products, and investment in improved irrigation and water control. The agriculture sector currently relies on outdated methods of farming and opportuni-

ties exist for American companies to promote higher quality seeds, fertilizers, and other agricultural inputs in Cambodia. Agricultural equipment, irrigation systems, and food processing equipment are other areas with potential for increased U.S. exports.

- *Construction Equipment and Engineering Services:* Cambodia is rehabilitating its hard infrastructure, including its road network, and has experienced a boom in residential and commercial construction over the last few years. Construction equipment and engineering services will be in great demand for the foreseeable future. Public works and transportation are a high priority for the Cambodian Government, which receives support from international donors.
- *Tourism Infrastructure and Resorts:* Political and economic stability has enabled Cambodia's tourist sector to mature steadily over the past few years. Nearly 3 million foreign tourists visited Cambodia in 2011. Main attractions include the historical Angkor Wat temple complex in Siem Reap and the relatively undeveloped beaches along Cambodia's southern coast. Estimated annual earnings from the sector are more than \$1.5 billion, or about 10 percent of total GDP. Collectively, these conditions present good market opportunities for American companies to develop hotels and resorts and to supply other hospitality-related products or infrastructure.
- *Education:* Demand for private or supplementary education services is high. The majority of Cambodia's population is school age, and the overall quality of public education is very poor. Many Cambodians, particularly in the growing middle class but even for those without much disposable income, are willing to spend money on education for their children to secure better opportunities in life. Commercial opportunities exist for American firms in vocational, specialized, preschool, elementary, secondary, and post-secondary education resources. English-language training is also an increasingly attractive prospect.
- *Used Cars and Automotive Parts:* Cambodia has no public transportation network, and the majority of people travel by motorbike or car. Automobile ownership is rapidly increasing, and the vast majority of cars are imported second-hand vehicles. The United States is currently the largest supplier of used vehicles in Cambodia, with the most popular models being four-wheel drive vehicles and mid-sized Japanese-brand sedans. Additional export opportunities exist in car accessories and spare parts.

*Question.* What level of U.S. funding has been dedicated to electoral reform in Cambodia over the last 10 years? Do you view this priority as being a success or failure on the part of the U.S. given concerns about 2013 elections being "free and fair"?

*Answer.* The total value of U.S. Government assistance supporting civil society and political parties in elections over the past 10 years is \$37,589,997. This assistance has promoted programs critical to supporting free and fair elections in Cambodia, including political party training/development, voter education, youth political empowerment, polling, women's caucuses, candidate debates, and civil society observation of elections. For over 10 years, the United States has not provided assistance to electoral management bodies that administer elections or legal/policy reform issues.

I believe that Cambodia's transition and democratic reform remains a work in progress and considerable challenges remain. Most observers assessed that Cambodia's 2008 elections took place in an overall peaceful atmosphere with an improved process over past elections. However, observers noted the elections did not fully meet international standards. Restrictions on the transparency of the electoral environment include harassment of opposition political parties and limited space for political debate. The United States believes that Cambodia's commune elections in 2012 and national elections in 2013 provide opportunities for the Royal Government of Cambodia to demonstrate to its people and the world that it is dedicated to multiparty democracy and that it can be a durable and healthy democracy.

Looking to the 2012 and 2013 elections, if confirmed, I will continue support for the role of civil society and political parties in elections. I will also deploy Embassy personnel as election observers throughout the country and coordinate our efforts with others in Cambodia and with the international community.

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RESPONSES OF SARA MARGALIT AVIEL TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Your biography indicates that you have never worked in the World Bank system. How do you think this will impact your ability to function as a part

of the U.S. leadership? What will your priorities be at the World Bank? What new initiatives would you propose to promote U.S. priorities at the Bank?

Answer. My experiences at the Treasury Department, National Security Council, National Economic Council, and in private international development organizations provide me with a unique perspective on policymaking at the highest levels of the U.S. Government and on development issues in the poorest communities in the world.

To give just a few examples of my experience:

- I have been a part of the important community development projects the World Bank supported in Afghanistan, where CARE served as an implementing partner for the World Bank's landmark National Solidarity Program.
- As a Senior Advisor to Secretary Geithner, I participated in and helped manage Secretary Geithner's engagements in six World Bank spring and fall annual meetings.
- As a Director of International Economic Affairs at the National Security Council and National Economic Council, I have coordinated with World Bank officials on a range of issues, from cosponsorship of the South Sudan International Engagement Conference to projections of Afghanistan's fiscal gap.

These experiences have made me well-versed in the range of development and policy issues facing the World Bank. If confirmed, I will arrive at the Bank as a newcomer to the World Bank system like most of my predecessors. However, I can assure you that I will bring the relevant experience to the position, as well as the ability to approach the institution with a fresh perspective and a critical eye rather than being encumbered by the status quo.

If confirmed, my priority, first and foremost, would be to serve as a strong fiduciary steward of American taxpayer resources. The United States is the largest shareholder of the institution, and if confirmed, it would be my primary responsibility to provide effective oversight.

Second, my focus would be on execution. The World Bank has already agreed to a number of significant reforms as part of the recent capital increases and I would work to make sure that these reforms are implemented quickly and effectively. These include efforts to:

- Strengthen financial discipline;
- Improve governance and accountability, including promoting transparency and anticorruption efforts;
- Enhance development impact and effectiveness.

Beyond focusing on a comprehensive and careful implementation of these critical reforms, I would work with the Executive Director to promote U.S. priorities at the World Bank by:

- Encouraging a culture of innovation and learning so that effective approaches can be brought to scale for greater impact;
- Conducting outreach to the private sector to highlight procurement and financing opportunities for American companies;
- Engaging civil society organizations and other stakeholders to solicit different perspectives on the impact of the World Bank and potential areas for improvement.

*Question.* Your testimony at the hearing overall highlighted and discussed the stated mission of the World Bank and cast the institution in a positive light. Your testimony did not address the issue of much-needed reform in the Bank system. I have been conducting investigations and holding hearings for 10 years now on serious corruption and lack of transparency at the Bank. After onsite visits by my staff, I put forward a report detailing findings and suggesting corrective measures going forward. Have you reviewed this report and evaluated the suggested reforms? What measures, in addition to those I suggest, would you propose to promote transparency and anticorruption? What can the Treasury Department do to focus more on reform?

Answer. I have carefully reviewed your report and support its approach. Indeed, I believe my testimony was very much aligned with the general conclusions in the report—namely that “the IFIs still serve U.S. policy interests and leverage American taxpayer dollars” but that we must work to improve their accountability, transparency, and effectiveness.

After reading the report, I actively consulted with colleagues at the Treasury Department and in the office of the U.S. Executive Director about its contents and recommendations. I was pleased to hear that the report significantly helped guide their negotiations regarding the general capital increases, replenishments, and the corresponding reforms. For instance, the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC) have both

agreed to increased transfers of their net income to the International Development Association (IDA) during the IDA-16 replenishment period—a key recommendation in your report. Furthermore, in the context of the IBRD's general capital increase, shareholders agreed to greater formalization of these transfers going forward. The United States also successfully pushed to increase IFC's lending in IDA countries, as you had recommended.

Also consistent with the recommendation of your report, the United States, other key shareholders, and the management of the MDBs have all placed a special emphasis on harmonizing results in recent years. Much of the agenda has been centered on results measurement systems, such as that of the International Development Association (IDA). For example, in the latest replenishment round for IDA completed in May, 2010 (IDA16), reforms to results monitoring and measurement at the country, program and project levels have helped set a model for other development partners. I understand that in each of the recent concessional window replenishments (IDA, the Asian Development Fund, and the African Development Fund), the United States has pressed for greater efforts toward harmonization of results frameworks across the institutions and that the MDBs are responding favorably and actively engaging with each other on this important objective. If confirmed, I look forward to engaging with World Bank management on this agenda as I believe it is central to promoting greater accountability.

Your report also appropriately emphasizes the anticorruption and transparency agenda. The World Bank has some notable recent successes to point to, such as the landmark Cross Debarment Agreement that brought the World Bank and regional development banks together in linking their actions in response to incidences of corruption in procurement. Another notable success is the Bank's new access to information policy, which sets an appropriate new norm of transparency, with a presumption that all documents are released and a very narrow exception for sensitive materials.

However, given the amount of money disbursed from the Bank, and the often challenging environments in which the Bank operates, guarding against corruption requires constant vigilance. Therefore, if confirmed, I look forward to working closely with the Treasury Department and this committee in advancing a robust agenda on transparency and anticorruption at the World Bank. This includes supporting a strong Integrity Vice-Presidency with sufficient resources to carry out its investigations, pressing for better data collection and reporting on procurement awards under Bank-financed projects, and greater use of independent, third-party organizations to verify the results of Bank projects, where appropriate (such as in the Bank's new Program-for-Results instrument). The World Bank and the Treasury Department should also continue using their leverage to promote greater transparency and anticorruption policies across borrowing country governments by working with them to strengthen their public financial management systems, publish their budgets, investigate and prosecute wrongdoing, and where applicable, incorporate the principles of the Extractive Industries Transparency Initiative.

*Question.* One of the goals of the World Bank system should be to “put itself out of business.” There should be more focus on enabling governments to generate their own revenue and access to capital markets. What sorts of guidelines would you propose for moving countries from being borrowers to becoming donors, particularly the middle-income countries?

*Answer.* I agree that the World Bank Group should aim to reduce the need for its involvement by supporting poverty reduction around the world including by working with governments to generate their own revenue for this purpose. The World Bank system has succeeded in meeting this goal in many countries throughout its history. Since the founding of the World Bank in 1944, thirty-three countries have graduated from IBRD borrowing. The list of IBRD graduates highlights the success of the World Bank in supporting the postwar reconstruction of Europe (e.g., France, which graduated in 1947); fostering the rapid post-war development of East Asia (e.g., Japan, 1967; Taiwan 1971; Singapore, 1975; and South Korea, 1995); and facilitating Eastern Europe's transition to capitalism (e.g., Czech Republic, 2005 and Hungary, 2007). Since its founding in 1960, IDA has seen 35 countries graduate from its assistance including: Botswana, China, Costa Rica, Jordan, and Turkey.

While graduation rates are roughly the same from IDA and IBRD, it is also the case that the guidelines for graduation from IDA—per capita income above an established threshold (\$1,175 in FY 2012) and/or creditworthiness to borrow on market terms—are clearer and more binding. On balance, I understand the IDA graduation model works reasonably well. As to IBRD, I believe there are advantages to defining a clearer graduation policy and principles for Bank engagement in middle-income countries.

While I do think it is important to encourage graduation, the United States does have an interest in continued IBRD engagement in many middle-income countries. Middle-income countries, such as Brazil and China, have made tremendous strides in development in recent decades. However, they still account for just under half of the world's population and are home to two-thirds of people across the globe living on less than \$2 per day. So the World Bank still plays a valuable role in supporting these countries' efforts to eradicate poverty. World Bank lending also advances other U.S. policy interests in these countries including environmental sustainability, sound fiscal management, and orienting their economies toward greater domestic consumption, which generates export markets for our firms and contributes to larger global rebalancing efforts. The high standards for environmental and social safeguards and procurement policies that the World Bank requires serves as a model that we would like to see adopted more broadly in these countries. Moreover, although middle-income countries can often borrow on international capital markets at favorable rates, they value the World Bank's unique expertise in long-term development interventions.

Further, even as many of these countries make considerable economic strides globally, they often remain vulnerable to economic shocks, which can force them to turn to the World Bank to cushion the blow on their most vulnerable citizens. For example, South Korea, a country that had formally graduated from IBRD assistance nearly 20 years ago, and by virtually any measure, is a success story today, nonetheless was forced to return to the Bank for assistance during the Asian Financial Crisis in the late 1990s.

The World Bank and the United States have been successful in encouraging greater participation of emerging market donors, and if confirmed, I would continue to press this case. In the last replenishment of IDA, for example, several middle-income countries such as China, Brazil, Russia, and Mexico made pledges. To date, traditional donor contributions from these countries have been very modest. At the same time, through the IBRD and IFC net-income transfers, as well as measures such as "prepayment" of outstanding IDA loans by countries like China, middle-income countries played a strong, if indirect, role in driving the overall increase in the IDA 16 replenishment.

That said, I think these countries should do more in exchange for the benefits they receive from World Bank assistance. The United States has long been at odds with many of the middle-income countries on the issue of loan pricing. If confirmed, I will continue to press for loan pricing that meets the broader needs of the Bank, both in terms of protecting the Bank's capital base but also in making important goals like IDA transfers possible. I also think it is worth exploring the recommendation in your report to consider charging for advisory services.

If confirmed, I would consult actively with Congress and other stakeholders about the appropriate role for the World Bank in middle-income countries.

*Question.* The global financial crisis has impacted the world's poorest regions most severely. The response of the Bank was to seek greater resources from donor countries, which have also been affected drastically by the crisis. Could the international financial institutions have done anything to mitigate the effects of the crisis? What sorts of studies or reviews would you conduct to make sure that lessons learned from the crisis of the last few years are used to better prepare the institutions for any such future occurrences?

*Answer.* The global economic crisis that began in 2008 threatened to erase years of progress in developing countries. In response to the crisis and calls from the G20, the World Bank Group (World Bank, International Finance Corporation, Multilateral Investment Guarantee Agency) increased lending to unprecedented levels. Since 2008, the World Bank Group has committed \$196.3 billion to developing countries, including record commitments in education, health, nutrition, population, and infrastructure, providing much-needed investments in crisis-hit economies. These investments also helped restore liquidity to trade flows, which helped cushion the blow for American exporters as well.

I strongly support the Bank's robust response to the crisis and I believe the Bank delivered consistent with its resource constraints—both in terms of timeliness of its response and the quality of its interventions. I continue to believe the Bank played a critical role in mitigating the extent of the crisis, and that the impact would have been far worse in many countries without the Bank's interventions.

That said, the Bank should and is taking a hard look at its crisis response efforts to determine where new approaches or instruments might make sense. In this context, the Bank's Independent Evaluation Group (IEG) recently completed an extensive review of the Bank's response to the crisis. The review found that the Bank's lending provided an important source of stimulus in many countries at a time when

many feared the onset of a global depression. However, the review also found that the Bank's lending was not always adequately targeted or quickly disbursing, reducing its overall effectiveness. The GAO also recently completed its own review of the Bank (and other international financial institutions) lending during the crisis that drew similar conclusions.

Recognizing the challenges to intervening effectively during a crisis and as an IDA 16 outcome, the Bank established an IDA crisis response window (CRW), which should enable IDA to respond more quickly to economic shocks and natural disasters. If confirmed, I would be eager to assess the experience with the CRW to determine if it is a model worth committing to on a permanent basis.

*Question.* The U.S. Government just approved the general capital increase for the banks. The GCI was conditioned upon certain reforms. How will you ensure that substantial efforts are devoted to achieving these reforms? Specifically, how can the Bank better implement guidelines to maximize international competitive bidding in accordance sound procurement practices? How can the Bank better ensure protection for whistleblowers? Will you press the Bank to make available internal and external performance and financial audits?

*Answer.* Implementation of the reforms specified in the World Bank general capital increase legislation is a high priority for the administration, the Department of the Treasury, and for me personally. If confirmed, I will work closely with the U.S. Executive Director, other World Bank Executive Directors, and with Bank management to achieve these reforms. I will work to make sure that progress is carefully monitored and tracked under the operating framework that Treasury lays out in its reporting. If progress falls short, I will work diligently to press our case with the World Bank and elevate our concerns within the administration as necessary.

Creating a level playing field, promulgating sound procurement practices, and maximizing competition is an important part of the World Bank's approach both for its own sake and because it helps model the kind of practices countries need to adopt in order to create sound investment climates and open, growing economies. The World Bank's Procurement Guidelines and standard documents have been recognized as international best practice by organizations representing the private sector. The World Bank's Procurement Guidelines support transparency, competition, and cost-effective results by requiring measures such as:

- Strong international advertising requirements;
- Open competition in the contracting process;
- Publicly available standard bidding documents for international competitive bidding.

In January 2011, the World Bank Board approved modifications to its guidelines designed to further enhance the transparency and efficiency of the procurement process under World Bank-financed investment projects. This included, for example, requirements for strengthened advertising of project bid opportunities and for posting of project procurement plans. I understand the World Bank will soon be launching a review of its procurement policy. If confirmed, I will consult closely with relevant stakeholders including Congress and organizations representing the private sector to identify potential areas of improvement. I will work closely with the U.S. Executive Director, other Executive Directors, the Treasury Department, and World Bank management to incorporate these suggestions and further strengthen the World Bank's already strong procurement policies.

With respect to whistleblowers, I believe that a strong whistleblower protection policy is essential so that employees feel safe reporting any waste, fraud, or corruption they encounter. In partnership with Congress, the United States has been a consistent advocate of strong whistleblower protections at the Bank. As a result, the World Bank has made substantial progress in adopting and implementing policies in the area of a whistleblower protection that substantially embody the best practices applicable to international organizations including:

- Requirements to report suspected misconduct;
- Protections against retaliation including provisions for discipline of any employee who engages in retaliation;
- Legal burdens of proof on management, so that if an employee can show that he or she was subject to adverse action after reporting wrongdoing at a Bank, management must show by clear and convincing evidence that it would have taken the same action absent the reporting of wrongdoing;
- Access to independent Administrative Tribunals;
- A presumption of reinstatement for dismissed employees;

- Provisions for remedies, such as compensatory damages, for financial losses linked to retaliatory action, legal costs, and interim relief for whistleblowers in the midst of a review or investigation.

If confirmed, I would be committed to maintaining these strong whistleblower protection policies and strengthening them if needed. I understand the Treasury Department is currently working with the Bank to see if it can provide relevant data to show how its policy is being implemented. If confirmed, I would use this information, along with information gleaned from consultations with employees, Congress, and other stakeholders, to determine if additional measures are necessary.

Finally, the World Bank now makes available its internal and external performance and financial audits. In 2009, the Bank revised and improved its Access to Information Policy, which governs issues related to the availability of external and internal performance audits. Previously the Bank had only released certain documents, but the new policy makes transparency the norm. Documents are presumed to be released other than in exceptional circumstances, and there is a new, formal, independent appeals process where members of the public can seek disclosure if they believe it was wrongfully denied. The World Bank now makes publicly available a wide range of critical documents including:

- The annual assessment of the Results and Performance of the World Bank Group;
- A yearly update of the Status of Projects in Execution, which assesses each project's progress;
- All internal and external performance and financial audits.

In addition, under the new disclosure policy, borrowers are required to disclose the audited annual financial statements of projects as a precondition for doing business with the Bank. The World Bank discloses the statements upon receiving them.

Strong standards for transparency, protection of whistleblowers, and procurement processes are all an essential part of making the World Bank a more accountable organization. If confirmed, I will work to protect these strong standards and look for additional ways to make the World Bank more accountable.

*Question.* The Board of Directors recently approved the “Program for Results” or P4R. This program has met with mixed reviews from civil society. How will you ensure that this program is implemented effectively and transparently? How will you monitor for the inclusion of programs with adverse environmental impacts or adverse impacts on indigenous people? Will P4R work in conjunction with a country's own system of transparency? Are there any downsides to this? How can the Bank make the principles of Integrity Vice Presidency an integral part of all operations in all units of the Bank?

*Answer.* The concept of P4R—formally linking World Bank disbursements to the achievement of development results that are tangible, transparent, and verifiable—has merits, but I also understand and share some of the concerns raised by civil society. Therefore, I strongly support World Bank management's decision to roll out P4R slowly and with the incorporation of appropriate limits, evaluations, and oversight.

Specifically, I support the limit of commitments under P4R in the first 2 years of the program. The limit of 5 percent of annual IDA/IBRD commitments—which still equates to approximately \$2 billion annually—is sufficient to allow the World Bank and its shareholders to test the implementation of the instrument and identify and correct any problems that arise. Any expansion of the program would have to be brought before the Board.

Countries that participate in the P4R program must first meet certain social and environmental standards. Civil society groups are understandably concerned these standards will not be as strong as the World Bank's environmental and social safeguards—safeguards they have worked hard to advance at the World Bank and that, if confirmed, I will work to uphold and strengthen. However, the P4R program has the potential to provide an incentive for countries to lift their standards across their entire government as opposed to just projects where the World Bank is involved, and this could have a significant impact on advancing environmental and social issues.

I also agree that the exclusion of Category A activities—those deemed likely to have a significant environmental impact—from P4R financing is appropriate and welcome the World Bank's unequivocal, public statements in this regard. The significant risks that such activities present are best handled through Investment Lending operations and under the World Bank's well-established social and environmental safeguard policies.

If confirmed, I look forward to engaging closely with the World Bank as the initial P4R operations are brought to the Board. Specifically, I will work with the U.S. Executive Director and World Bank management to be particularly attentive to the potential for any adverse impacts of P4R activities on the environment, Indigenous Peoples and other vulnerable groups. In these circumstances, I would seek to make sure the World Bank mitigates potential risks adequately or determines not to move forward with the P4R investment.

I believe that transparency and accountability are key to the success of P4R, and all the work the World Bank is engaged in. If confirmed, I will work with the Bank to provide affected communities, the private sector, and other stakeholders the ability to review and provide input on the individual program risk assessments, proposed capacity-building measures, and proposed activities. Upon the project's completion, these stakeholders should also be informed of the results at the activity level.

The World Bank's Integrity Vice Presidency's (INT) mandate covers the entire World Bank Group and is an essential accountability mechanism of the World Bank. I strongly support the work of the INT and welcome its continued oversight of World Bank lending under P4R. I also strongly support the efforts of the United States to incorporate language into P4R's operational policy stating that INT would have the right to investigate allegations of fraud and corruption in the program supported by P4R, including projects financed under the program, not only those allegations related to Bank financing (i.e., the use of government funds would be included as well). If confirmed, I will work in coordination with the Treasury Department to see that this policy is carefully followed.

*Question.* In these tough economic times, governments and institutions generally must be able to accomplish more with the same resources. What sort of efficiency or cost saving measures would you recommend to the Bank? What specifically would you suggest for effective budget discipline in order to ensure that the largest percentages possible of the Bank's resources are actually going to fight poverty?

*Answer.* Budget discipline and efficiency at the World Bank are high priorities for the U.S. Government and if confirmed, they would be high priorities for me as well. The United States has supported a flat real budget for the past 7 years. I believe the Bank should pursue cost saving wherever possible. I understand that the United States has consistently pressed for more restraint on issues of compensation, travel budgets, and general overhead at Bank Headquarters, and if confirmed, I fully intend to carry forward these positions.

In addition to pushing for specific cost measures, I am very supportive of the recent structural changes that will enable greater efficiencies in the future. In 2010, the World Bank adopted a new financial framework that strengthens budget discipline. Specifically, for the first time in 2011, the World Bank made major financial decisions on budget, pricing, and net income transfers at one time (i.e., in June, which is the end of the Bank's fiscal year), compelling management and shareholders to consider important budgetary tradeoffs. For example, if middle-income countries have an interest in an expanded Bank budget for their country, they should be prepared to make that case in the context of a discussion that also addresses the role loan pricing plays in supporting the budget. This is a significant improvement over previous practice, which was to consider these matters separately. In addition, the World Bank did, in fact, increase rates on loans with longer term maturities. As a result, loan prices now cover a larger share of the World Bank's administrative budget, a practice that will strengthen the Bank's accountability.

In 2010, World Bank shareholders also agreed to a rules-based approach to net-income transfers from the hard-loan window (the International Bank for Reconstruction and Development, or IBRD), to the concessional window (the International Development Association, or IDA), a measure that will help make support to IDA more predictable and sustainable while maintaining prudent reserve levels. IFC's financial framework also includes a new rules-based approach to help guide the determination of the size of IFC's pledge to the IDA replenishment in a manner consistent with IFC's needs and donors' prioritization of IDA transfers. These agreements further strengthen IDA's financial model and reduce its dependence on donor contributions.

Although not seemingly directly related to budget discipline, I believe the concerted focus on results will yield significant efficiencies over time. If confirmed, I would push to include a cost-benefit analysis in project evaluations so that we can focus resources where we get the biggest social return on our investment and eliminate approaches that do not work. As you rightly state in your report, funding

project evaluations is much more cost effective than continuing to fund ineffective projects.

If confirmed, I expect I will find additional cost-savings measures once I am working within the institution. I take my responsibility to serve as a careful steward of taxpayer resources very seriously and will work hard to enforce budget discipline at the World Bank.

*Question.* U.S. leadership at the Bank is required to some degree to share its positions and voting with the U.S. Congress. Will you commit to transparency with Congress in the votes taken at the international financial institutions? What will be your manner and timeframe for consulting with the U.S. Congress? Will you commit to providing the Senate Foreign Relations Committee with outdated legislative mandates?

*Answer.* I know that the Treasury Department is committed to transparency with Congress and the public, and specifically posts the votes taken at international financial institutions on its Web site. I also personally commit to transparency with regards to votes, legislative mandates, and any other issues of concern to Congress.

If confirmed, I look forward to working closely with Congress. I believe congressional oversight is critical, and as I said in my testimony, I have seen firsthand how congressional involvement can provide leverage to U.S. negotiators. I will work with the Treasury Department to proactively consult with Congress in a timely manner on significant issues facing the World Bank and I will seek ways we can partner together to advance our shared goals at the institutions. In addition, I will of course be responsive to congressional requests for my input.

I take legislative mandates very seriously and if confirmed commit to applying them fully and faithfully. I also commit to providing input to the Senate Foreign Relations Committee with regards to the impact of the legislative mandates on U.S. leadership at the World Bank.

*Question.* Debt relief is provided to countries that claim they cannot afford to pay back the borrowed sums without extreme hardship. It should not be taken advantage of by corrupt governments attempting to escape repayment of sums due. How will you ensure that the debt relief procedure is not abused? What frameworks currently exist within the Bank to prevent this?

*Answer.* The international community came together to support debt relief as a way of freeing up resources to enable poor and heavily indebted countries to focus on poverty reduction. In order to make sure that it is not taken advantage of by corrupt governments trying to escape their obligations, the World Bank and IMF have established a robust process with critical safeguards under what is called the Heavily Indebted Poor Countries Initiative (HIPC).

Specifically, in order for a country to receive full and irrevocable reduction in debt from the World Bank, a country must:

1. Establish a track record of good performance under programs supported by loans from the IMF and the World Bank;
2. Implement satisfactorily key economic and social reforms, and
3. Adopt and implement a poverty reduction strategy paper.

The Board provides key oversight at every stage in this process. Before a country receives any debt relief, the Board must agree that the country has established a solid track record of performance on IMF and World Bank programs, committed to key economic and social reforms, and put in place a poverty reduction strategy. Before full and irrevocable debt relief is provided, the Board must agree that the country remains on track with IMF and World Bank programs and that the country implemented the agreed economic and social reforms aimed at poverty reduction.

If confirmed, I would work closely with the U.S. Executive Director, the other Executive Directors, and the World Bank management to provide careful oversight of this process and encourage putting in place a strong set of reforms for countries to meet. For example, I understand that the principles of the Extractive Industries Transparency Initiative are sometimes incorporated as part of these reforms and I would strongly advocate this continue for resource rich countries undergoing this process.

These rigorous measures advance sound public financial management and the use of proceeds of debt relief for poverty reduction purposes. Before the HIPC Initiative, eligible countries were, on average, spending slightly more on debt service than on health and education combined. Now, they have increased markedly their expenditures on health, education, and other social services. On average, such spending is about five times the amount of debt-service payments.

*Question.* Some of the inefficiencies in the international financial institutions could be solved if the various institutions worked more effectively with each other.

How would you encourage the banks to collaborate and cross-utilize resources with each other and with the IMF?

Answer. I strongly agree that better coordination between international financial institutions would strengthen their effectiveness, save costs, and lead to better outcomes for their client countries.

There is already coordination on some issues—for instance, the World Bank has a policy that requires coordination with the IMF prior to the provision of budget support loans and the Bank and Fund work closely on public financial management reform.

IDA 16's Crisis Response Window is a good example of an opportunity that Treasury used to strengthen coordination between the World Bank and IMF. As a result of leadership from the United States, the Bank agreed to clear standards for cooperation with the Fund in any use of the crisis window. If confirmed, I will look to uses of the CRW for signs of positive cooperation or evidence of problems that need to be addressed.

Nonetheless, coordination could be strengthened in a number of ways. First, if confirmed, I would work with Treasury and the Executive Director to press the Bank to strengthen its coordination with other IFIs—and other development partners—at the country level. The Bank strongly endorses the principles of aid effectiveness and has worked in recent years to improve its dialogue with other donors. However, there is room for improvement, particularly in fragile and conflict-affected states that have little or no institutional capacity to work with donors to harmonize their assistance. In these cases, the Bank needs to be particularly careful to stick to its areas of comparative advantage, undertake joint diagnostic and analytical work, and seek to minimize administrative burdens on fragile states by pooling funding with other donors.

The United States has successfully encouraged closer collaboration between IFIs in Arab Spring countries including Tunisia, Egypt, and Libya. This coordination has been useful for strengthening programs, including governance reform efforts across the IMF, World Bank Group, and African Development Bank. If confirmed, I would press for this coordination to continue over the long term as supporting successful transitions require sustained efforts.

If confirmed, I would also work to enhance cooperation between the IFIs at the corporate level. Again, there has been progress in recent years—strong coordination between the IFC and the private sector lending arms of the other MDBs on trade finance facilities during the height of the global financial crisis—but also room for further improvement. For example, if confirmed, I would urge the Bank to assist other MDBs in fully and quickly operationalizing the April 2010 cross-debarment agreement, which would bar firms and individuals found guilty of wrongdoing at one institution from working with any of the institutions. The cross-debarment agreement itself was a powerful example of the IFIs sending a unified message that there is zero tolerance for corruption and fraud. If confirmed, I would encourage the World Bank to build on this agreement and work with the other IFIs to further advance a common anticorruption and accountability agenda.

As mentioned in your report, the World Bank is often expected to set the standard of practice across the MDBs. If confirmed, I would encourage the Bank to consult closely with the other MDBs during its upcoming reviews of procurement policy and environmental and social safeguards, so that the MDBs feel invested in the World Bank process and can incorporate the lessons from those reviews in their own review processes.

If confirmed, I would continue to look for other ways to encourage coordination and collaboration across all of the international financial institutions.

*Question.* It is inevitable that the Bank will have projects in conflict zones. For some countries, the World Bank has set forth various conflict guidelines. Would you advise the Bank to institutionalize such conflict guidelines and if so, how should they be categorized? What about Iraq and Afghanistan specifically?

Answer. I agree that the Bank needs to have a strong and coherent strategy with regard to fragile and conflict-affected states. There are risks to the Bank working in these countries, but the potential reward of helping these countries stabilize and move away from conflict and violence is significant.

Therefore, I am pleased that the Bank's engagement with fragile and conflicted-affected states (FCS) is a priority for the institution. The selection of FCS as a special theme for the IDA-16 replenishment, the Bank's World Development Report 2011 on Conflict, Security and Development, and the Bank's recent establishment of a Global Center on Conflict, Justice and Development in Nairobi all underscore the Bank's commitment in this area.

As part of operationalizing the lessons from the WDR 2011, the Bank will adopt a different approach to the development of Country Assistance Strategies (CAS) in FCS. Consistent with the lessons that the Bank has learned in conflicted-affected states across the world, like the use of its conflict filter in Sri Lanka, CASs for these countries will identify the stresses that lead to conflict and violence, assess deficits in key national institutions, and identify key transitional opportunities that have the potential for breaking cycles of violence. This is an important way of systematically factoring the role of conflict into the World Bank's programming, as was recommended in your report. Afghanistan and Iraq are both appropriately included in the Bank's list of fragile countries and thus would be subject to this approach. Given the multifaceted nature of the conflicts in both countries, I would expect the analysis to be particularly robust.

Having worked in a number of fragile and conflict-affected states, including Afghanistan, Iraq, Kosovo, and Uganda, I know how critical this is. Simple misunderstandings can escalate quickly, but small positive gestures can also start to rebuild trust. Institutionalizing conflict guidelines will help guide the Bank in everything from project design to staffing and will help the Bank become a more effective actor in some of the world's most difficult countries.

*Question.* Some country governments are required to seek parliamentary approval of Bank loans and grants. There have been indications that this may aid in the fight against corruption and promote transparency. Do you think that parliamentary approval is a policy that the United States should promote?

*Answer.* I certainly believe that the World Bank should take an expansive view of its stakeholders when it comes to consultation and engagement in its countries of operation. As a matter of accountability, the Bank should be engaged with parliaments, as well as members of civil society and the private sector in these countries. This is why I believe mechanisms like the inspection panel play such a critical role in promoting accountability, separate from the accountability the Bank requires from its direct counterparties, typically in the finance ministry.

As you suggest, in some cases, a country's laws and practices define a formal role for parliament in the approval of Bank loans and projects. In these cases, the Bank has a strong interest in supporting this process by being responsive to parliamentary inquiries and generally helping to facilitate parliament's consideration of projects. If confirmed, where I see signs that Bank management is not playing a constructive role in these situations, I will be aggressive in holding them to account.

At the same time, my understanding is that the Bank is limited in its ability to define the role that parliament should play. The Bank's Articles of Agreement require a neutral stance on issues related to the political systems of its countries of operation. My understanding is that it would be a direct challenge to this requirement for Bank management, or the United States as a shareholder, to take an active stance on a separation of powers issued within a country. As a result, I think the more promising route is to continue to press Bank management to broadly define informal engagement so that all interested and affected parties in a country are engaged in the Bank's important work. If confirmed, I am certainly committed to holding the Bank to account on this issue.

*Question.* Do you think there is sufficient coordination between the banks and U.S. Government development agencies such as AID and MCC? As a part of the U.S. leadership team for the Bank, how would you engage to promote better coordination?

*Answer.* I believe that coordination between the banks and U.S. Government development agencies is critical for a variety of reasons including preventing duplication of efforts, sharing lessons learned and best practices, and maximizing the effectiveness of donor resources. Coordination is important both in Washington, DC, and in each of the countries where these institutions work. There is a significant amount of coordination between the banks and U.S. Government development agencies on an ongoing basis, including:

- A multilateral interagency working group that meets regularly to review issues of concern at the development banks;
- Country-level donor coordination mechanisms;
- A variety of working groups and meetings that are organized around specific topics, such as food security and the Arab Spring.

A more specific example of how the MDBs work closely to support our U.S. development agencies is the U.S. Partnership for Growth (PfG) program. Under the PfG program, the Obama administration pledged to elevate its relationship with four developing economies that were exceptionally well posed to do their part to grow their economies, including El Salvador, Ghana, the Philippines, and Tanzania. In a new

approach to U.S. engagement with these countries, bilateral agencies worked closely with the MDBs to identify the most important constraints to growth, and to develop coordinated strategies for tackling these constraints.

The World Bank also works closely with U.S. bilateral aid agencies in many countries. Often the World Bank develops the overall project design and coordinates with other donors who invest in subcomponents of the master plan. Specific examples include:

- The proposed \$354.8 million Millennium Challenge Corporation's (MCC) compact for Zambia, which will be considered by the MCC Board on March 22, 2012. The project will help develop water supply, sanitation, and drainage systems in Zambia. The MCC worked closely with the World Bank, which helped the Zambian Government develop the sector policy and institutional reform groundwork. Each component of the MCC project was developed according to a comprehensive investment master plan developed with the assistance of the World Bank.
- The MCC \$434 million compact for the Philippines approved in August 2010. A key component of the compact was rural community development, including provision of infrastructure and services, such as rural roads, schools, and water and sanitation. The MCC project builds upon the participatory planning, implementation, and evaluation methodology developed by the World Bank and the Philippine Government.

A good example of cooperation between the Bank and USAID is evident in their joint work in support of food security and agricultural development in sub-Saharan Africa. Over the last 3 years, USAID and the Bank have collaborated to support a number of African countries in implementing food security strategies under the Comprehensive African Agricultural Development Program (CAADP). Specific examples of collaboration between USAID and the Bank include complementary support for agriculture development and social safety nets programs in Ethiopia, agricultural infrastructure in Ghana, and agricultural productivity programs in Rwanda.

In addition to these specific examples, the USED's office, in and of itself, serves as a coordination hub, helping to connect not only employees from across the U.S. Government, but also representatives from the private sector and civil society with World Bank officials. In support of this effort, the U.S. Executive Director has built a strong interagency team that includes representatives from the State Department, Commerce Department, USAID, and Treasury Department.

Even though there is a significant amount of coordination, I would expect that there is always room for improvement. I believe the strong relationships I have throughout the interagency will enable me, if confirmed, to meaningfully engage to promote better coordination. Additionally, if confirmed, I will actively support coordination efforts through formal mechanisms, as well as by regularly sharing information, seeking input, and continuing to build strong relationships with interagency colleagues.

*Question.* As current President Robert Zoellick indicated he is stepping down, debate has yet again arisen as to whether non-Americans should be considered for the presidency. What is your opinion on this? If there were a non-American in the presidency, what issues does this raise for the U.S.?

*Answer.* I believe that the World Bank has benefited tremendously from American leadership over the past several decades. President Zoellick has been a very impactful leader of the World Bank, helping to advance critical reforms to make the institution more accountable, transparent, and effective. The administration has stated that for all of the international financial institutions it supports an open and transparent and merit-based process. The United States will put forward a candidate to lead the World Bank, and I look forward to supporting that individual's candidacy.

*Question.* Currently, there is great focus on the size and scope of the Bank projects in countries deemed significant and far less evaluation focused on results. Leadership approval is given at the design stage, but final conclusive results are not presented similarly. How can we shift greater emphasis to results and therefore greater accountability?

*Answer.* It is critical to have a concerted emphasis on impact and results in order to counteract the natural tendency of organizations to focus on dollars spent as a measure of success. In my professional life, I have succeeded in bringing a greater focus on development results through rigorous monitoring and evaluation of projects around the world. I look forward, if confirmed, to leveraging my experience and passion to advance this issue at the World Bank.

A greater focus on results composed a major part of the reforms that Treasury negotiated as part of the replenishment of IDA. Accordingly, the World Bank has made a commitment to include results frameworks with measurable indicators in all projects, all country assistance strategies, and all new sector strategies. Moreover, the World Bank committed to report on development results across the institution using indicators that aggregate standardized data from projects supported by IDA in seven sectors—education, health, roads, water supply, micro and small and medium enterprise, urban development, and information and communication technology. These indicators will be featured in the IDA Annual Report, as well as reported more regularly through the Corporate Scorecard.

If confirmed, I will work to further advance this results agenda wherever possible. I understand that some evaluations are presented to the Board and I would encourage this practice more regularly. The design stage of a project is not only the point at which members of the Board may have the greatest leverage, but it is also where the focus on results needs to begin. When reviewing projects, if confirmed, I would seek to ensure that results frameworks and monitoring and evaluation mechanisms are incorporated into the design of a project. I understand that the World Bank will soon be undertaking a process to reform its human resource policies. Part of this will include strengthening performance evaluation processes and aligning pay with performance. As was recommended in your report, if confirmed, I would work to advance reforms that would reward employees for the results they achieve not the amounts of money they disburse or oversee. Moreover, reforms should incentivize the achievement of results in challenging environments such as fragile and conflict-affected countries even if the scale of the results achieved may be less than what is possible in a large, stable middle-income country.

I have a deep commitment to promoting greater accountability and, if confirmed, I would work to find additional opportunities to advance a results-driven approach at the Bank.



**NOMINATIONS OF PAMELA A. WHITE, LINDA  
THOMAS-GREENFIELD, AND GINA K. ABER-  
CROMBIE-WINSTANLEY**

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**WEDNESDAY, MARCH 14, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Pamela A. White, of Maine, to be Ambassador to the Republic  
of Haiti  
Hon. Linda Thomas-Greenfield, of Louisiana, to be Director Gen-  
eral of the Foreign Service  
Gina K. Abercrombie-Winstanley, of Ohio, to be Ambassador to the  
Republic of Malta

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The committee met, pursuant to notice, at 3:05 p.m., in room  
SD-419, Dirksen Senate Office Building, Hon. Robert Menendez,  
presiding.

Present: Senators Menendez, Durbin, Rubio, and Risch.

**OPENING STATEMENT OF HON. RICHARD J. DURBIN,  
U.S. SENATOR FROM ILLINOIS**

Senator DURBIN [presiding]. Good afternoon. This hearing of the  
Senate Foreign Relations Committee will come to order.

Today the committee will consider three nominations: the Honorable  
Pamela White to be Ambassador to the Republic of Haiti; the  
Honorable Linda Thomas-Greenfield to be Director General of the  
Foreign Service; and Ms. Gina Abercrombie-Winstanley to be  
Ambassador to the Republic of Malta.

Welcome to the nominees, their friends, and family.

I am pleased to stand in for Senator Menendez, my colleague, for  
a moment. He will be joining us very shortly. I will be brief with  
my introductory remarks, then turn to my friend and colleague,  
Senator Rubio, before we give each of you an opportunity for a brief  
opening statement. Please feel free at that time to introduce any  
family members or others that are with you today.

I want to congratulate each of you for your nominations. I am  
pleased the President has nominated three individuals with many  
years of experience who, if confirmed, will serve as the United  
States representatives and will be called upon to implement the  
policies of our Government, protect and advance our interests, and

help guide our Nation through the challenges we face around the world.

Before we take your testimony, I would like to start with the introductions of each of our nominees.

Senator Sherrod Brown of Ohio was planning on being here this afternoon to introduce Ms. Abercrombie-Winstanley but was not able to attend because of another committee assignment. I would ask unanimous consent that his very strong statement in support of her nomination be included in the record today.

[The prepared statement of Senator Brown follows:]

PREPARED STATEMENT OF HON. SHERROD BROWN, U.S. SENATOR FROM OHIO, IN SUPPORT OF THE NOMINATION OF HON. GINA ABERCROMBIE-WINSTANLEY OF OHIO TO BE THE UNITED STATES AMBASSADOR TO THE REPUBLIC OF MALTA

Mr. Chairman, thank you for the opportunity to speak in support of the nomination of the Honorable Gina Abercrombie-Winstanley, of the great State of Ohio, to be the next United States Ambassador to the Republic of Malta.

Located in the Mediterranean Sea, the Republic of Malta has been a gateway between Europe and North Africa. And it has long been a partner to the United States in promoting and preserving peace and security around the world.

The relationship between our nations spans from the days of World War II, when President Franklin D. Roosevelt called Malta, the “only tiny bright flame in the darkness—a beacon of hope for clearer days which have come.”

Today, our relationship has developed as the challenges and opportunities within the international community have evolved. We share interests in maritime law enforcement, search and rescue operations, combating pollution at sea, and enhancing air-space management. And with turmoil in the Middle East and challenges arising from the Arab Spring, Malta will once again be a critical partner in preserving global peace and security.

There are few Americans who are more qualified than the Honorable Gina Abercrombie-Winstanley, of Ohio, to represent the United States in this critical country at this critical time.

Born in Cleveland, she attended Cleveland Heights High School, where she studied Hebrew, an education reinforced by the culture of Orthodox Judaism that shaped the neighborhood of Cleveland Heights where she was raised. During high school, she first traveled to the Middle East on a student exchange trip from 1978–79, coinciding with Egyptian President Anwar Sadat’s historic visit to Jerusalem. After graduating, she earned a B.A. from George Washington University. She then became a Peace Corps volunteer in Oman and continued her public service as a Presidential Management Fellow at the United States Information Agency. After earning her M.A. in International Relations at the School of Advanced International Studies at Johns Hopkins in 1985, Abercrombie-Winstanley joined the U.S. Foreign Service.

Her Foreign Service career has taken her from Baghdad during the Iran-Iraq war, to Indonesia to Cairo, Tunisia to Tel Aviv. In 2002, during her service in Saudi Arabia, she was the first female Consul General and during the December 6, 2004, deadly al-Qaeda terrorist attack on the consulate, she was cited for acts of courage.

Her service abroad representing our country has been exceptional, as has her service here at home. She has served many vital posts across our national security apparatus—from the National Security Council to the United Nations to the State Department, working on challenging portfolios that include Egypt, Lebanon, Syria, and Jordan. From 1991–1993 she served as Special Assistant for Middle Eastern and African Affairs to Deputy and then later, Secretary of State Lawrence Eagleberger. And from 2008 to 2011 she served as Deputy Coordinator for Programs and Policy in the Secretary of State’s Office of the Coordinator for Counterterrorism.

Any career as a senior Foreign Service officer is difficult and demanding, and at the center of the challenging business of diplomacy. The Honorable Gina Abercrombie-Winstanley, of Ohio, has had a distinguished and decorated career mastering the delicate craft of that business. Her extensive knowledge and experience—from her high school days in Cleveland Heights to a diplomatic career in Washington and around the world—makes her uniquely qualified to be next United States Ambassador to the Republic Malta.

Senator DURBIN. And I understand that Senator Bill Nelson of Florida, our colleague, may wish to introduce Ambassador White. Senator Nelson, please proceed. Welcome to your lovely wife.

**STATEMENT OF HON. BILL NELSON,  
U.S. SENATOR FROM FLORIDA**

Senator NELSON. Well, thank you, Mr. Chairman, and to my colleague from Florida, Senator Rubio, not only I wanted to be here, but my better half, Grace Nelson, who is seated right here in the front row, wanted to be here to say a word about Pam White and also Linda Thomas-Greenfield, two real professionals.

We have known Pam longer because we first got to know her when she headed up USAID in Tanzania and then went to head up USAID in Liberia where Linda was the Ambassador. And Linda has just returned to the States for this new appointment just a couple weeks ago. Pam in the meantime—very unusual that a USAID top official then goes on and becomes Ambassador. And Pam has been the Ambassador to The Gambia for the last couple of years.

Now, why we wanted to be here is that in the good fortune that we have had—Grace and I—to travel over a good part of the world, especially the third-world countries. We have seen extraordinary public service particularly in third-world countries where a heart for service is so important. And indeed, that is what we first noticed in Pam. And we saw that and it was obviously recognized, and then she was sent to Liberia as the head of USAID and had stellar results in both of those countries that we had seen her work product. And for that to be recognized by the State Department and then for her to ascend to the position of ambassador in another third-world nation and now for her to be nominated to come to the Western Hemisphere in the poorest country in the Western Hemisphere, Haiti, of which Senator Rubio and I particularly have considerable interest because of such a connection between Haitian Americans, of which we have a substantial community in Florida, and the people of Haiti.

Haiti continues to need a lot of help. They are still coming through the ravages of the earthquake, and Haiti still needs a lot of help as they try to modernize into a functioning government. And I think that this present President Martelly is really trying. We have got to have a strong presence there representing the United States as he continues to try to reform that country. And so I could not give you a higher recommendation for someone to be one of our ambassadors, particularly to a country that is so important to the United States as Haiti is in the Western Hemisphere.

I would just say, in passing, about Ambassador Thomas-Greenfield that her record is stellar. The fact that she has been there in Liberia, this little struggling country headed by a woman, Mrs. Sirleaf, Helen Johnson Sirleaf, and how she has tried to take that country that was so, so accustomed to corruption and start turning it and how she has been successful and even so in the point of just being reelected.

So I come here as your colleague to share with you my personal comments, and I thank you for the opportunity, Mr. Chairman.

Senator DURBIN. Thank you very much, Senator Nelson. You are obviously invited to stay as long as you can, but I know your sched-

ule may call you off to another place. But we thank you for your introductions and testimony today.

I am going to say a few words about each nominee, then give my colleague, Senator Rubio, a chance, then turn this gavel over to Senator Menendez. Statements will be made, questions asked, and we will proceed with the hearing.

I visited Haiti earlier this year. It was not my first visit. It is sadly the poorest nation in our hemisphere. The international community showed an amazing outpouring of generosity after the terrible earthquake, but there is a lot of work that remains to be done.

I saw a sprawling displaced persons camp in Port-au-Prince, and I saw what just a small amount of money well spent might do. An organization, an NGO, known as GHESKIO, invited us to come over for a tour. We met Dr. Marie Deschamps, and as she walked me through, she showed me a well that had been drilled right on her property 600 feet down and was now providing clean drinking water, which they treated with chemicals to make sure it was even safer, clean drinking water for 120,000 people. And she said thank you because America built that well. And I said, where did it come from? And she explained and I finally realized it was a program that I had created in the name of Paul Simon, my predecessor, who wrote a book over 25 years ago about the shortage of water in the world. And we created the Paul Simon Water for the Poor Act. We funded it with an amount which by Federal standards is small change, about \$25 million or \$30 million. And I asked her how much did it cost to build your well, and she said about \$28,000 to supply clean drinking water for 120,000 people in a country that is plagued with cholera. It is an indication where money well spent can make a difference, but it is an indication of the dramatic need in a poor country like Haiti.

Amid these challenges, I have no doubt Ambassador White will display the commitment and versatility necessary to help move Haiti forward. She follows a great individual who represented the United States several times as Ambassador, Ken Merton. He is really one of the extraordinary public servants I have met, a hard act to follow, but I know you will do well.

Let me say a final word about your service in Gambia. I have been trying for years—literally for years—to secure the release of a Gambian journalist, Ebrima Manneh, who was taken into custody in 2006 by Gambian security personnel. Shamefully he was held incommunicado and has not been heard of since. I fear he may have died in custody.

His disappearance was symbolic of the troubling record of press freedom in Gambia, and despite request of human rights organizations and several Senators, the Gambian Government refused to account for him.

And then early last year, there as a breakthrough when Gambian President Jammeh formally requested a U.N. investigation into his disappearance and death. Ambassador White has been a tireless partner in this effort, and I thank you so much for standing up for American values in this request.

Linda Thomas-Greenfield served as U.S. Ambassador to Liberia, as has been mentioned, since 2008; before that, worked at the

Department of State and the Secretary for the Bureau of African Affairs, Refugee Counselor. She holds a B.A. from Louisiana State University and an M.A. from the University of Wisconsin.

If confirmed Director General of the Foreign Service, Ambassador Thomas-Greenfield will be responsible for recruitment, assignment, evaluation, promotion, discipline, career development, and retirement policies for the State Department's Foreign Service and Civil Service employees. It is a big responsibility. Foreign Service officers constantly embrace new challenges and hardships, including family separation, and it is important that the Director General is able to address those needs from personal experience.

Gina Abercrombie-Winstanley has served as Deputy Coordinator Counterterrorism at the Department of State since 2008. Prior to that, she served as the Director of the Office of Egypt, Syria, Lebanon, and Jordan at the State Department. She has also served as Policy Advisor at the Department of Defense and Director at the National Security Council. Ms. Abercrombie-Winstanley attained her B.A. from George Washington University and M.A. from Johns Hopkins.

A seasoned diplomat, her nomination to serve as Ambassador to Malta is a fitting followup to her work on counterterrorism efforts and leadership in the Middle East. Malta's role and counsel during the courageous uprising in Libya was representative of this tiny nation's large impact on the world. If confirmed, Ms. Abercrombie-Winstanley will be vital in reaffirming the strong friendship and partnership between Malta and the United States.

And before inviting your opening statements, I will turn to my colleague, Senator Rubio.

**STATEMENT OF HON. MARCO RUBIO,  
U.S. SENATOR FROM FLORIDA**

Senator RUBIO. Thank you, Senator Durbin. I appreciate the opportunity to be here as well on three important nominations.

The first, of course, is to Haiti which I visited for the first time in January of this year. I am impressed by the resilience of a people that have faced extraordinary struggles even before an earthquake, but yet have optimism about the promise of the future and the opportunity we have working together with the people of Haiti to help them build that future for themselves.

There are tremendous opportunities there for the hemisphere if, in fact, Haiti can turn the corner and build for themselves a more prosperous society and a more functional government. And the United States can provide invaluable assistance in that regard. I think Senator Durbin outlined just one program that we would like to be involved in, and there are others that are out there that we are already involved in that have proven to be a great success. We look forward to hearing from you about some of your ideas in that regard.

Ambassador Thomas-Greenfield comes very highly recommended, and from everything I have read in her record, you have a lot of people speaking very highly of you. And you have a very important job. In the next few months, you will have the responsibility of recruiting and assigning, evaluating, promoting, disciplining, being involved in the career development and retirement policies. It

sounds like a lot of work. So we look forward to hearing about your plans as well.

And last, but not least, Gina Abercrombie-Winstanley of Ohio. I have a letter here if I could have unanimous consent to submit on behalf of Senator Lugar in support of your nomination.

Senator MENENDEZ [presiding]. Without objection.

Senator RUBIO. Thank you, Mr. Chairman.

I had the opportunity to visit Malta I think in September of last year. We had gone to Libya. They did not want us to stay overnight in Tripoli, so we stayed overnight in Malta, got to meet the leaders there and got to spend some time in the nation, and grew to really understand its strategic importance in the region as a gateway between North Africa and the Middle East and Europe, but also an important ally. Though they are not a member of NATO, they have been such an important partner in so many of the operations that NATO has undertaken and I think will play a critical role in the months to come as the Libyan people struggle to reach, for example, their own democratic aspirations. So it is an important relationship. It is not often talked about.

And by the way, I was also very impressed with their economic development and their economic prosperity which I think serves as an example to the region as well.

So, again, it is not a station that people talk about. It does not wind up in the newspapers a lot. That does not mean it is not of value and strategic importance to the United States and to our allies in Europe and in North Africa and in the region. And so we look forward to hearing your testimony as well about your plans in regard to that assignment.

So thank you very much, all three of you, for your service to our country and for being here today.

[The letter to Senator Lugar from retired U.S. Ambassador Douglas W. Kmiec in support of Gina Abercrombie-Winstanley follows:]

PEPPERDINE UNIVERSITY,  
SCHOOL OF LAW,  
Malibu, CA, March 14, 2012.

Hon. RICHARD LUGAR,  
*Ranking Minority Member,  
Senate Foreign Relations Committee,  
Washington, DC.*

DEAR SENATOR: I understand that the Senate Foreign Relations Committee will today take up the nomination of Gina Abercrombie-Winstanley, as my successor for the post of U.S. Ambassador to the Republic of Malta.

I wish to formally encourage the committee to act favorably on Ms. Abercrombie-Winstanley's nomination.

While the nominee's schedule in preparation did not allow her to accept my offer of assistance or briefing, and thus, I cannot say that I know Ms. Abercrombie-Winstanley personally, she is well thought of by my former DCM, Richard Mills, who is an excellent judge of diplomatic talent, and it is patent that she has strong credentials as a career Foreign Service officer.

Of course, I stand ready to be of assistance to the Ambassador-designate or the Department of State at any time. With the nature of the entire region being in political transition, it is important for our new Embassy compound there to be alert and fully functioning.

Senator, I would take it as a kindness if you would submit this letter of positive endorsement for the record. It is a matter of completeness and fairness since the committee should draw no adverse inferences with respect to this dedicated public servant by virtue of the unfortunate White House silence that both your inquiry, and my own, received inquiring as to why efforts devoted to interfaith diplomacy

were allowed to be mischaracterized as “outside the scope of U.S. interests.” As you remember, having thoughtfully attended my swearing in, the President’s director of the Office of Faith-based Initiatives highlighted the significance of interfaith efforts in this pivotal part of the world as part of the “special Presidential logic” behind my appointment. Given the interest expressed by the “Arab Spring nations” in fashioning new governmental structures of a nature that will honor democracy and religious freedom, the need for sensitive, interfaith efforts to promote understanding and respect across the Abrahamic traditions is greater today than it was 2 or so years ago at the beginning of my service.

Parenthetically, I am pleased to report that in discussions even today my dedication to meeting this need did not end with the conclusion of my own service. While announcement would be premature, agreement will likely soon be reached establishing a joint program between several fine U.S. universities (including my home institution of Pepperdine University which for the 8th consecutive year was ranked as the number 1 dispute resolution program in the country by U.S. News and World Report) and the University of Malta. This joint venture will be devoted to Graduate study in an understanding of Hebraic, Christian and Islamic traditions as well as dispute resolution methodologies that can be employed both by State Department personnel and NGOs.

At this positive moment of transition, it is also appropriate for me to bring to the committee’s attention the fine work of the American and locally engaged staff in the Embassy over the last several years. As the IG found in the overall high evaluation given Embassy-Valletta, there were, as I recall, fewer areas needing improvement than there were inspectors. While it is invidious to single people out by name, some service was of such impressive dimension, I ask that special note be made of the work of Lenese Walls, my office administrator, DCMs Rick Mills, Jason Davis, and Arnie Campbell; our effective and highly respected Defense Attaché (Commander Jane Moraski; Lt. Commanders J. Phillip Webb, Sean Schenk, and Greg Tozzi); NCIS detailee, Matt Cummings, and Consular officer Tracy Brown. The work of the Bert Hernandez and his staff on matters of regional security is most noteworthy as well and in an appropriate forum deserves commendation.

All of these personnel assisted in maintaining our maritime safety and security center, and associated search and rescue training, undertaken in partnership with the Armed Forces of the Republic of Malta. These preparations, ever observant of the value deeply held by Malta of constitutional neutrality, became invaluable when it was necessary to act with dispatch to rescue American personnel from Embassy-Tripoli along with several hundred citizens of other nations in the face of the violence that erupted there in February 2011. The rescue which depended in part upon the diplomatic negotiation of the use of a private catamaran, was a success noted by Secretary Clinton personally when she visited Malta this past October. Our rescue capability was unquestionably enhanced by the generous humanitarian assistance supplied by Malta to all concerned, and in particular to those few evacuees who suffered injury in the face of the gale-force-5 storm experienced en route away from the unpredictable shooting environment on shore.

Finally, I wish to give recognition to the Embassy staff before your committee for the following matters of some importance as a result of U.S. initiative between 2009 and 2011:

- Completion of a \$125.5 million new Embassy compound.
- Signing of an enhanced security agreement, training and equipment with the Malta International Airport.
- Signing of enhanced security agreement with Malta Customs, as well as accompanying training and equipment.
- Ratification of the Avoidance of Double Taxation Treaty.
- Organized fundraisers for the needs of refugees who landed in Malta because of the violence in North Africa, including one memorable event with Actor Martin Sheen who premiered the movie, “The Way” for the humanitarian effort.
- Hosted the U.S. Secretary of the Navy and Leadership of the Sixth Fleet.
- Conference on Protection of Intellectual Property.
- Drafting of the first strategic plan for north-south engagement in the Mediterranean.
- Planning and instruction associated with U.S.-EU-Mediterranean Maritime Training Conference.
- Support for the resettlement of several hundred migrant families.
- Multiple efforts to advance a fuller understanding of the usefulness and advantages of SOFA.
- Day-to-day meetings and cables with diplomatic counterparts and the Foreign Minister, as needed.

- Welcomed congressional delegation as well as numerous foreign visitors, including His Holiness Benedict XVI.
- Renewal of the visa waiver program.
- Secured funding for alternative energy photo voltaic project at NEC.
- Helped institute skills training and English language courses for the migrant populations, especially those preparing for U.S. resettlement.
- Arranged for White House Chief of Staff Sununu (on site) and Secretary of State James Baker (via video) participation in the Mediterranean school of diplomacy conference marking the 20th anniversary of the end of the cold war and the Bush-Gorbachev meetings related thereto in 1989.
- Made efforts to promote interfaith dialogue and diplomacy surveys and conference planning.
- Promoted with conference presentation and public diplomacy: gender opportunity and equality.
- Successfully arranged with the Prime Minister for a high-level task force to address human trafficking; negotiated a new arrest protocol, with the expert assistance of Thomas Yeager, the Embassy political, economic, and cultural officer, focusing on identifying the slave trader, rather than prosecution of coerced victims; Mr. Yeager, by the way, came to the Department of State after 30 years of service in the U.S. Navy and his energy, preparation, and judgment reflected both his patriotic spirit and thorough nature.
- Arranged for U.S. educational/public diplomacy visits of members of the Maltese judiciary as well as leaders of the major political parties in Malta.
- Continued the full utilization of Fulbright scholars in the life of the Embassy and public diplomacy.

Senator, it was an honor to serve our Nation in the Republic of Malta. I count many Maltese citizens today as life-long friends, from President George Abela to the many who worshipped with me in morning Mass as I sought to visit the 365 Catholic churches on the main island as well as Gozo. I am pleased to report that relations between our two nations remain especially strong. Friendship and cooperation in virtually all matters, including the serious application of trade sanctions as needed to address the unfortunate actions in Iran, has been readily offered and accepted.

I wish Ambassador-designate Abercrombie-Winstanley complete success, and I know the people of Malta will welcome her, as they did me, with “uncommon kindness.”

Respectfully submitted,

DOUGLAS W. KMIEC,  
*U.S. Ambassador (ret.),  
 Caruso Family Chair in Constitutional Law & Human Rights, Pepperdine University.*

**OPENING STATEMENT OF HON. ROBERT MENENDEZ,  
 U.S. SENATOR FROM NEW JERSEY**

Senator MENENDEZ. Thank you, Senator Rubio.

Let me start off by thanking Senator Durbin for filling in for me. I regret that I could not be here at the very start of the hearing but I had two nominees of President Obama to be judges for the Federal District Court to present before the Judiciary Committee.

And I will truncate my opening statement. I appreciate that he has already introduced the nominees.

I remain concerned about the slow progress in Haiti. I am concerned about the lack of job opportunities for Hispanics and other minorities in the State Department and about Malta’s facilitation by the use of its flag and its ports of Iran’s cargo shipping line, IRISL.

You have all been nominated to positions that will allow you to influence these matters. So I look forward to hearing your assessments, goals, and objectives and to enter into a dialogue with you. We have your testimony.

I would ask each of you to summarize your statement in about 5 minutes or so. Your full statements will be included in the record. And with that, Ambassador White, we can start with you and then move down the line.

**STATEMENT OF HON. PAMELA A. WHITE, OF MAINE, TO BE  
AMBASSADOR TO THE REPUBLIC OF HAITI**

Ambassador WHITE. Thank you very much. It is a great pleasure to be here today. Thank you, Mr. Chairman. I am honored to appear before you today as President Obama's nominee to serve as the next U.S. Ambassador to the Republic of Haiti. I am grateful for the trust and the confidence President Obama and Secretary Clinton have placed in me by nominating me to this crucial post. If confirmed, I look forward to working with you on Haiti, a country with which the United States shares broad and deep and long-standing ties and one that many Americans, including me, care deeply about.

Mr. Chairman, with your permission, I would like to submit my written testimony for the record and make a few remarks.

I first want to thank Senator Bill Nelson for the honor of introducing me to the committee. I am grateful for his support. Senator Nelson has been to Haiti and he knows its issues well. That he supports my nomination as Ambassador to that country is a vote of confidence that I deeply appreciate. Thank you so much, Senator and Grace.

I understand that some here were at Congressman Donald Payne's funeral today, and I just want to add he was a hero of mine and I will miss him and I grieve for him.

I would like to thank my friends and family for attending this hearing. Some have my front, meaning that they are watching me this way from afar in Senegal and my parents in Maine and friends there, and some have my back. That is to say, they are in this room. My son Patrick, USAID, State friends, Director Williams of the Peace Corps, and the Spences from Chicago. And thank you.

Mr. Chairman, for 35 years, maybe even a tiny bit more, it has been my privilege and my pride to serve the United States. I began in a tiny village in Cameroon as a Peace Corps Volunteer. As an officer at USAID, I have served in numerous countries in Africa. As Mission Director for USAID in Mali, in Tanzania, and in Liberia, and as Ambassador to The Gambia, I have worked hard to ensure that diplomacy and development take their rightful place alongside defense as the core instruments for promoting United States interests.

And my USAID service took me to Haiti from 1985 to 1990. It was a troubled period with lots of coups and lots of violence. But my posting there left me with a deep and abiding admiration for the people of Haiti. I have seen how courageous they are. I have seen how hard they work. I have seen the fortitude they have displayed in bouncing back from political or natural disasters one after another. The resilience and the dynamism of its people are among the most valuable resources that Haiti possesses.

Secretary Clinton has called Haiti "a test of resolve and commitment," and that challenge extends to the country's leaders, to its people, to its donors, including the United States of America. We

must never lose sight of the fact that the success of that country is ultimately in the hands of Haitians themselves. We must recognize there are no quick fixes in building capacity in Haiti. It is going to take time.

It is of critical importance that we help strengthen, expand, and diversify Haiti's private sector. Without a healthy economy, Haiti will remain poor. It will remain dependent. And this truth has to drive our collaboration with the private sector, and our investment in initiatives that are truly sustainable. It is Haiti's leaders who must foster an environment conducive to economic development and prosperity because without responsive, accountable, and transparent governance, without the rule of law, without the proper laws to attract investment, without a fully functioning government, sustained development will not be possible.

If confirmed, I will press Haiti's leaders and its people on these key matters.

In our efforts to help Haitians build a better future, attention and support from Congress has been invaluable, and I thank you for that. If confirmed Ambassador to Haiti, I will look forward to working with you in addressing the country's crucial issues.

Haiti is often described as the poorest nation in the Western Hemisphere, and perhaps in terms of money, it is. But it is among the richest countries in terms of culture and history and courage. The great pride the Haitians feel for their remarkable country makes success not only achievable but believable. If confirmed, I will work hard with Haitians to make sure their endless sacrifices and the bravery of the people who suffered through that horrific earthquake are rewarded with a better quality of life and with renewed spirit.

I thank you.

[The prepared statement of Ambassador White follows:]

PREPARED STATEMENT OF AMBASSADOR PAMELA A. WHITE

Thank you, Mr. Chairman. I am honored to appear before you today as President Obama's nominee to serve as U.S. Ambassador to the Republic of Haiti. I am grateful for the trust and confidence President Obama and Secretary Clinton have placed in me by nominating me to this crucial post. If confirmed, I look forward to working with you on Haiti, a country with which the United States shares broad, deep, and longstanding ties, and one that, as we have seen in the past few years in particular, many Americans care about very deeply.

Mr. Chairman, for 35 years it has been my privilege and my pride to serve the United States. I began my government service in a tiny village in Cameroon as a Peace Corps Volunteer. As an officer for the U.S. Agency for International Development, I have worked and raised a family in numerous countries, including Ivory Coast, Niger, Burkina Faso, Senegal and South Africa. As Mission Director for USAID in Mali, in Tanzania and in Liberia, and as Ambassador to The Gambia, I have worked hard to ensure that diplomacy and development take their rightful place alongside defense as the core instruments for promoting United States interests abroad.

My USAID service also took me to Haiti, where I lived and worked from 1985 to 1990. It was a troubled period, with coups and violence, and a legacy of misrule the effects of which are felt to this day. But my posting also left me with a deep and abiding admiration for the people of Haiti. I have seen how courageous they are. I have seen how hard they work. I have seen the fortitude they have displayed in bouncing back again and again from political or natural disasters. The resilience and dynamism of its people are among the most valuable resources that Haiti possesses, and are key factors in United States involvement with that country.

Those strengths have repeatedly been put to the test in Haiti's often turbulent history, and seldom more severely than in the 2-plus years since the devastating

earthquake of January 12, 2010. Even before that catastrophe, in February 2009, Secretary Clinton identified Haiti as a foreign policy priority and initiated a comprehensive, whole of government review of the U.S. Government's engagement with that country. The earthquake, with its staggering human and material losses, gave added urgency to our efforts.

Secretary Clinton has called Haiti "a test of resolve and commitment," and that challenge extends to the country's leaders, to its people, and to donors, including the United States. We must never lose sight of the overriding fact that, as committed as we are to Haiti, the success of that country is ultimately in the hands of the Haitians themselves. We can help plan, encourage, and support, but goals must reflect the priorities that the government and people of Haiti have identified, and on which they are leading the way.

In order for Haiti to be able to take the lead, the United States and other donors must equip key Haitian ministerial and government institutions with the capacity they need to manage funds, people, projects, and procurement. If the Haitian Government cannot deliver basic services to its people, there will continue to be the inefficiencies and crisis of confidence that have hampered development for decades. We must recognize that there are no quick fixes or shortcuts in building capacity in Haiti's governmental and nongovernmental sectors; the process requires a long-term commitment on our part.

We must also recognize the risk of spreading our engagement too thin to have lasting impact. The United States has focused additional attention on specific sectors and areas, with other donor partners concentrating on other areas in which they are more specialized. Today, we are supporting Haiti as partners in four sectors and working in three defined geographic regions. Together with Haitian and international partners, we seek to diminish and remove the most significant impediments that have limited Haiti's economic growth and development.

Some ask what the United States assistance has achieved, especially since the earthquake. While progress has been slower than we or the Haitian people would like, there have been tangible accomplishments. First, we helped save lives and ameliorated the worst effects of the earthquake and the cholera epidemic. As of March 1, the U.S. Government had built 28,653 transitional shelters in Haiti, repaired 6,002 damaged houses to shelter 8,102 households, provided hosting support to 26,523 households, and provided rental vouchers to roughly 1,200 households, thereby housing over 322,000 individuals. These efforts, along with support from the international community, have reduced the number of internally displaced people living in camps from roughly 1.5 million to 490,545 since the summer of 2010. In addition, our efforts have removed 2.31 million cubic meters of rubble—almost half of all the rubble that has been removed.

With Haiti's most pressing humanitarian needs being addressed, the United States has increasingly shifted its assistance toward the country's longer term development. Gaps and shortfalls must be filled in order to foster stability and economic growth in Haiti. The country requires critical infrastructure, an efficient and reliable energy sector, a modernized agricultural sector capable of serving both domestic and export markets, internationally competitive ports, an accessible system of health care and facilities that goes beyond meeting emergency needs, and a policing and justice system that serves the needs of its people. We are working with Haitian and international partners in a Haitian-designed and -led process to meet those needs.

The United States is responding to Haiti's desire for regional investments that support the development of economic corridors outside of Port-au-Prince. In particular, we have targeted some of our most significant investments in one of Haiti's poorest regions in the North. Working with partners from the private sector, bilateral and multilateral stakeholders, nongovernmental organizations, and Haiti's national government and local governments, we have broken ground on what will be one of the largest industrial parks in the Caribbean, at Caracol on the country's north coast. The initiative will transform one of Haiti's poorest regions, creating 15,000 new jobs that should grow to 20,000 jobs by 2016. The project also includes new housing settlements for 25,000 people complete with electricity, water, social services, and job opportunities nearby. The plans also encompass a state-of-the-art container port, an upgraded energy system to provide reliable electricity for 100,000 people and businesses; and rehabilitated health clinics and reference hospitals in the region. At the same time as we seek to create opportunities in industry, we are also working to support the agricultural sector, from which more than 60 percent of Haitians derive income, by increasing farmers' access to credit and linking smallholder farmers to viable markets and improving farm incomes and productivity. Our work in the agricultural sector will also serve to address some Haiti's

environmental problems and induce farmers to remain in rural areas, instead of flocking to Port-au-Prince.

The examples I have just cited reflect the critical importance the United States attaches to helping Haiti strengthen, expand, and diversify its economy. It is indisputable that no long-term development goals in Haiti can be sustainable without the growth of the private sector. The people of Haiti need that if they are to see improvement in their quality of life; the Government of Haiti needs that if it is to develop a tax base that will allow Haiti and not donors to fund essential social services. Regardless of our efforts in other areas, without a healthy economy Haiti will remain poor and dependent, and this truth has to drive our collaboration with the private sector and our investment in initiatives that are truly sustainable.

The United States is addressing assistance obstacles from our end, such as bringing our staffing up to needed levels and providing additional procurement resources. Our pace of programming is accelerating. We are working to ensure that requirements such as environmental assessments and seismic data are met in order to carry out our projects successfully. We are taking steps to increase local contracting as more of our reconstruction programs are designed and awarded, and are making headway in putting solicitations out for competitive bidding as quickly as possible.

This brings us back to the indispensable ingredient of Haitian ownership of its recovery. It is Haiti's leaders who must foster a political, societal, and economic environment conducive to economic development and prosperity, because regardless of how much stakeholders invest in Haiti, without responsive, accountable, and transparent governance; without just application of the rule of law; without new laws and changes in existing ones to attract investment; and without a fully staffed and functioning government in every branch, sustained development will not be possible.

High expectations lifted President Michel Martelly into office. It will now take hard work and dedicated people on all sides to translate those hopes into results and help Haiti fulfill its ambitions. The Parliament's recommendation and President Martelly's recent appointment of justices to Haiti's Supreme Court provide meaningful leadership to the judiciary and are cause for hope. We are also encouraged by the Martelly administration's steps to tackle corruption in the crucial energy sector. The respected U.S. Government-financed turnaround management team that his administration appointed to the serve at the state-owned electric company has already identified \$1.6 million a month in savings by rooting out waste, fraud, and corruption. Last week the Government of Haiti signed a far-reaching agreement with the management team to achieve ambitious targets in improving the utility's financial viability and expand the number of customers served.

The resignation of Prime Minister Garry Conille on February 24 comes as a setback to development, as Haiti once again risks being left without a fully functioning government able to tackle the many development challenges it faces. Haiti needs a government fully engaged in development decisions with the will to make choices and speed up the formal approval process. Haiti also needs a government that can reassure donors that it is on the path to strengthening the rule of law, ending a culture of impunity, showing no tolerance for corruption, and reaffirming its commitment to democracy by ending the inexcusable delays in holding elections. This is the moment that requires making tough choices and putting policy before politics. If confirmed, I will press Haiti's leaders and its people to show through actions their commitment to democratic values and a genuine openness to business.

In our efforts to help Haitians build a better future, the sustained attention and concrete support we have received from Congress have been invaluable, and I thank you for them. There is widespread understanding on Capitol Hill of why Haiti is important to the United States: its proximity to our country, the extensive personal and historical ties between the two nations, the value of a more stable and prosperous partner in the Caribbean, the risks posed by potential trafficking or refugee flows. If confirmed as Ambassador to Haiti, I look forward to working with you in addressing these crucial issues.

It would be a mistake to underestimate the scale of the challenges facing Haiti, or the need for a long-term commitment in order to achieve lasting progress. But the news from Haiti is by no means all negative. According to a recent Gallup poll, Haitians rate their lives better now than they did before the earthquake. Haitians' optimism is evident in a number of other areas as well, including the highest confidence in government institutions on record.

Haiti is often described as the poorest nation in the Western Hemisphere. But it is not when it comes to the resilience and creativity of its people and its natural economic potential. It is among the richest in terms of history and culture and courage. The great pride the Haitians feel for their remarkable country makes success achievable and believable. If confirmed by the Senate, I will do my utmost to give Haitians and Americans both further cause for hope and optimism about Haiti.

Senator MENENDEZ. Thank you, Ambassador.  
Ambassador Thomas-Greenfield.

**STATEMENT OF HON. LINDA THOMAS-GREENFIELD, OF LOUISIANA, TO BE DIRECTOR GENERAL OF THE FOREIGN SERVICE**

Ambassador THOMAS-GREENFIELD. Thank you, Mr. Chairman. Mr. Chairman and distinguished members of the committee, I am honored to appear before you today as President Obama's nominee to be the next Director General of the Foreign Service and Director of Human Resources at the Department of State.

If confirmed as Director General, I would be responsible for managing the recruitment, assignment, welfare, professional development, promotion, and retirement of the Department's Civil Service, Foreign Service, locally employed staff, and others who work at the State Department.

Since my return from Liberia as chief of mission just 2 weeks ago and reengagement within the Department, I have been reminded of the huge breadth of the Bureau's activities. I am excited by the opportunity to strengthen the security and prosperity of our Nation by leading and building an effective civilian workforce.

For 30 years, I have had the pleasure and the honor of working alongside talented State Department employees serving at our overseas missions and in the Department here in Washington and around the United States. I am proud to count many of them as my friends and all of them as my colleagues. They, like me, are pleased that the Department of State in 2011 once again ranked in the top 10 among large Federal agencies in the Best Places to Work in the Federal Government. It really is a great place to work.

Mr. Chairman, I would like to take the opportunity to introduce my family: my husband, Lafayette Greenfield, a retired Foreign Service specialist; our daughter, Lindsay, who recently joined the 123d Foreign Service Specialist class; and our son, Deuce, who also grew up in the Foreign Service and now is in law school. And we are very much a Foreign Service family.

Of course, the nature of the service has changed dramatically since I joined 30 years ago, with those changes accelerated by the events of 9/11. Sixty-five percent of all State overseas positions are now at hardship posts, and two-thirds of our diplomats abroad are serving in those difficult posts. They willingly face hardship and risk for the honor of serving their country and the opportunity to make a difference.

Like the Secretary, I believe these men and women are some of the most courageous, hard-working, and capable people I have ever met. They and their families deserve our support and, if confirmed, I will work hard to ensure that they have what they need to do their jobs well.

One of the Secretary's highest priorities is increasing the size of the State Department's staffing by 25 percent. This is a hiring initiative known as Diplomacy 3.0, for Diplomacy, Development, and Defense, representing the three pillars of our foreign policy.

With 3.0, the Department has been able to fill some of its vacant positions as well as to fund new positions in support of our highest foreign policy priorities. It has also enabled us to double the size

of our training complement. In 2011, we were able to increase the number of positions filled by language-qualified employees from 62 percent to 70 percent.

Recruiting a talented workforce that is truly reflective of the diversity of America is also critical to our staffing and I know important to you, Mr. Chairman. I am eager and I am energized to lead this effort, and if confirmed, ensure that we have the skills, the innovation, and diversity necessary to advance our Nation's interests.

The Department has made a great deal of progress, but more needs to be done to ensure that the Foreign Service reflects the face of America. We must continue to work wholeheartedly toward this goal.

We must also focus on assigning our men and women to posts and positions where they can best achieve our highest foreign policy goals. I would note this year that the Department is on track to fill over 800 positions in Afghanistan, Iraq, and Pakistan. I have no doubt that Foreign Service employees will continue to step forward and volunteer for these tough assignments as they have done in the past. If confirmed, I will work with others in the Department to help these dedicated public servants and their families manage these high-stress assignments.

Over 10,000 Civil Service colleagues provide the critical Washington base of support, along with 56,000 locally employed staff worldwide, to keep our embassies and consulates functioning effectively. If confirmed, I will continue to develop and manage programs to fully utilize all of our staff, and I will also work to ensure that they are compensated fairly for their contributions to our mission.

Foreign Service overseas comparability pay remains a management priority. This is a basic fairness issue. Foreign Service employees' base pay should not be reduced when they serve overseas.

In closing, Mr. Chairman, I am pleased to have the opportunity to address you and members of the committee, and if confirmed, I ask for help in ensuring that we are able to strengthen American diplomacy through our greatest resource, its people.

I will provide a more detailed written statement for the record.

Thank you very much.

[The prepared statement of Ambassador Thomas-Greenfield follows:]

PREPARED STATEMENT OF AMBASSADOR LINDA THOMAS-GREENFIELD

Mr. Chairman and distinguished members of the committee, I am honored to appear before you today as President Obama's nominee to be the next Director General of the Foreign Service and Director of Human Resources at the Department of State. I am gratified and humbled that President Obama and Secretary Clinton have chosen me for this key position.

If confirmed, I look forward to rejoining the HR Bureau where I once served as Staff Assistant 20 years ago. As Director General, I would be responsible for managing the recruitment, assignment, welfare, professional development, promotion, and retirement of the Department's Civil Service, Foreign Service, Locally Employed staff, and others who work at the State Department. Since my return from Liberia as chief of mission just 10 days ago and reengagement within the Department, I have been reminded of the huge breadth of the Bureau's activities. I am excited by the opportunity to strengthen the security and prosperity of our Nation by leading and building an effective civilian workforce.

For 30 years, I have had the pleasure and the honor of working alongside talented, dedicated Foreign Service and Civil Service employees, Locally Employed

staff, Family Members, and contractors serving at our overseas missions and in the Department here in Washington and around the United States. I am proud to count many of them as my friends—and all of them as my colleagues. They, like me, are pleased that the State Department in 2011 once again ranked in the top 10 among large Federal agencies in the “Best Places to Work in the Federal Government” ranking. It is a great place to work.

Mr. Chairman, I would like to take the opportunity to introduce my husband, Lafayette Greenfield, a retired Foreign Service Specialist; our daughter, Lindsay Greenfield, who recently joined the 123rd Foreign Service Specialist class; and our son, Deuce Greenfield, who also grew up in the Foreign Service and is now in law school. I guess you could say that the Foreign Service is in our blood.

Of course, the nature of the Service has changed dramatically since I joined 30 years ago, with those changes accelerated by the events of 9/11. For instance, the number of positions deemed too dangerous for family members to accompany has grown from approximately 200 in 2001 to over 1,300 today. In addition, 65 percent of all State overseas positions are now at hardship posts, facing crime, pollution, and other challenging living conditions. Two-thirds of our diplomats abroad are serving in those difficult posts. They willingly face hardship and risk for the honor of serving their country and the opportunity to make a difference. This puts a tremendous burden on our families.

Like the Secretary, I believe these men and women are some of the most courageous, hard-working, and capable people I have ever met. They and their families deserve our support and, if confirmed, I will work hard to ensure they have what they need to do their jobs well.

One of the Secretary’s highest priorities is increasing the size of State’s diplomatic staffing by 25 percent. This is the hiring initiative known as “Diplomacy 3.0” (D 3.0)—for Diplomacy, Development, and Defense—representing the three “pillars” of our foreign policy strategy.

With D 3.0 hiring, the Department has been able to fill some of its vacant positions as well as to fund new positions in support of our highest foreign priority goals. It has also enabled us to double the size of our training complement, which enabled more overseas positions to remain filled while replacements received required language and functional training. Because of this much needed influx in resources that allows us to train, in 2011 we were able to increase the number of positions filled by language-qualified employees from 62 percent to over 70 percent.

Recruiting a talented workforce that truly reflects the diversity of America is critical to our staffing efforts. I am eager and energized to lead this effort, if confirmed, and ensure that we have the skills, innovation, and diversity necessary to advance our Nation’s interests.

Aggressive recruitment outreach including through social media, has contributed to diversity recruitment gains. For instance, from 2005 to present African-American takers of the Foreign Service Officer Test increased 61 percent, Hispanics 82 percent; and women 131 percent. Pass rates for these groups increased 112 percent, 172 percent, and 131 percent respectively. And, hiring of African-Americans increased 36 percent and hiring of Hispanics increased 43 percent. The Department has made a great deal of progress, but we must continue to work wholeheartedly toward this goal.

We must also focus on assigning our men and women to posts and positions where they can best achieve our highest foreign policy goals. This year, the Department is on track to fill over 800 positions in Afghanistan, Iraq, and Pakistan.

I have no doubt that dedicated Foreign Service employees will continue to step forward and volunteer for these tough assignments, as they have done in the past. If confirmed, I will work with others in the Department to help these dedicated public servants and their families manage these high-stress assignments.

Over 10,000 Civil Service colleagues provide the critical Washington base without which our embassies and consulates could not function effectively. Many of them volunteer to go overseas to difficult posts. They contribute to almost every aspect of the Department’s operations from human rights to narcotics control to trade to environmental issues. They are also the domestic counterparts to consular officers abroad, issuing passports and assisting U.S. citizens in trouble overseas. To maximize our effectiveness, we must increase our flexibility to deploy employees where most needed. Therefore, we are creating more opportunities for Civil Service employees to work overseas.

Of the approximately 56,000 Locally Employed (LE) staff employed worldwide by all U.S. agencies overseas under chief of mission authority, nearly 45,000 work for the Department of State. These loyal colleagues are a key component of our mission. They have been at our embassies the longest, and they perform dozens of essential functions that keep our missions open even under the most difficult circumstances.

If confirmed, I will ensure that we continue to develop and manage programs to fully utilize our local staff. I will also work to ensure they are compensated fairly for their contributions to our mission.

Foreign Service Overseas Comparability Pay (OCP) remains a management priority. This is a basic fairness issue; Foreign Service employees' base pay should not be reduced when they serve overseas. If OCP is taken away in the future, we know it will not only impact our employees' morale and salaries, but also their retirement. I look forward to working with you, Mr. Chairman, and other members of the committee to ensure that does not happen.

I am pleased that the Department of State ranks high as an ideal employer. If confirmed, I will do all that I can to make it an even better, more "family friendly" employer, and more representative of the face of America.

In closing, Mr. Chairman, I am pleased to have the opportunity to address you and the members of the committee. If confirmed, I ask for your help in ensuring that we are able to strengthen American Diplomacy through our greatest resource—our people. I look forward to helping the Secretary ensure that the Department and its people are ready to meet our foreign policy challenges and objectives.

Senator MENENDEZ. Thank you, Ambassador.

Ms. Winstanley.

**STATEMENT OF GINA K. ABERCROMBIE-WINSTANLEY, OF OHIO, TO BE AMBASSADOR TO THE REPUBLIC OF MALTA**

Ms. ABERCROMBIE-WINSTANLEY. Mr. Chairman and members of the committee, it is a privilege to appear before you today as President Obama's nominee to serve as the United States Ambassador to the Republic of Malta. I am honored by the confidence placed in me by President Obama and Secretary Clinton.

I would also like to thank Senator Brown for his introductory statement.

If confirmed, I look forward to working with this committee and the Congress in advancing U.S. interests in Malta.

I am delighted and proud to be accompanied today by members of my family: my husband, Gerard, and my daughter, Kara. I am also joined by my brother, John; my sister, Navy captain retired, Lynne Hicks; and my brother-in-law, colonel retired, Larry Hicks. I am also supported today by many friends and loved ones.

My family has personal connections to Malta. My father-in-law made many stops there as a naval officer during World War II and my niece studied nursing in Malta at St. Luke's Hospital for Nursing.

After 27 years in the Foreign Service, I believe my experience developing and implementing policy on counterterrorism issues with European, African, and Middle Eastern partners, as well as advancing U.S. interests on a bilateral basis in the Middle East, will enhance my effectiveness as chief of mission, should you decide to confirm me.

Malta is a valued European partner, often serving as a bridge between the West and the Middle East. I have a unique background to strengthen the relationship between the United States and Malta. This includes my service in the Middle East as Consul General in Jeddah, Saudi Arabia and tours in Iraq, Israel, and Egypt, as well as my tenure as Director of Near East, South Asian Affairs at the National Security Council at the White House, and as a professional staff member, a proud one, working for this committee under then Ranking Member Biden.

Over 50 years ago, Malta's courageous resistance during World War II prompted Franklin Delano Roosevelt to refer to Malta as a

nation that stood alone but unafraid in the center of the sea, one tiny bright flame in the darkness. Malta is small in size but has never backed away from occupying a large role when history has called upon it. We have seen this recently in its commendable actions in support of the aspirations of the people of Libya.

As we recently witnessed, Malta's strategic location in the Mediterranean Sea is important to both global security and international commerce. Last February when U.S. citizens and others were evacuated from Libya to Malta, the Maltese Government assisted 20,000 evacuees from 90 countries, including more than 200 American citizens. Maltese officials and the U.S. Embassy in Valletta worked side by side to arrange emergency and humanitarian services to meet evacuees as they arrived in Malta and assist in their onward travel.

Though not a member of NATO, Malta provided emergency landing services for NATO planes and cooperated closely with NATO on its maritime embargo. Malta authorized thousands of overflight requests in support of Operation Unified Protector, free of charge and at a substantial cost to its ability to route lucrative commercial traffic.

Malta has offered to be a hub for all humanitarian assistance to Libya.

On the trade and investment front, the recently ratified double taxation agreement bolsters the already strong economic relationship between the United States and Malta by fostering greater investment in trade. The United States is Malta's second-largest trading partner outside of the EU. American firms directly employ over 2,000 people in Malta, not counting the several thousands who work for U.S. franchises. In the small nation, that means 1 out of every 50 Maltese workers is employed by an American company.

Malta shines as a beacon of peace and economic success in the southern Mediterranean and is ready to provide essential assistance and know-how to its transitioning North African neighbors.

As a career Foreign Service officer, my life's work has been to strengthen our great country's political and economic ties with other nations and to achieve results through mutual understanding, communication, and cooperation. If confirmed, I pledge to do everything I can to lead an Embassy that represents the finest values of the United States and to advance American interests by strengthening the bonds between the United States and Malta.

Mr. Chairman and members of the committee, thank you for this opportunity to appear before you, and I would be pleased to answer any questions you have.

[The prepared statement of Ms. Abercrombie-Winstanley follows:]

PREPARED STATEMENT OF GINA K. ABERCROMBIE-WINSTANLEY

Mr. Chairman and members of the committee, it is a privilege to appear before you today as President Obama's nominee to serve as the United States Ambassador to the Republic of Malta. I am honored by the confidence placed in me by President Obama and Secretary Clinton. If confirmed, I look forward to working with this committee and the Congress in advancing U.S. interests in Malta.

I am delighted and proud to be accompanied today by my family: my husband, Gerard, my son, Adam, and my daughter, Kara. I am also joined by my brother, John, my sister, Lynne Hicks, a retired Navy Captain, and my brother-in-law, Larry Hicks, a retired Colonel. I am also supported today by many friends and loved ones. My family has personal connections to Malta: my father-in-law made many stops

in Malta as a naval officer during World War II, and my niece studied nursing in Malta at St. Luke's School of Nursing.

After 27 years in the Foreign Service, I believe my previous experience developing and implementing policy on counterterrorism issues with European, African, and the Middle Eastern partners, as well as advancing U.S. interests on a bilateral basis in the Middle East, will enhance my effectiveness as chief of mission, should you decide to confirm me. Malta is a valued European partner, often serving as a bridge between the West and the Middle East. I have a unique background to strengthen the relationship between the United States and Malta. This includes my service in the Middle East as Consul General in Jeddah, Saudi Arabia, and tours in Iraq, Israel, and Egypt, as well as my tenure as Director for Near East South Asian Affairs at the National Security Council of the White House, and as a professional staff member working for this committee under then-Ranking Member Biden.

Over 50 years ago, Malta's courageous resistance during World War II prompted Franklin Delano Roosevelt to refer to Malta as the nation that "stood alone but unafraid in the center of the sea; one tiny bright flame in the darkness." Malta is small in size but has never backed away from occupying a large role when history has called upon it. We have certainly seen this most recently in its commendable actions in support of the aspirations of the people of Libya.

As we recently witnessed, Malta's strategic location in the Mediterranean Sea is important to both global security and international commerce. Last February, when U.S. citizens and others were evacuated from Libya to Malta, the Maltese Government assisted 20,000 evacuees from 90 countries, including more than 200 U.S. citizens. Maltese officials and U.S. Embassy Valletta worked side by side to arrange emergency and humanitarian services to meet evacuees as they arrived in Malta and assisted in their onward travel. In addition, Maltese authorities waived passport and other entry requirements, easing the evacuees' burdens.

Though not a member of NATO, Malta provided emergency landing services for NATO planes and cooperated closely with NATO on its maritime embargo by providing manifests for Maltese-flagged ships. Malta authorized thousands of over flight requests in support of Operation Unified Protector free of charge, and at a substantial cost to its ability to route lucrative commercial traffic. Malta has offered to be a hub for all humanitarian assistance to Libya, and as such, the World Health Organization has asked it to serve as a base for its shipments.

On the trade and investment front, the recently ratified Double Taxation Agreement (DTA) bolsters the already strong economic relationship between the United States and Malta by fostering greater investment and trade. The United States is Malta's second-largest trading partner outside of the EU, accounting for approximately 5 percent of total trade, and American buyers account for approximately 9 percent of Malta's total exports. American firms directly employ over 2,000 people in Malta, not counting the several thousands who work for U.S. franchises. In this small nation, that means one out of every 50 Maltese workers is employed by an American company. These American businesses continue to grow stronger. For example, in the wake of the worldwide financial crisis, as a stimulus measure, Malta provided targeted government assistance of 0.7 percent of GDP to manufacturing firms in 2009. One of the companies which received assistance, U.S. parts manufacturer Methode Electronics, not only retained its American workforce in 2009, but increased employment in its Maltese subsidiary as well. American investment overseas is vital, and Malta works to the benefit of both countries.

Malta shines as a beacon of peace and economic success in the southern Mediterranean, and is ready to provide essential assistance and know-how to its transitioning North African neighbors. As a career Foreign Service officer, my life's work has been to strengthen our great country's political and economic ties with other nations, and to achieve results through mutual understanding, communication, and cooperation. If confirmed, I pledge to do everything I can to lead an Embassy that represents the finest values of the United States, and to advance American interests by strengthening the bonds between the United States and Malta.

Mr. Chairman and members of the committee, thank you for this opportunity to appear before you. I would be pleased to answer any questions that you may have.

Senator MENENDEZ. Well, thank you all very much.

Let us also welcome your family and friends because service, of course, is a demand upon families, and we appreciate them being here supporting you.

I will start off the questioning.

Ambassador White, let me ask you. There are many of us who are frustrated with the progress of reconstruction and of assistance to the Haitian people despite both our commitment as a country and the world's commitment. And so as you approach this assignment, could you share with the committee what you think are the key obstacles to a more rapid reconstruction and development in Haiti?

And as part of that, could you talk about political instability as part of the equation, if you believe that is part of the equation? I happen to believe it, but I would like to hear your views on it.

And last, I am just going to lump this all together, but will repeat it if necessary.

Some of the latest reports about the government appropriating land seemed to reveal it doing so at the expense of the most vulnerable populations, and that is upsetting. If there is going to be land reconfiguration, you would hope that vulnerable populations would be the beneficiaries.

So could you speak with us a bit about reconstruction and how we can do this more successfully, what are the obstacles, how we address them, and go from there?

Ambassador WHITE. Everyone, I do believe, is a bit frustrated with the slowness of the reconstruction.

But could I just for one second say that Ambassador Merton and the accomplishments of his team has done in Haiti after living through that horrific earthquake. When they woke up one morning, 250,000 bodies were in the street and 10 million cubic feet of rubble was everywhere in Haiti, and they put on their boots and they put on their gloves and their staffs did and many volunteers, many people went down there to help and they made a difference. I mean, they got 1.2 million people in temporary shelters. So they got them in shelters. They fed them. They took care of them.

To this day, they removed half the rubble. And you know, half of 10 million cubic feet is something to talk about—10 million cubic feet. You can have dump trucks back to back from Key West to Bangor, ME. That is how many dump trucks that would take. And that they have taken almost half of that out with the USG efforts, another million cubic meters were taken out with wheelbarrows and who knows what by private citizens.

The 1.5 million people were homeless, and today it is 490,000. So well over a million people have been moved from the tents into something at least better than tents, different things, but better than tents. And like I said, half the rubble is gone.

So accomplishments in an incredibly difficult country even in the best of times, good for them and good for the U.S. Congress for giving them the money to move forward.

Now, one of the problems, of course, with Haiti is it lacks capacity. They have not had a functioning government. It took a long time for Preval to go and for Martelly to get in and then name a Prime Minister who unfortunately did not last very long. They are now looking for a new one. So there has been—the key pieces of government that are needed—the Haitian Government that are needed—to get this recovery moving quicker have not been in place very long. And we have got to have that going or we are going to have trouble making reconstruction and recovery any faster.

I also think that the humanitarian response drained every ounce of people's strength for about a year, and then they started looking toward sort of a longer term recovery. To get those pieces in motion, especially to get the pieces in motion if you are going to use Haitian NGOs and Haitian diaspora and Haitian qualities, that just takes time. There is nothing you can do about it.

And Ambassador Thomas-Greenfield and I served in Liberia together and we kind of picked Liberia up from this post-war disaster, and what do you do and how you do it? And I must say I think we did a really great thing.

Senator MENENDEZ. So are you telling the committee that things are going as they should?

Ambassador WHITE. I think that we have got the pieces in place if we can get the government to work, and that is a big "if." I hope that we can make them do that. I think we can put some pressure on them to make them do that. I think they want to make that happen. They want Haiti to succeed. But, yes.

Just in the last month, I keep getting updates on some of the activities that USAID is doing in Haiti, and I see that they are awarding contracts, bigger contracts, reconstruction contracts. A new factory is going to be built in the north. It is going to come up with 22,000 jobs. There is nothing like giving people a job that is going to allow them to move the country forward, but we need the government to move too.

Senator MENENDEZ. So as I listened to your answer, the government is the biggest obstacle toward the type of further progress we would like.

Ambassador WHITE. I actually do believe that is true; yes.

Senator MENENDEZ. Ambassador Greenfield, you and I had a good conversation yesterday, and as I said to you then, Pastor Suarez called me again and said be nice. And what ensues is not about you but about the Department. And so I want to visit that with you on the record.

I believe the State Department has the worst record of the hiring of minorities, particularly of Hispanics. This is something that I have been pursuing since my days in the House on the International Relations Committee. This is something I have pursued on this committee, and I do not seem to get anybody's attention.

Now, sometimes for a Senator the only way to get somebody's attention is to hold up a nominee, and it is not my desire to do that here.

But it also cannot continue this way. Your predecessor came before the committee not too long ago and answered a series of questions. It sounded really great until we went from percentage terms to actual numbers. And as I shared with you, in the State Department's Civil Service over the last 3½ years, we increased the number of Hispanics by four. In 2009 versus today on female Hispanics, we increased the number by 20, but of course, what we started from is incredibly low. Among the Foreign Service employees, we have similar numbers. So I will not gauge in percentages anymore because the percentages always paint a different picture.

And when I listened to those who are in the Foreign Service from the Hispanic community, I often hear about the challenges those individuals face not only getting through the test, which is one

thing, but then the subjective element of not being able to orally communicate effectively, which is incredibly subjective. Now, with all due respect, if that is the standard of all ability, then I believe there are many people from our community who can meet that standard.

So I am trying to get a sense of how you, in this position, are going to change the course of events because the current way of doing things is not acceptable. The last census makes that pretty clear. And so if you could share with me and the members of the committee how you will go about changing the course of events in a way that will give me some hope so that we can vote your nomination out of this committee and on the floor with the expectation that things will change.

Ambassador THOMAS-GREENFIELD. Thank you, Senator. We did have a good conversation yesterday, and I can tell you that you did get my attention such that I was afraid to even give you those statistics that were in my official testimony, and I decided I would not give them.

Senator MENENDEZ. I accepted that as what the Department told you to say.

Ambassador THOMAS-GREENFIELD. Yes.

Senator MENENDEZ. So I get it.

Ambassador THOMAS-GREENFIELD. But you did get my attention.

I had the opportunity to look at these charts on the board, and unfortunately those numbers in those charts reflect the reality. And what they reflect is the reality of the challenge that is going to be before me if I am confirmed by the Senate. And if I am confirmed as the next Director General, I can assure you that this will be one of my top priorities as Director General. And I said to you yesterday I am sure that all the other Director Generals have said the same thing.

Senator MENENDEZ. They have.

Ambassador THOMAS-GREENFIELD. And you said that to me yesterday as well. But I am also going to say to you that I do take this personally. I take it as a personal commitment that I am making to this committee that I will work diligently to improve those numbers, and I will not sleep unless those numbers are improved. I will personally put my own hand on all of the recruitment policies. I will review those policies to ensure that if there is anything in the implementation of our policies that is blocking increasing those numbers, that we will work to remove those.

I am concerned that these numbers are so low. I am equally concerned that the African American numbers have gone down since I joined the Foreign Service 30 years ago.

So we have a lot of work to do, and I will be working with the staff in the Director General's office, if I am confirmed, to ensure that when I come before you the next time—in fact, you will not have to call me. I will be directly in touch with you to let you know what progress we are making on getting this done. And I will look forward to working with you and your staff to get your ideas on how we might move forward to improve these numbers not just for Hispanics but for all groups.

The Foreign Service is not successful if it does not represent the face of America. I have had the experience of being in the Foreign

Service for 30 years, and I have seen this for 30 years. I am in the position now to make a difference, and I do intend to use my position to make a difference.

Senator MENENDEZ. Well, I appreciate your answer, and there are one or two things I want to follow up with you, but in deference to my colleagues, I am going to have them go and we will come back. But I do appreciate your answer.

Senator Rubio.

Senator RUBIO. Thank you.

Ambassador White, when I was in Haiti earlier this year, one of the major obstacles—and I think I mentioned that to you when we talked earlier today—one of the major obstacles that I found to private investment in the country is the absence of a credible land registry. And there are numerous competing claims for a plot of land, for example. And so investors, particularly in Florida, people that are interested in going to Haiti and doing some sort of investment and business venture, are worried that there is nowhere to register their property claims. And I think that is something that the Haitian Government shared with us as well during our visit.

What ideas do we have? What could the U.S.'s role be in terms of creating capacity in that regard, both from your experience in serving there before and your experience around the world. Have you encountered that? And what is it that we can do from a capacity-building standpoint? What programs do we have in place or should we think about putting in place to help in that regard?

Ambassador WHITE. It is a huge problem. It is a problem in every country I have ever served in. It was a problem in Liberia, God knows. It is always a problem because there has not been any formal system of getting deeds. It has been a worse system, worse in Haiti, because the little registry that there was before the earthquake was destroyed during the earthquakes, and now we are starting not only from zero but minus-zero.

There has been a small start when they are trying to set up these communities of just kind of discussion with people in the communities and deciding, yes, we will on the basis of who lived there for what amount of time so we can just kind of get it rolling. But there are several stakeholders, including the U.S. Government, that are working with the Ministry of Justice, that are working with the Bureau of Lands that are trying to map out where these plots are and who owns them and what kind of paperwork is needed. And this is going to take a while.

But I do think that it is not only the United States of America like I said, but it is other donors as well. There has been progress. There will be more progress. There is an enormous amount of attention from both the Haitian Government and donors on this issue, and I do see that we are moving forward. And you are right. It has got to be done.

Senator RUBIO. Thank you.

I guess a question for Ambassador Greenfield. I have been on the committee now for a year, so some of this is new to me.

What are the challenges to recruiting people to be interested in the Foreign Service in the modern era? I mean, is it a challenge, when we go on college campuses or across the country? I read somewhere—maybe it was in your testimony—about the use of

social media and other platforms to get people excited about it. We have a lot of talented young people around the world. I think this young generation of Americans are the greatest connectors and collaborators in world history in terms of working with other people on things through the use of social media. What are some of the challenges we face in getting people interested in Foreign Service other than the pay?

Ambassador THOMAS-GREENFIELD. I was going to start with pay. Thank you for that question. That is an excellent question.

I think some of the challenges are life in the Foreign Service. It is not just the job of the individual who is being hired. The whole family becomes part of this, and it is very hard sometimes for people to make the decision or for families to make the decision to sacrifice their own lives for a Foreign Service career of another family member. So I think that is one of the big challenges.

The other, I think, is the fear of living overseas and leaving everything behind to go and live in a foreign country and try to learn the culture and the life of living in a foreign country.

I think we can address those concerns of people, and we are attempting to address those concerns because once they come in the Foreign Service, they see that it is easy. But I think we have to look in a more strategic way at those life changes that people are required to make if they go into the Foreign Service.

Senator RUBIO. Thank you.

And, Ms. Winstanley, I have a question actually directly related to Malta. It is an issue we also encountered when we were over there. It has to do with the issue of human trafficking. And I have read some reports where there has been some—let me begin by saying that I think our relationship with the Government of Malta is excellent. We are very grateful for that partnership. We are very grateful for that alliance that we have and for all the cooperation they have given. By no means is this a criticism of the government or that alliance, but a recognition of a problem that by our own trafficking in persons report we know exists today.

Malta received a tier 2. They are on the watch list status for a second year in a row. They are both a source and a destination country for European women that are being subjected to sex trafficking.

Surprisingly enough—there are multiple sources that say this—in 2010 the Government of Malta did not even identify a single victim of trafficking despite very many credible reports in that regard.

What ideas—and I think from your service elsewhere as well, but what ideas do we have about helping to address that issue? Obviously, it is a complicated one. It is a global one. But given its strategic location as a gateway between the Middle East and North Africa and the rest of the West, I do not think that problem is going to get any better unless it is addressed honestly. So what can we do from the position you are going to occupy to be of assistance in that regard?

Ms. ABERCROMBIE-WINSTANLEY. Thank you, Senator. A wonderful question and certainly this would be, if confirmed, one of my priorities when I arrive in Malta.

The Maltese have had trouble with identifying victims and we have been working with them to help them do so, as well as ensur-

ing that they do not hold victims responsible or charge them for crimes that are directly related to them having been trafficked. We worked with them for a workshop this past July to help them identify victims to address that specifically. In the last couple of months, they also have had a case that they brought to successful prosecution giving someone a 10-year sentence for trafficking in persons. This is the first successful prosecution and shows that they are moving in the right direction. They have got a chairman of the board to counter trafficking in persons, and as I said, it will be my priority when I get there.

Senator RUBIO. Thank you.

Senator MENENDEZ. Well, thank you very much.

Senator Durbin.

Senator DURBIN. Thanks to all three of you.

Ambassador White, I was recently in Port-au-Prince, as I mentioned, and I stayed at a nice place and there was a heavy rainstorm. And the woman who kind of the manager of the property—we were looking out the window at the rain, and she said tomorrow morning in Port-au-Prince they will report how many people died. I said, died? She said, from the rain. I said, it is a heavy rainstorm but why would people die? She said, there will be drownings in Port-au-Prince as a result of rainfall.

The story behind that has a lot to do with the fact that this country has very little, if any, infrastructure to move water or sewage for that matter. It is just open. It runs through the streets and overwhelms residences and drowns children, that sort of thing.

But there is a second part to the story, and that is what has happened to Haiti as a country. Lift this up and show it. It is not difficult to see the border between Haiti and the Dominican Republic—

Ambassador WHITE. It surely is not.

Senator DURBIN [continuing]. Because to the right on this island of Hispaniola is the Dominican Republic which has had a serious effort to plant trees. To the left is Haiti where the trees have just been removed. So when the rain falls, it comes rolling down these hills and mountains into these cities, drowning the poor people who live there.

I have tried to put some money in, as I mentioned earlier, for various projects, and one of them is reforestation in Haiti. They cannot reclaim this land for agricultural purposes or any purpose until they deal with that issue. And it is hard because people chop down every tree they happen to grow because they need wood for heat when it gets chilly by their standards.

When I brought this up with the previous President, he kind of laughed at me and said it will never work. I think it has to work. And when President Martelly weighs this as one of his concerns, I hope that you will make it one of yours when you are Ambassador, that we can join in this effort toward reforestation.

I would like to have your comment.

Ambassador WHITE. Yes. I could not agree with you more. It will be something that I will look at.

Unfortunately, during the 5 years that I was in Haiti, I literally saw that happen right before my eyes. It kept coming lower and lower and lower. They kept chopping more and more trees. And

back in those days, AID tried desperately to stop it, too, by planting trees, planting trees. They would chop them down. We would plant. They would chop them down. We would plant. It was just an endless cycle of wasted money to tell you the honest-to-God truth.

And so what we have decided to do now are kind of two things. Well, actually three things.

One, we are going to tie planting of trees to fruit trees and trees that can actually give a profit, and they sell the mango or they sell the cocoa or they sell the coffee, whatever. So there will be less incentive to cut down a tree. That is one thing.

The second thing is we are going to do some plantings high up and try to protect them so that they will take root. It takes maybe 6 months to a year to get the root in there. We are going to have to use some protection of some fir trees, et cetera, to keep on the higher levels. The fruit trees will not grow up there.

But I think the key that we did not use 25 years ago was that we have got to give a decent substitute for charcoal or they are just going to keep cutting down the trees because they need something to cook their food with. I mean, people have got to eat. So we have got to decide what is that alternate fuel and how can we use it, how can we introduce it. And we are starting some pilot programs and using gas, using some briquettes that are made out of things that are not wood, et cetera. So I think that is going to have to be the key, that we are going to find a substitute for the wood so the wood can do what it needs to do and save the banks from falling into the ocean and killing people.

Senator DURBIN. The other thing that was very obvious—and you can see it when you catch a plane to go to Port-au-Prince—is how many Americans and others are literally volunteering their lives to help these people. It is a noble thing and a heartwarming thing. But it is frustrating too. There are so many NGOs stumbling over one another doing this and that thing. You often wonder if there is any coordination even among American NGOs about what they are trying to achieve.

There is a second aspect of this. One NGO, in particular, was close to Senator Mike DeWine of Ohio, and Senator DeWine made more than 20 trips to Haiti. That NGO was called Hands Together. It was run by a Catholic priest. They have schools and orphanages and feeding places and the like. And I visited them again when I was just recently there. Father Tom does a great job. He has given his life to this. And he has so many volunteers and helpers. They do wonderful work with a limited amount of money.

He sent me an e-mail 2 weeks ago, and his chief of staff was gunned down right out in front of his school. And he was heartbroken and ready to give up because security is just absent from many, many places, Cite Soleil in Port-au-Prince, for example.

And now we hear from President Martelly, whom I admire and think has the potential of really adding something very positive to Haiti, that he wants to create an army. It would seem that a police force may be more important at this moment in terms of establishing at least basic law and order in this island.

What are your thoughts about this notion of a Haitian army?

Ambassador WHITE. Yes; that is an excellent question. Thank you, Senator.

We struggled with this also in Liberia. Ambassador Thomas-Greenfield and I, believe me, had many, many meetings with President Sirleaf on standing up an army, standing up a functional police force.

I believe that we came to the conclusion then, and I have certainly come to the conclusion and the administration has come to the conclusion, that what we need in Haiti and what we are going to put our resources against is a strong police force. We need to stabilize the country. We have got to stop these killings. We have got to stop the rapes of the women. We have got to stop abuse. And that is not an army's job. That is a strong police force job. So I feel very strongly about that, to tell you truth.

And let me just mention that the discoordination, if you will, of a million NGOs—they want to do the right thing and their heart is in the right place. Again, we found the same thing in Liberia. They were pouring in there, especially lots of Liberian Americans who had spent years and years in the States and wanted to go back. They started a school here and a clinic there, and then, oh, they did not have books. They did not have medicine. You know, what were they doing and who were they coordinating with?

The minister—the fabulous Minister of Plan there, was my best friend, now the Minister of Finance, a Harvard graduate—and I decided that we would in his ministry, in the Ministry of Plan, start a donor mapping using IT. So we used spatial technology. It was cutting-edge. We had a picture and we had a map and we had a little description who was it, what were they doing, how much were they putting, and were they having any real impact, success of any kind. It took us 2 years to put it together, but today he can bring the screen up and he knows where all these people are. And we are going to do that in Haiti too.

Senator DURBIN. Good.

The last point I will make is that I learned while I was there that what was once a thriving coffee industry has all but disappeared in Haiti. Some 10 percent of what was their top production remains. I have approached a company in Chicago that sells coffee that they import from all around the world and asked them if they would make this a special project. There is not any reason why others could not join them. So perhaps our insatiable appetite for coffee will lead to some more commerce coming out of Haiti.

Thank you.

Ambassador WHITE. Thank you. Just so you know, also—now I am sounding like I am 3 million years old instead of just a million years old. But in any case, in Tanzania we did a fabulous coffee project. Starbucks came over and they were putting coffee—that they used to pay 2 cents a kilo for and now it is up to like 30 cents. And it is selling like hotcakes. I do not know why we could not do the same thing in Haiti and have it that much closer to the United States of America. So I am with you on that one.

Senator DURBIN. Thanks.

Senator MENENDEZ. Thank you, Senator Durbin.

Ambassador Greenfield, let me just go back to you for a moment. For my friends at the State Department, the charts that are

displayed here show the demographics of America after the 2010 census. And I look at the 2011 State Department figures, and Native Americans and Hispanic Americans are the only groups that are underrepresented by population as a percentage of the population. In the case of Hispanics, when comparing their representation in the State Department to the size of their U.S. population, the underrepresentation is pretty dramatic.

And then I look at 2009—and this is why I am a little upset at the testimony that was given previously—2011 numbers are worse than 2009 numbers. So we are not only dramatically underrepresented, we are moving in the wrong direction.

So with that again as the premise of why I have focused on this so much, I would like to ask, Will you commit to look at the recruitment efforts outside of traditional schools? I appreciate those schools from which we have drawn the Foreign Service. They are some of the greatest schools, but they are not where a lot of the pools of these diverse communities are necessarily at. And there are very good schools with very good, diverse pools that would be maybe helpful in the recruitment process. Is that something that you can tell me you will do?

Ambassador THOMAS-GREENFIELD. Absolutely.

Senator MENENDEZ. In terms of the oral exam, will you, as part of your overall review of this process, look at how the oral exam is being performed in a way that makes it somehow more objective and less subjective and therefore a filtering system by which the progress does not take place?

Ambassador THOMAS-GREENFIELD. I have asked that question as a result of our meeting yesterday to talk to the folks who administer the oral exam to see how it is administered and to look at the issues that you have raised. They have assured me that that is not an issue, that in fact the pass rate of the oral exam for Hispanics is even with other populations. It is the written exam that is the issue. But I do assure you that I will look at both, and if there is a problem, we will work to fix it.

There clearly is a problem, based on the chart that you have given me here, with our recruitment efforts. Trying to figure out where that is and how we address it will be one of my highest priorities. And I will be relentless.

Senator MENENDEZ. I appreciate that answer.

Something is wrong because your predecessor came in and told us how many people were recruited, took the test and passed the test, but then they do not get into the Foreign Service. So if the hardest part is getting people and then passing the written test and then they do not enter in the Foreign Service, there is disconnect there, and what that tells me is look at the oral exam. But I would be open to learning that there are other issues.

I always believe that at an institution, it starts from the top and works its way through the entire process in a way that leads everyone to understand that there is shared responsibility to make progress in this effort. Is that something that you will seek to do within the Department?

Ambassador THOMAS-GREENFIELD. Yes, sir. And we are looking at all of leadership in the Department because the recruitment part of it is a big part of it, but it is not all of it. We also have an issue

of mentoring so that we retain the people, the small numbers of people that we recruit, and that is the role of our leaders. And I will, as Director General, if I am confirmed, really drill that into all of our ambassadors, all of our senior leaders in the Department that they must take responsibility for mentoring staff who are coming in. One of the problems that I think that many Hispanics and African Americans and other minorities have when they come in the Foreign Service, there are not leaders that they have who mentor them, and we are going to make sure that that happens as well. But it is not just my problem. I will make it the entire Department's problem.

Senator MENENDEZ. Thank you.

I know that this precedes you, but do you know if the Department has submitted its diversity and inclusion strategic plan as required by the March 1 memo from the OPM Director, John Barry?

Ambassador THOMAS-GREENFIELD. It is in final draft, and I understand it is due on March 16 and it will be turned in by that date.

Senator MENENDEZ. I know your confirmation has to take place, but I hope that internally there is a way in which they can allow for your input so that some of the things we have talked about might be incorporated in that ultimate memo.

Finally, not on a minority hiring question, but do you believe that, as the Director General, you are going to have the authority and the flexibility with respect to the type of personnel policy that will allow the State Department to deal with the diplomatic challenges of the rapidly changing world we find ourselves in?

Ambassador THOMAS-GREENFIELD. I think I will have that authority and flexibility, but it is not only the role of the Director General again just with recruiting and retention. It is a Departmentwide responsibility and there are a number of entities within the State Department that have responsibility for some kind of hiring. I would give, for example, the new CSO Office. The director of that office was here for his hearing yesterday. They will be looking at how they can bring in people in a search type of way to deal with emergencies so that if we do not have people who are already employed, we can bring them in quickly so that they can address some of our emergent needs.

Senator MENENDEZ. Well, thank you very much for your answers.

Finally, Ms. Winstanley, I do not want you to think I left you out of the equation, though I am sure you would be happy to be left out. [Laughter.]

Senator MENENDEZ. It is not that bad. Ambassador Greenfield took it all for you. She is going to be a great Director General.

Let me ask you. I have heard many good things about Malta, but there is one that as the United States continues to pursue trying to deter Iran's march to nuclear weapons, is of real concern to us. And I want to hear that you would make it one of your priorities if you are confirmed. It is with reference to Iran's shell game with its cargo shipping line, IRISL. It is an entity which has been designated by the United States and the European Union because of its central role in evading sanctions designed to stop the movement of controlled weapons, missiles, and nuclear technology to and from

Iran. Some 57 ships designated by OFAC, the Office of Foreign Assets Control of the United States, the U.N., and the EU continue to fly the Maltese flag despite their clear connections to IRISL. Thirty-three of those ships are currently in Iranian ports or have been there this year.

So I would hope, if you are confirmed, that you will raise this at the highest levels of the Maltese Government and urge them to cut business ties to ensure that IRISL is not using them as a shell process to evade the tremendous efforts that the Obama administration and this Congress pursued using peaceful diplomacy tools, which are sanctions, to deter the Iranians from their nuclear weapons program. Can you make that commitment to the committee?

Ms. ABERCROMBIE-WINSTANLEY. Senator, I absolutely can make the commitment that, if confirmed, this will be among my highest priorities.

The Maltese have taken some steps in the recent past including agreeing not to reflag any additional Iranian ships. So they will not be reflagging new Iranian ships. They have also been supportive of enforcing U.N. sanctions with regard to Iranian cargo and they have interdicted ships and seized illegal cargo. So they have taken what we consider some important steps. They are small steps, what we consider small wins. We are going to be working for big wins. So this will be something I will take up at an early opportunity, if confirmed.

Senator MENENDEZ. Thank you.

Senator Rubio.

Senator RUBIO. Thank you.

Ambassador White, we talked about this earlier today as well when the issue of the restavek, which is a concept I was not familiar with until very recently. For those who are watching or may be in the audience and do not know what it is, it is an unfortunate practice of very poor families in Haiti over the decades to place their children with better-off families who provide them employment, usually domestically, in exchange for providing for these children and sometimes even educating them.

The problem, of course, has been that over the years there are now people that have taken advantage of that system or have taken advantage of that problem and make it much, much worse, as you are aware. A moment ago, Senator Durbin showed us a picture of the Haitian-Dominican border. In addition to a deforestation problem on that border, there is the reality that on that border you can buy a child, that there are children that are trafficked and sold as child prostitutes both into the Dominican Republic and in those border towns in that region. It is a very tragic situation.

As we met with folks in Haiti, one of the solutions that has clearly been offered is the idea of providing every child—and it is one of the priorities of the President, President Martelly, is to provide children educational opportunities. One of the things that I was struck by during my visit was these very poor families but children walking to and from school in impeccable uniforms which is an indication of a real societal value for education. Families will do anything if they can get their kids into a school. In fact, we visited one of these schools. It was called the Institute for Human and

Community Development. They specifically focused on victims of human trafficking, providing them an educational opportunity.

But there are still challenges along the way. One of the challenges I found, unfortunately, is that there is the idea that this is more of a cultural problem than a human tragedy. And I am not saying that is widespread in the society, but there are some that view it that way.

The other is as you said, that there is not the governmental capacity to deal with this. What I thought the most enlightening approach was the more children they can get into a school setting, which in my understanding is a very cost-effective measure, the likelier it will be for these parents not to put their kids in this environment.

And by the way, not to put the blame completely on the parents. I mean, there are folks posing as NGO members who are going into camps and saying they have got jobs for these kids, and in fact, they are nothing but traffickers who are doing these horrible things.

So what initiatives can we do in support of that ambition of providing—given our current set and as your background with USAID, you are probably even more insightful in this regard. What can we do in terms of helping the Haitian people build more capacity in their educational front particularly for children so that we are accomplishing the dual goals of, No. 1, creating intellectual and academic capacity, you know, workforce capacity, in the country, but at the same time giving these children an alternative and their families an alternative to the restavek situation? So what are our existing programs and platforms and what can we build on?

Ambassador WHITE. Thank you very much, Senator.

Yes. In my mind over the years, we have not put enough emphasis not only on primary education but secondary education. If a young girl graduates only from primary school, she does not have a longer life. She does not have a higher earning wage. She does not have fewer children. If she spends 2 years in secondary school, then we are starting to make a difference. So we need to not only concentrate on—not we, the United States Government, but the donors as a whole because education happens not to be one of our focus areas, although we are doing it around some of our development corridors, but we are paying attention to the national level in certain areas like curriculum. But we have got to concentrate on education.

We have got to make sure that the police are trained in recognizing child abuse, and it is different from what the traditional restavek was supposed to be. It was supposed to be that someone cared for the children from the rural areas into the city areas that they could not take care of them in the rural areas. They could not provide any services. Instead it has become in many instances just a domestic service and often abusive.

We just signed a huge contract with several organizations—three I believe—that are going to look into issues of youth employment, girl abuse, women abuse, and especially this restavek story that is going on down there because we all know that it is untenable from a human rights' point of view.

Senator MENENDEZ. Thank you, Senator Rubio.

Thank you all for your testimony. I want you to know that you must have a lot of friends because this room is almost—not quite—but almost as filled as when George Clooney was here today. [Laughter.]

There are not as many cameras, but there are a fair number of people here.

Thank you for all of your responses to the questions.

The record will remain open until this Friday. I would urge the nominees, if you receive a question from any member, that you answer it expeditiously. It will expedite the process of your nomination.

And with the thanks of the committee to all the nominees, this hearing is adjourned.

[Whereupon, at 4:15 p.m., the hearing was adjourned.]

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#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

##### RESPONSES OF LINDA THOMAS-GREENFIELD TO QUESTIONS SUBMITTED BY SENATOR RICHARD G. LUGAR

*Question.* Based on your most recent tour as Ambassador to Liberia, can you share your thoughts on how the State Department could better train its Foreign and civil service officers to prepare for working in those environments? What's missing and what do you see as some critical steps the Department could take to strengthen its focus on prevention and mitigation?

*Answer.* One thing I learned is that, as the Secretary observed in her recent Quadrennial Diplomacy and Development Review (QDDR), it is vital that agencies learn to work better together in support of U.S. development and diplomacy goals. This is nowhere more important than in countries in which we are working to prevent, mitigate, or respond to conflict such as Liberia. In Liberia, I practiced the concept of "one team, one mission" that brought all the agencies together. With this objective in mind, the Foreign Service Institute (FSI) and USAID have created their first-ever joint courses: a distance learning course on Development in Diplomacy, and a new classroom course on Partnership in Development and Diplomacy. Both courses stress the importance of joint planning and execution of development and diplomacy goals across agencies, and offer simulated exercises to train Foreign Service and Civil Service employees how to do such cooperative work in the field. We also have Area Studies courses that prepare employees from different agencies for the social, political, cultural, economic, religious, and governmental dimensions of the countries where they will serve together.

In addition, the State Department is taking steps to strengthen its focus on conflict prevention and mitigation. In November 2011 State announced the establishment of a new Bureau, the Bureau of Conflict and Stabilization Operations (CSO). The responsibilities of this new Bureau will be to anticipate major security challenges; provide timely, operational solutions; build integrated approaches to conflict prevention and stabilization; and to leverage partnerships with nongovernmental and international partners.

*Question.* According to the 2010 Quadrennial Diplomacy and Development Review, more than 25 percent of State and USAID's personnel serve in the 30 countries classified as highest risk for conflict and instability. The QDDR recommended expanding training for all predeployment staff that are going to those countries. However, class schedules and deployments often do not line up and Foreign Service officers are unable to complete the trainings. Distance-learning courses could fill this gap until there are opportunities for in-depth and in-person study. What steps will you take to develop a more comprehensive course offering that includes distance-learning courses on crisis and conflict prevention and ensure they are offered—and taken by FSOs?

*Answer.* FSI is working to revamp its training offerings in this area with the new CSO Bureau, and can explore the creation of a distance learning course, which would require both time and resources, in that context. In recognition of the unique challenges posed by the growing number of countries with a high risk for conflict and instability, FSI created a Stability Operations Training Division focused on

predeployment training for employees assigned to Afghanistan, Iraq, or Pakistan and training in support of conflict prevention and reconstruction operations. The courses for Afghanistan, Iraq, and Pakistan are offered on a monthly basis throughout the transfer cycle to provide every opportunity for employees to attend.

FSI and the staff of Under Secretary of State for Civilian Security, Democracy, and Human Rights are discussing how the Department might expand training to employees headed to other countries at risk for conflict and/or instability. One idea is to use FSI's current "Foundations in Conflict Prevention and Response" course, which is currently directed at members of the CSO Bureau's Civilian Response Corps, as the basis for a course that would be targeted at any Foreign Service and Civil Service employees serving in posts where conflict and/or instability may be an issue.

*Question.* Within the State Department and USAID there seems to be virtually no mid- and senior-level career training made available on crisis prevention. This deficit is problematic for future leaders of the Foreign Service. How do you think the absence of such courses can be addressed and what role do you see for yourself in helping to ensure such training is available?

*Answer.* The Foreign Service Institute (FSI) and the Bureau of Conflict and Stabilization Operations (CSO) are working together to expand the emphasis on conflict prevention in FSI's "Foundations in Conflict Prevention and Response" course, which is directed at the Civilian Response Corps. FSI and CSO are discussing with the J family of bureaus ways to offer similar training to all officers deploying to pre- and post-conflict countries. FSI is also exploring how to integrate conflict prevention and response training into existing courses in our Political Tradecraft and Area Studies divisions.

Working effectively in pre- and post-conflict countries requires strong leadership. As such FSI sends out trainers to conduct onsite Crisis Management Training at all our overseas missions, with exercises that include the Ambassador and other senior management. Every post receives this training at least every 2½ years. FSI also offers a classroom course on its campus on "Leading in a High Threat Post." If confirmed as DG, I will strongly support these efforts and will ensure that we continue to expand training as needed.

*Question.* What has been the impact of the U.S. Government National Security Language Initiative in terms of recruitment to the Foreign Service? How many new FSOs received NSLI grants/training?

*Answer.* The State Department's programs for high school and university students launched under the National Security Language Initiative in 2006 are having a significant impact in increasing the pool of Americans studying and mastering critical-needed foreign languages. More than 1,500 American students are participating in these exchange programs each year. As more of these students finish their education and develop in their careers, we expect a growing number will pursue a career in the Foreign Service. In a recent survey of the 2006–2011 alumni of one of our programs, the Critical Language Scholarship Program, just over half of the respondents are still in school, while about a quarter are employed full-time. Of those employed full time, two-thirds say that their language skills have helped them obtain their current job. Nearly a quarter of those employed are working in government service (18 of them working for the State Department or USAID), while another half are working for nongovernmental organizations, international organizations, and educational institutions, furthering their skills and knowledge.

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RESPONSE OF PAMELA A. WHITE TO QUESTION SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Are you supportive of the establishment of a United States-Haiti enterprise fund?

*Answer.* The United States attaches critical importance to helping Haiti strengthen, expand, and diversify its economy. No long-term development goals in Haiti can be sustainable without the growth of the private sector. This is essential both to improve the quality of life of the people of Haiti and to develop a tax base that will allow the Government of Haiti and not donors to fund essential social services. An enterprise fund on the model of those that have succeeded in Central and Eastern Europe and funded with sufficient, additional resources is worth examining and could potentially add to our existing tools for promoting a healthy private sector in Haiti. These include an active Development Credit Authority program with local banks for small and medium enterprise lending; the current discussion for the provi-

sion of assistance to help Haitian financial institutions provide loans to finance the construction and repair of homes and business; a mobile money operation with cell phone companies and the Gates Foundation; and assistance for investment in micro, small, and medium enterprise in Haiti especially by the Haitian-American diaspora.

RESPONSES OF PAMELA A. WHITE TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT MENENDEZ

*Question.* Can you explain what your role and objectives as Ambassador to Haiti would be, if you are confirmed?

*Answer.* The United States has a solid strategy for contributing to the reconstruction and development of Haiti, one that reflects Secretary Clinton's vision of a more promising future for that country. If confirmed I will work with all my energy to translate the goals of a more prosperous and stable Haiti into reality. Because the success of Haiti's recovery is ultimately up to the Haitians themselves, I will, if confirmed, work to establish the strong working relations with Haiti's decisionmakers that will help us expedite that process.

*Question.* As the United States Government shifts from emergency aid to longer term development programming, what steps will you take to ensure this transition is carried out in a way that will not further marginalize vulnerable earthquake victims? How will you ensure there are no gaps in the provision of basic services for Haitians who remain displaced?

*Answer.* One of the important obligations of the Government of Haiti is ensuring that its plans for the country's reconstruction work benefit the widest possible range of citizens. Providing basic services to Haitians displaced by the earthquake remains a crucial task of the Government of Haiti. These challenges underscore the importance of building capacity in Haitian institutions. The United States coordinates closely with other donors and with Haitian authorities to help the Government of Haiti take the lead in the country's recovery and fulfill the key responsibilities of a sovereign government toward its citizens. USAID will continue to provide basic health services to over 40 percent of the population.

*Question.* What progress do you see on the Martelly government's 16/6 initiative to rehouse 6 camps into 16 neighborhoods?

*Answer.* The United States fully supports the Martelly administration's 6/16 initiative, whereby six priority camps located in public spaces will be closed and their residents reintegrated into the 16 neighborhoods from which they originate. Together with International Organization for Migration, USAID's Office of Transitional Initiatives is supporting Mayor Parent's initiative in Petionville, which has dismantled two camps in two public parks in the heart of the city and provided camp residents with options—which provided resettlement assistance to more than 1,300 people.

This initiative builds on lessons learned in Haiti over the last 19 months and works in phases: registration/census of camp residents, announcement of the program, options counseling with residents, relocation, and followup after reintegration.

*Question.* As Ambassador, would you increase diplomatic efforts to encourage the Haitian Government to adopt comprehensive housing solutions and ensure the protection needs of vulnerable communities are integrated into the Haitian Government's 6/16 housing plan?

*Answer.* The U.S. Government is working with Haitian officials, at both the national and local levels, and the International Organization for Migration, which is the lead agency in the camp management cluster, to find long-term, sustainable solutions for the 490,545 people still living in precarious situations in displaced persons camps. USAID has successfully piloted a program to offer choices to camp residents including housing repairs to structurally sound, existing homes; installation of temporary shelters; or 1-year rental vouchers. The majority of IDPs accepted rental assistance and moved out of the camps voluntarily.

*Question.* Can you provide an assessment of the adequacy of information being provided publicly regarding the reconstruction efforts?

*Answer.* One of the greatest benefits of the Interim Haiti Recovery Commission (IHRC) was its public releases to Haitians regarding reconstruction progress, and the comprehensive report at [www.cirh.ht](http://www.cirh.ht) on the progress of each individual reconstruction project. Now, the Government of Haiti is working with the Inter-American Development Bank (IDB) and United Nations Development Program (UNDP) to improve the government's ability to use information technology to update these

progress reports and to get out information to Haitian citizens about progress in the reconstruction.

*Question.* Since the Interim Haiti Reconstruction Commission (IHRC) has been allowed to lapse, how effectively are international donors able to coordinate foreign aid and reconstruction activities with each other and with the Haitian Government?

*Answer.* The October 2011 lapse of the mandate of the Interim Haiti Recovery Commission did present a coordination challenge. In response to this challenge, the resident representatives of the 12 major public sector donors (aka the G12), all of whom were members of the IHRC Board of Directors, have continued their coordination with each other on the ground and with the Office of the Prime Minister.

*Question.* How would you suggest improving coordination among donors and with the Haitian Government?

*Answer.* The greatest opportunity to improve donor coordination is through advancing the Government of Haiti's efforts to make it easier, more routine, and more automated to collect information from donors using improved information technology. Both the Inter-American Development Bank (IDB) and the United Nations Development Program (UNDP) are supporting Haitian Government efforts in this regard. I helped advance such initiatives and experienced their positive impact during my tenure in Liberia, and look forward to the success of these efforts in Haiti, if I am confirmed.

**NOMINATIONS OF CARLOS PASCUAL, JOHN  
STEVENS, AND JACOB WALLEES**

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**TUESDAY, MARCH 20, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Carlos Pascual, of the District of Columbia, to be an Assistant Secretary of State (Energy Resources)  
John Christopher Stevens, of California, to be Ambassador to Libya  
Jacob Walles, of Delaware, to be Ambassador to the Tunisian Republic

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The committee met, pursuant to notice, at 2:50 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Barbara Boxer presiding.

Present: Senators Boxer, Menendez, Coons, Udall, Lugar, and Risch.

**OPENING STATEMENT OF HON. BARBARA BOXER,  
U.S. SENATOR FROM CALIFORNIA**

Senator BOXER. Good afternoon, everybody.

Today, the full Senate Foreign Relations Committee meets to consider three nominees for important posts at the State Department: Carlos Pascual to be Assistant Secretary of State for Energy Resources; John Christopher Stevens to be Ambassador to Libya; and Jacob Walles to be Ambassador to the Republic of Tunisia.

I am so pleased also to welcome Senator Christopher Coons. Where is he? Is he here? I will be so pleased—oh, there you are. [Laughter.]

I am so pleased to see you here. I doubt you are going to speak from there, Senator. Going to say a few words about Mr. Walles in short order.

Thank you so much, Senator.

The first nominee we will consider is Ambassador Pascual, who currently serves as a special envoy and Coordinator for International Energy Affairs at the Department of State.

Prior to this position, he served as the United States Ambassador to Mexico and as the Coordinator for Reconstruction and Stabilization at the State Department. Ambassador Pascual also served as the vice president and director of the Foreign Policy Studies Program at the Brookings Institution from 2006 to 2009.

Ambassador Pascual, you have been nominated to lead the newly established Bureau of Energy Resources at the Department of State.

And when Hillary Clinton, our Secretary of State, announced the new Bureau, she aptly stated, "You can't talk about our economy or foreign policy without talking about energy. With a growing global population and a finite supply of fossil fuels, the need to diversify our supply is urgent."

And I couldn't agree with her more. So if you are confirmed, you will be responsible for heightening attention to urgent global energy needs and helping to formulate effective U.S. international policy in such fields as biofuels, natural gas, and renewable energy.

And then our second nominee, John Christopher Stevens, recently served in Benghazi, Libya, as the special envoy to the Libyan Transitional National Council, or TNC. Prior to this post, Mr. Stevens served as the Director of the Office of Multilateral Nuclear and Security Affairs at Department of State.

Mr. Stevens is a career member of the Foreign Service.

He joined the State Department in 1991. And I am very proud to say he is a Californian.

Mr. Stevens, you have been nominated to be the U.S. Ambassador to Libya. And like so many, I watched in awe as the Libyan people fought with tremendous courage to bring an end to the brutal regime of Col. Muammar Gaddafi.

But now the Libyan people are facing another extraordinary challenge, building a functioning government, civil society from the ground up. If confirmed, we hope you will be able to help convince the Libyan people to lay down their arms, to put aside their differences, continue the hard work of building a new and better future for Libyan men, women, and children.

And our final nominee is Jacob Walles, who currently serves as Deputy Assistant Secretary of State for Near Eastern Affairs. Mr. Walles is also a career member of the Foreign Service, having joined the Department of State in 1981.

Prior to this post, he was a senior fellow at the Council on Foreign Relations, and he also served at the U.S. consul general—as the U.S. consul general and chief of mission in Jerusalem.

Mr. Walles has been nominated to be the U.S. Ambassador to Tunisia. And as we all know, the Tunisian people recently elected the al-Nahda Party into power, which describes itself as a moderate Islamist party. While many al-Nahda leaders have made encouraging statements about their commitment to democracy and a separation of religion and state, we have seen troubling proposals from some government officials that could push the country in the opposite direction.

If confirmed, we hope you will work to encourage the Tunisian Government to continue to build a strong representative and democratic government that respects the rights of all Tunisian people, in particular maintains the extraordinary rights that Tunisia has long offered to women.

So that completes my opening remarks, and I would turn to Senator Lugar. And when he is completed, we will turn to Senator Coons.

**OPENING STATEMENT OF HON RICHARD G. LUGAR,  
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Well, thank you very much, Madam Chairman. I join you in welcoming our distinguished panel. I would like to extend a personal welcome to Chris Stevens, who spent a year on the committee staff in the 2005–2006 timeframe.

He then went to Tripoli as deputy chief of mission during reopening of diplomatic relations with Libya after 27 years. For much of that tour, Chris was the chargé d'affaires and lead interlocutor with the Gaddafi government. Chris was assigned again to Libya exactly a year ago, but this time his post was to be in Benghazi as the special envoy from our Government to the Transitional National Council.

Chris has served his country for 22 years on issues related to North Africa and the Middle East. He served as a Peace Corps Volunteer in Morocco, and as a Foreign Service officer, he served tours in Saudi Arabia, Egypt, Syria, Jerusalem, and Libya.

I understand his family is here from Oakland, CA, as the chairman has pointed out. I hope he will introduce them to the committee.

Madam Chairman, I valued Chris's knowledge and insight while he was on my staff, and also have appreciated his willingness to offer counsel on the situation in Libya over the past year. I am very pleased the President has nominated a man whose substantive knowledge, experience, and respected leadership are so well suited to this posting.

It is also a pleasure to welcome Ambassador Carlos Pascual, whose distinguished record is well known to the committee. In particular, I appreciate his efforts to promote the Nunn-Lugar Cooperative Threat Reduction Program as Ambassador to Ukraine, and I had the privilege of visiting with him in the Embassy during that tenure. Through the Nunn-Lugar partnership, Ukraine is nuclear weapons free.

Carlos also served as the first Coordinator for Reconstruction and Stabilization, a position I had long believed was needed to make our policies in post-conflict situations more effective. Currently, Ambassador Pascual serves as International Energy Coordinator, a position I prescribed and was signed into law by President Bush in 2007 with the primary mission of putting energy at the top of our diplomatic agenda and better leveraging relevant activities and expertise across our Government.

America's dependence on foreign oil imports from volatile and unreliable regimes is one of our foremost national security vulnerabilities. Iran's threat to shatter global economic recovery and splinter allied opposition to their nuclear weapons program by using their oil exports as leverage is just the most visible example today.

The hundreds of billions of dollars we use to buy oil from autocratic regimes complicate our own national security policies by entrenching corruption, financing regional repression and war, and inflating Defense Department costs. Given the multiple crises in the Middle East, and the certainty that threats to oil supplies are not limited to the current Iran situation, President Obama did not act in our national interest, in my judgment, when he rejected

approval of the Keystone XL pipeline. Even his own Energy Department says that Keystone would help lower gasoline prices.

Ambassador Pascual, I understand that you were not involved in the 1,217 days of Keystone XL analysis or the final decision. However, you will be responsible for any future applications and will need to restore confidence in the State Department's independence from White House politics. I would like you to share with us today specific steps you will take to ensure an expeditious review of any new Keystone XL application.

While broad energy security solutions will take time, I urge the administration to put in place, now, credible plans to manage an oil supply disruption. In particular, among the most significant challenges to enforcing strong sanctions on Iranian oil is concern over high gas prices.

In addition to steps to increase domestic supply liquidity, international planning is needed. The administration should actively accelerate pipeline alternatives around the Strait of Hormuz and approve Keystone XL. It should work to improve data transparency and reporting in oil markets, such as prospects for new production to come online in Iraq, South Sudan, and Colombia.

It needs to update international emergency response coordinating mechanisms and it needs to bring two of the fastest-growing oil consumers, China and India, into that system. And it should state clearly that restricting trade in energy is against U.S. interests. In other words, protecting Americans from oil price spikes takes more than talk of a release from the Strategic Petroleum Reserve.

Ambassador, I would appreciate your assessment of where we stand on achieving each of these goals.

Finally, Jake Wallis has served with distinction over a 30-year career in the Foreign Service—much of that time focused on promoting peace and stability in the Middle East. Most recently he served as Deputy Assistant Secretary of State with responsibility for Egypt, The Levant, Israel, and Palestinian affairs.

Given the importance to the United States of Tunisia's continuing transition to democracy, I am pleased that someone with his wealth of regional experience and perspective has been nominated to this post.

I thank you, Madam Chairman, for the opportunity to make this statement.

Senator BOXER. Thank you so very much.

And now we have the Honorable Chris Coons is going to introduce Mr. Jacob Wallis to be Ambassador to the Tunisian Republic. And we know that Mr. Wallis is from Delaware, and therefore, this is very appropriate.

Senator, please proceed.

**STATEMENT OF HON. CHRISTOPHER A. COONS,  
U.S. SENATOR FROM DELAWARE**

Senator COONS. Thank you, Madam Chairwoman.

It is rare that Delaware gets to contribute to the rank of Ambassador. So I appreciate both you and Ranking Member Lugar allowing me to make a brief statement of introduction.

I am very proud of Jake Wallis, who was not only born and raised in Delaware until he went off to college at Wesleyan Univer-

sity, but also attended the same high school that I did. So there is a double source of pride for our home State.

As you both mentioned, for more than 20 years, Mr. Walles has served with distinction in the State Department, where he has played critical roles in Middle East and North African affairs. He served at the U.S. Embassy in Tel Aviv at the Office of Special Assistant for the Middle East Process, as chief of mission in Jerusalem, and now Deputy Assistant Secretary for Near Eastern Affairs.

In all these roles, he has demonstrated an adept understanding of developments in a very difficult region and a unique ability to manage a host of relationships and issues.

In his current position as Deputy Assistant Secretary of State for Near Eastern Affairs, he has overseen developments in a time of great regional transition and turmoil. He has a keen understanding of U.S. interests in the Middle East and has done a particularly good job briefing committee staff, I am told, on many regional developments and issues. These experiences will serve him well as U.S. Ambassador to Tunisia, a country at the heart of the Arab Spring, which has experienced significant political transition in the last year.

As Secretary Clinton recently told our committee, the new Islamist government in Tunisia has demonstrated great promise, especially with regards to human rights, women's rights, and economic reform. And it is my hope with your leadership, should you be confirmed for ambassadorship, that these positive trends and this emerging new chapter in our longstanding relationship with Tunisia will continue to mature.

I first met Jake at a dinner more than a year ago now with Israeli President Shimon Peres. At that dinner, President Peres said the uniqueness of the United States is that this is the only great power in history that became great not by what it took, but by what it gave, by helping other people regain their independence and their future.

This exemplifies, I think, what makes American diplomacy so great, helping others through tough transitions. This has been a real accomplishment of the Arab Spring that we have played a supportive role, and it is my hope that with your leadership, Tunisia will be one of the best examples of a new government emerging from a very difficult transition.

I am confident Jake Walles will make a great Ambassador and continue to make the people of Delaware proud.

Thank you, and thank you, Madam Chairwoman.

Senator BOXER. Thank you so much.

Well, with that, we might as well start with you, Mr. Walles.

And I would ask each of you, if your family is here and you would like to acknowledge them, we would be thrilled to do that. They can stand, and we can give them the proper thanks. They deserve thanks because you are giving a lot of yourselves to your country.

Go ahead, Mr. Walles.

**STATEMENT OF JACOB WALLEES, OF DELAWARE, TO BE  
AMBASSADOR TO THE TUNISIAN REPUBLIC**

Mr. WALLEES. Thank you, Chairman Boxer, Ranking Member Lugar, Senator Coons.

It is an honor to appear before you today as President Obama's nominee to be the U.S. Ambassador to the Republic of Tunisia. I am grateful to the President and to Secretary Clinton for the confidence and trust they have shown in me.

I would also like to thank Senator Coons for coming to introduce me today. I am proud of my roots in Delaware and pleased, Senator, that you took the time out of your busy schedule to join us today.

I have served our country as a Foreign Service officer over these past 30 years and spent much of my career working on the Middle East, pursuing our objectives of peace, regional stability, and economic cooperation. For 4 years, I served as consul general and chief of mission in Jerusalem.

Most recently, I have overseen U.S. policy in the Near East, dealing with the changes that have swept the Arab world in the past year. If confirmed by the Senate, I hope to use this experience to enhance our bilateral relationship with Tunisia, where the Arab Spring began just over a year ago.

The people of the United States and Tunisia share over 200 years of history. Only 3 years after the United States declared our independence, we signed our first agreement of friendship, cooperation, and trade with Tunisia. In 1805, the Tunisian Ambassador to the United States had the first known Ramadan iftar dinner with an American President. Since then, we have fought together against common enemies and helped each other in times of need.

This historic bilateral relationship now has a new touchstone, the momentous events of the Arab Spring that began in Tunisia in December 2010. The Tunisian revolution triggered the transformations now underway across the Middle East and North Africa. It also marked the beginning of a new phase of cooperation between Tunisia and the United States.

Tunisia is now leading the region into an era of democratic transition and serving as a model for others to follow. Tunisia is well-placed to do this, with its history of tolerance and respect for the rights of women and minorities.

The United States has an interest in seeing that this new democratic model in the region succeeds. In the words of Secretary Clinton, "We should do all we can to assist Tunisia in realizing a future of peace, progress, and opportunity."

As we know from our own Nation's history, building a democracy is difficult and time-consuming. Tunisia's first steps deserve praise, particularly the constituent assembly elections held in October 2011, which were the first truly democratic elections in that country in decades.

I share President Obama's view that we must support a people that have mustered the courage to stand up for their rights and who have taken courageous steps toward freedom and democracy. Just as we supported Tunisia after its independence in 1956, we have a chance now to support Tunisia's transition to democracy.

We have a range of tools at our disposal to support Tunisia's transition. In the interest of time, however, I would refer you to my full statement, which we have submitted for the record. I would be pleased to answer any questions that you might have.

And in closing, Madam Chairman and members of the committee, I just want to say thank you again for allowing me today to discuss our interests in Tunisia. I believe that we have the opportunity of a generation before us, and I am excited about this new chance to serve our country.

If confirmed, I look forward to working with you, with the other members of the committee, and with the Congress to continue to advance United States interests and promote our relationship with Tunisia.

Thank you very much.

[The prepared statement of Mr. Walles follows:]

PREPARED STATEMENT OF JACOB WALLES

Chairman Boxer, Ranking Member Lugar, distinguished members of the committee, it is an honor to appear before you today as President Obama's nominee to be the U.S. Ambassador to the Republic of Tunisia. I am grateful to President Obama and Secretary Clinton for the confidence and trust they have shown in me.

I have served our country as a Foreign Service officer over the past 30 years in advancing American interests abroad. I have spent much of my career working on, and living in, the Middle East, pursuing our objectives of peace, regional stability, and economic cooperation. For 4 years, I served as consul general and chief of mission in Jerusalem, where I successfully managed a growing post in a complex political environment. Most recently, I have overseen U.S. policy in the Near East, dealing with the policy ramifications for the United States of the changes that have swept the Arab world in the past year. If confirmed by the Senate, I hope to use this experience to enhance our bilateral relationship with Tunisia, where the Arab Spring began just over a year ago.

The people of the United States and Tunisia share over 200 years of history, with rich cultural, economic, and security ties. Only 3 years after the United States declared our independence, we signed our first agreement of friendship and trade with Tunisia. In 1805, the Tunisian Ambassador to the United States became the first to have a Ramadan iftar celebration dinner with an American President. Since then, we have fought together against common enemies, pursued the goals of regional stability, and helped each other in times of need. The United States operated a robust economic assistance program in Tunisia from 1957 to 1994. And Tunisia has responded in our recent time of need, offering assistance to address the oil spill in the Gulf of Mexico in 2009.

Our historic bilateral relationship now has a new touchstone—the momentous events of the Arab Spring that began in Tunisia in December 2010. The Tunisian revolution captivated the international community and triggered the transformations now underway across the Middle East and North Africa. It has also marked the beginning of a new phase of bilateral and people-to-people cooperation between the United States and Tunisia. Tunisia is now leading the region into a new era of democratic transition and serving as a model for others to follow. The United States has an interest in seeing that this new democratic model succeeds in the region. In the words of Secretary Clinton, “we should do all we can to assist Tunisia in realizing a future of peace, progress, and opportunity.” If confirmed, I will do all that I can to help Tunisia succeed on this path.

As we know from our own Nation's history, building a democracy is difficult and time-consuming. That process is rarely without controversy, setbacks, and sometimes disappointment. But Tunisia's first steps deserve praise, particularly the Constituent Assembly elections in October 2011, which were the first truly democratic elections in that country in decades. In our engagement with the Tunisian Government we have seen their commitment to meeting the legitimate aspirations of the Tunisian people.

I share President Obama's assessment that it is incumbent upon us to support people and governments that have mustered the courage to stand up for their rights and take courageous steps toward democracy, despite the challenges and difficulties that lie ahead. Just as we supported Tunisia shortly after its independence in 1956,

now we have a chance to support Tunisia's efforts to achieve critical goals in its democratic transition, including accountable governance, economic growth, and security.

We have a number of tools at our disposal that will allow us to support their efforts. Shortly after the revolution, the Department of State marshaled a strong package of assistance for elections and capacity-building for civil society to advance the rule of law and promote freedom of expression. With these forms of assistance, we sought to support the Tunisian people's efforts to contribute to the national political debate and decisionmaking process and to play active, constructive roles in their country's political transformation. If confirmed, I will continue the work that we have already begun in these areas, drawing on the resources of the Middle East Partnership Initiative (MEPI) and the U.S. Agency for International Development.

The Tunisian revolution was not only about greater democratic freedoms, it was also about greater equality and opportunity in the economic life of the country. The people called for transparency, anticorruption, and the ability to improve their socio-economic standing through merit and hard work, rather than through connections and secrecy. We are sensitive to Tunisia's economic development needs, and we will do all we can to support them.

If confirmed, I would welcome the opportunity to utilize the authorities and tools of the entire U.S. Government to help Tunisia address these needs. As an economic officer in my 30-year Foreign Service career, I have gained experience to draw on in enhancing our bilateral economic partnership with Tunisia. I will work with the Departments of Commerce and Treasury to promote responsible, market-oriented reforms that will increase Tunisia's attractiveness as an investment destination and place the country on a solid macroeconomic foundation. I will work with the Overseas Private Investment Corporation to facilitate the entry of American businesses and products into the Tunisian market, and with the U.S. Trade Representative to maximize the utility of our bilateral Trade and Investment Framework Agreement and other trade facilitation tools.

Programs are also needed to address the demands of young Tunisians eager for even more academic exchange and English language training. Our Fulbright program, previously underutilized in Tunisia, is now in heavy demand. We also have other tools at our disposal as well, and I would welcome the opportunity to expand recently developed university linkages and community college partnerships to build the capacity of Tunisia's educational system to better prepare Tunisian students for the demands of the modern global economy.

A prosperous, democratic Middle Eastern country, in which citizens are free to apply honest effort toward achieving a higher standard of living, is an important symbol that the age of autocratic and opaque control of the political and economic environment in the Arab world is a thing of the past. It is therefore in our interest to work toward sustainable, inclusive, and free-market economic growth in Tunisia through a range of mechanisms.

If confirmed, I will also endeavor to promote Tunisia's increasing engagement with the international community and greater cooperation on our regional security and foreign policy goals. Tunisia has demonstrated that it shares our interest in peaceful and cooperative relations across the Middle East and North Africa region and, if confirmed, I will continue our efforts to help build Tunisia's capacity to continue to be a good neighbor. I will work with the Department of Defense to continue to support the Tunisian military's efforts to secure the country's borders, improve its strategic planning capacity, and develop whole-of-government approaches to the national security challenges that the Tunisians face.

Madam Chairman and members of the committee, in closing I would like to thank you again for allowing me to discuss ways that we might advance U.S. interests in Tunisia. I believe that we have the opportunity of a generation before us, and I am excited about this new opportunity to serve our country in the critical period ahead. If confirmed, I look forward to working with you, with the rest of the Senate Foreign Relations Committee, and with the Congress to continue to advance U.S. interests and promote our bilateral relationship with Tunisia. I would be pleased to answer any questions you may have.

Senator BOXER. Thank you so much.  
Mr. Stevens.

**STATEMENT OF JOHN CHRISTOPHER STEVENS, OF  
CALIFORNIA, TO BE AMBASSADOR TO LIBYA**

Mr. STEVENS. Madam Chairman, Ranking Member Lugar, and Senator Coons, thank you for the honor of appearing before you today.

I wish to thank the President for nominating me to serve as Ambassador to Libya and for the confidence that he and the Secretary have shown in me.

At your invitation, Madam Chairman, I would also like to acknowledge my mother, Mary Commanday, and my stepfather, Robert Commanday, who are visiting from the Bay area this week.

Senator BOXER. Oh, good. Will they stand for us, please? Welcome.

Mrs. COMMANDAY. Thank you very much.

Senator BOXER. How is it back there?

Mrs. COMMANDAY. We have been here all week. [Laughter.]

Senator BOXER. You have been here all week. I heard it rained quite a lot, but we need the rain.

Mrs. COMMANDAY. Chris grew up in Larkspur and San Anselmo.

Senator BOXER. No kidding? That is where I raised my children. We'll continue this over a cup of tea after. Please proceed.

Mr. STEVENS. Thank you.

It has been a great privilege to be involved in U.S. policy toward Libya at different points over the past several years, as Ranking Member Lugar has noted. I first served in Tripoli in 2007 in a country that was firmly in the hands of an oppressive dictator.

Last March, I led a small team to Benghazi as the special envoy to the Transitional National Council. It was a time of great excitement as the Libyan people first experienced freedom. But it was also a time of significant trepidation for what might come next.

Should I be confirmed, it will be an extraordinary honor to represent the United States during this historic period of transition in Libya. Libyans face a significant challenge as they make the transition from an oppressive dictatorship to a stable and prosperous democracy.

Colonel Gaddafi deliberately weakened the country's institutions, banned even the most rudimentary of civil society organizations, and outlawed all electoral activity.

During his rule, corruption was rewarded, initiative discouraged, and independent thought suppressed. To change such a system will take some time and much effort.

Libya's new leaders must build democratic institutions from scratch, consolidate control over militias, ensure that all Libyans are represented and respected in the new government, and dispose of the country's oil wealth fairly and transparently.

Despite these difficult challenges, there are some signs of progress. The interim government is paying salaries and providing basic goods and services to the Libyan people. It is reconstituting government ministries, preparing for elections in June, and ensuring that Libyans throughout the country are represented by the new government.

Libya's oil production, which is important in stabilizing world oil prices, is expected to reach preconflict levels by the end of the year.

It is clearly in the United States interests to see Libya succeed as a stable and prosperous democracy.

Such an outcome would enhance our security and economic well-being. It would also serve as a powerful example to others in the region who are struggling to achieve their own democratic aspirations.

There is tremendous goodwill for the United States in Libya now. Libyans recognize the key role the United States played in building international support for their uprising against Gaddafi. I saw this gratitude frequently over the months I served in Benghazi.

If confirmed, I would hope to continue the excellent work of Ambassador Cretz and his team in assisting the Libyans with their transition and forging strong ties between United States and Libyan officials, business communities, students, and others.

Thank you, and I look forward to your questions.

[The prepared statement of Mr. Stevens follows:]

PREPARED STATEMENT OF JOHN CHRISTOPHER STEVENS

Madam Chairman, Ranking Member Lugar, and members of the committee, thank you for the honor of appearing before you today. I wish to thank the President for nominating me to serve as Ambassador to Libya, and for the confidence that he and the Secretary have shown in me.

It has been a great privilege to be involved in U.S. policy toward Libya at different points over the past several years. I first served in Tripoli in 2007, in a country firmly in the hands of an oppressive dictator. Last March I led a small team to Benghazi as the Special Envoy to the incipient Transitional National Council. It was a time of great excitement as the Libyan people first experienced freedom. But it was also a time of significant trepidation for what might come next. Should I be confirmed, it will be an extraordinary honor to represent the United States during this historic period of transition in Libya.

Libyans face significant challenges as they make the transition from an oppressive dictatorship to a stable and prosperous democracy. Colonel Qadhafi deliberately weakened the country's institutions, banned even the most rudimentary of civil society organizations, and outlawed all electoral activity. During his rule, corruption was rewarded, initiative discouraged, and independent thought suppressed. To change such a system will take some time and much effort. Libya's new leaders must build democratic institutions from scratch, consolidate control over militias, ensure that all Libyans are represented and respected in the new government, and dispose of the country's oil wealth fairly and transparently.

Despite these difficult challenges, there are already signs of progress. The interim government is paying salaries and providing basic goods and services to the Libyan people. It is reconstituting government ministries, preparing for elections in June, and ensuring that Libyans throughout the country are represented by the new government. Libya's oil production—which is important in stabilizing world oil prices—is expected to reach preconflict levels by the end of the year. Several polls have shown the interim leadership is still viewed favorably by the majority of the population.

It is clearly in the U.S. interest to see Libya become a stable and prosperous democracy. Such an outcome would enhance our security and economic well-being, through, for example, security cooperation in the region, steady oil and gas production, and opportunities for U.S. businesses as Libyans rebuild their country. It would also serve as a powerful example to others in the region who are struggling to achieve their own democratic aspirations.

There is tremendous goodwill for the United States in Libya now. Libyans recognize the key role the United States played in building international support for their uprising against Qadhafi. I saw this gratitude frequently over the months I served in Benghazi—from our engagements with the revolution's leadership to our early work with civil society and new media organizations. If confirmed, I would hope to continue the excellent work of Ambassador Cretz and his team in assisting the Libyans with their transition, and forging strong ties between U.S. and Libyan officials, business communities, students, and others.

As you know, the administration has proposed a modest package of technical assistance for Libya during the transition period. It is fair to ask why the United

States should provide any assistance at all to Libya, given the country's wealth. Libya's new leaders have often stated that the country intends to fund its own operations and reconstruction, and they are, in fact, already doing so, tapping their petroleum revenue and other assets of the previous regime.

It is in the U.S. interest to fund a limited number of activities that address immediate security and transition challenges. These U.S.-funded programs are aimed at: preventing weapons proliferation; providing advice to the interim government on elections and other transitional governance issues of immediate concern; and promoting a vibrant civil society. A limited investment in the immediate transition needs of Libya now will pay dividends for a lasting U.S.-Libya partnership in the years to come, and will help ensure that Libya contributes to regional stability and security.

Should I be confirmed, it would be a great honor to lead our Embassy in Tripoli in setting the foundations for a mutually beneficial relationship with a newly democratic Libya.

Thank you and I look forward to your questions.

Senator BOXER. Thank you so much.

The Honorable Carlos Pascual.

**STATEMENT OF HON. CARLOS PASCUAL, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF STATE, ENERGY RESOURCES**

Ambassador PASCUAL. Madam Chairman, Ranking Member Lugar, it is an honor to be here before you today as the President's nominee to be the first Assistant Secretary of State for the Bureau of Energy Resources.

I thank President Barack Obama and Secretary of State Hillary Rodham Clinton for their trust and confidence. I appreciate the opportunity to submit a longer version of this testimony for the record.

My 12-year-old boy wishes that he was here. He has a math test. But he asked me to send you a high-five and a fist bump for listening to his daddy.

Senator BOXER. That is cute.

Ambassador PASCUAL. The fact that this position of Assistant Secretary for Energy Resources has been created is a testimony to the leadership of the members of this committee, starting with legislation, Senator Lugar, that you introduced in 2006 to create a Coordinator for International Energy Affairs.

Senator Lugar, I remember well the opportunity I had to introduce you in December 2007 at the Brookings Institution, where you sketched a comprehensive global energy strategy, and through such bipartisan cooperation, our oil imports today are at their lowest levels since 1995.

Secretary Clinton built on these foundations in proposing to President Obama to create the Bureau of Energy Resources. The State Department's first Quadrennial Diplomacy and Development Review concluded that the effective management of energy resources is fundamental; fundamental to our national security and economic prosperity. It underscored as well the importance of diplomatic leadership.

The Department of Energy has unsurpassed technical capacity and deep relationships with energy ministries around the world. The Department of Commerce, together with OPIC, Ex-Im, and TDA, can help convert American energy expertise into business opportunities. USAID has the capacity to offer technical advice to bring energy services to deprived populations.

But by working with these agencies to create a strategic platform for our government, an Energy Resources Bureau can make more effective use of our resources to safeguard America's energy security.

The opportunity to be considered for this position is a high point of my career. While working on the former Soviet states as Ambassador to Ukraine, as Ambassador to Mexico, and as vice president of the Brookings Institution, energy security reverberated in my work. Across these experiences, this lesson became clear. Governments must set strong, market-based incentives for the development of energy resources. But the success of those policies depends on private investment and strong commercial relationships.

If confirmed in the position of Assistant Secretary for Energy Resources, I will make it my highest priority to draw on the expertise in government, the private sector, and the not-for-profit sector to inform an energy diplomacy strategy focused on America's energy security.

Hydrocarbons today make up 85 percent of the world's fossil fuel sources. We must use our diplomacy to ensure that access to oil, natural gas, and coal, but also to renewable energy is adequate, reliable, sustainable, affordable for the future.

Today's markets are global. And in today's world, energy producers and consumers are not adversaries. We both depend on stable markets to foster global economic growth.

Today, we see the importance of our energy diplomacy as we implement under the National Defense Authorization Act of 2012, which was spearheaded by this committee, sanctions to deny revenue to Iran's nuclear program. Iran has used every opportunity to threaten actions to disrupt oil markets. The best immediate counter to these threats is unrelenting engagement with producers and consumers to help facilitate market relationships that keep supply and demand in balance.

As the State Department's Coordinator for International Energy Affairs, I have traveled since January to Saudi Arabia, the United Arab Emirates, Libya, Iraq, Turkey, China, Nigeria, Angola, and Colombia, and conferred with our European allies. And we have engaged the world's main energy producers. They have reinforced to us that they will meet market demand as it arises.

With those who import Iranian crude oil, we have left no doubt about our seriousness of purpose. Today, Secretary Clinton announced that 11 countries—10 that had imported Iranian crude oil in the European Union, plus Japan—have significantly reduced their volumes of imports of Iranian crude oil. Their actions underscore the success of our policy in strictly enforcing the provisions of the NDAA as passed by the Congress.

If confirmed as Assistant Secretary for Energy Resources, I pledge to make the pursuit of good governance and transparency in the energy sector a central theme of the work that I do. The Cardin-Lugar amendment to the Dodd-Frank Wall Street Reform and Consumer Protection Act set a new standard for transparency in extractive industries, and I hope the regulations expected from the SEC reflect the clear intent of the law.

As this committee knows, the purpose of American foreign policy is to make our Nation prosperous and strong.

Energy diplomacy is one of our strongest tools to achieve the fundamental purpose of our foreign policy. I would welcome the opportunity to take on this challenge, if confirmed as Assistant Secretary for Energy Resources.

I look forward to your questions.

[The prepared statement of Ambassador Pascual follows:]

PREPARED STATEMENT OF AMBASSADOR CARLOS E. PASCUAL

Madam Chairman, Ranking Member Lugar, members of the committee, I am honored to appear before you today as the President's nominee to be the first Assistant Secretary of State for the Bureau of Energy Resources or "ENR." I thank President Barack Obama and Secretary of State Hillary Rodham Clinton for their trust and confidence. If confirmed by the United States Senate, I will bring to this position more than 25 years of practical experience in government and as a leader in one of the world's most respected think tanks—as well as an absolute dedication to my country.

The fact that this position of Assistant Secretary for Energy Resources has been created is a testimony to the vision and leadership of members of this committee, starting with legislation Senator Lugar introduced in 2006 to create in the State Department a "Coordinator for International Energy Affairs." Our Nation is indebted to Senator Lugar and this committee for keeping energy security at the forefront of American foreign policy. Senator Lugar, I remember well the opportunity I had to introduce you in December 2007 at a policy address at the Brookings Institution. There, you presented the Nation with a bold challenge to promote strong diplomacy, entrepreneurial innovation, and energy diversification as a platform for security. Through consistent bipartisan cooperation and the capabilities of the American private sector, today we see that U.S. oil imports have been falling since 2005. We have more oil and gas rigs operating in the United States today than the rest of the world combined. Our oil imports as a share of total consumption have declined from 57 percent in 2008 to 45 percent in 2011—the lowest level since 1995.

Secretary Clinton built on these foundations in proposing to President Obama to create the Bureau of Energy Resources. This Bureau emerged from the State Department's first Quadrennial Diplomacy and Development Review (QDDR). The QDDR's conclusions on energy were at the same time simple and profound: the effective management of global energy resources is fundamental to our national security and economic prosperity. Further, it became clear that diplomatic leadership in this area will strengthen American capacity to use our vast energy resources in government and the private sector to our national benefit. The Department of Energy has unsurpassed technical capacity in energy research and innovation and deep relationships with energy ministries around the world. The Department of Commerce, together with the Overseas Private Investment Corporation (OPIC), Export-Import Bank of the United States (EXIM), and the U.S. Trade and Development Agency (TDA), have the capacity to help convert American energy expertise into trade and investment opportunities. USAID has the capacity to bring technical advice to developing nations seeking to bring energy services to deprived populations. By working with other agencies advancing America's international energy interests to forge a coherent strategic platform that brings together these capabilities, the creation of an Energy Resources Bureau is a multiplying force. It can make our Nation stronger and more targeted in our ability to pursue our energy security goals.

The opportunity to be considered for this position is a high point in my career, where I have consistently seen energy issues reverberate in importance. From 1997 to 2004, I had the opportunity to work on the transition of the former Soviet states to economically independent and self-sufficient nations. The mismanagement of Soviet energy resources was one of the very factors that contributed to the collapse of the Soviet Union. Later, strong U.S. policies—particularly the development of multiple pipelines—reinforced the independence of the Caspian states. Internal reform of Ukraine's electric power sector in 2000 created the basis for investments that allowed Ukraine to close the Chernobyl nuclear power plant. Even in this decade, lack of transparency in commercial energy relationships has caused gas supply crises between Russia and Ukraine that have also shaken European markets. While serving as the Vice President of Brookings, I had the chance to learn of the dynamic interplay between energy markets and technological change from cochairing with Daniel Yergin a semiannual seminar on energy security. Across these experiences, this lesson became clear: governments must set strong market-based incentives for the development of energy resources, but the success of those policies will depend on private investment and strong commercial relationships.

If confirmed in the position of Assistant Secretary for Energy Resources, I will make it my highest priority to draw on the expertise in government, the private sector, and the not-for-profit sector to inform an energy diplomacy strategy focused on America's energy security. Hydrocarbons today make up 85 percent of the world's fuel sources. We must use our diplomacy to insure that access to oil, natural gas, and coal are adequate, reliable, and affordable. We must use our diplomacy to forge policies that make our energy future sustainable—both commercially and environmentally. To do this we must have strong and consistent relationships with energy producers—producers of all forms of energy in all parts of the world. Today's markets are global. And in today's world, energy producers and consumers are not adversaries. We both must understand that stable markets foster the best climate for global economic growth.

Today we see the importance of our energy diplomacy as we implement, under the National Defense Authorization Act of 2012, sanctions designed to deny Iran revenue from petroleum sales, which in turn fund Iran's illicit conduct. Iran now faces unprecedented and damaging sanctions applied by the United States and our partners around the world. Iran has used every opportunity to undermine our efforts by threatening actions to disrupt oil markets. The best immediate counter to these threats is unrelenting engagement with producers and consumers to help facilitate market relationships that keep supply and demand in balance. Such engagement has been central to my role as the State Department's Coordinator for International Energy Affairs. Since January, I have traveled to Saudi Arabia, the United Arab Emirates, Libya, Iraq, Turkey, China, Nigeria, Angola and Colombia—and conferred with European allies.

As we have engaged, the world's main energy producers have reacted in a similar and consistent way: they will meet market demand as it arises, because producers, like consumers, have an interest in economic growth that is linked to energy access. In Europe we have seen complete solidarity as they took action on January 23 to ban all new contracts for Iranian crude oil and phase out existing contracts by July 1. With those who import Iranian crude oil, we have left no doubt about our seriousness of purpose. We have seen a rise in oil prices as countries work out transitions from Iran to other suppliers. At any given time we will see production declines in parts of the world, as have occurred recently in South Sudan and Yemen. But the global relationships we are forging place us in a position of strength, as a leader in our goals toward Iran, and as a partner with other key producers in promoting stable energy markets at price levels consistent with economic recovery in the global economy.

We have also seen that improved stability and market incentives create opportunities. Libya has restored over 1 million barrels per day of production, a testimony to that country's desire to forge a new future. Iraq in 2011 increased its production of oil by nearly 300,000 barrels per day, and could realistically see another 500,000 barrels per day increase in 2012. Production prospects are strong from discoveries on the west coast of Africa, from the presalt fields in Brazil and of course here in the United States. In a global market of about 90 million barrels per day, there is not a magic bullet in achieving energy security. But the converse is also a strength—diversification in global production adds resiliency. And when diversification is combined with good business climates and market incentives for production, then we have a platform for efficient energy markets and sustainable economic growth. These goals will guide our energy diplomacy.

Our challenge as well is to look ahead, foster innovation and investment, assess changing markets and politics, and create business opportunities. In the United States we have experienced a natural gas revolution, due to technology and private investment. U.S. natural gas production grew in 2011—the largest year-over-year volumetric increase in history—and easily eclipsed the previous all-time production record set in 1973. We have learned valuable lessons to share on environmental safeguards, transparency, and regulation. Australia, Indonesia, Russia, Argentina, and Qatar just to name a few—have vast additional gas capacity that will come into the market in the coming 5 years. Increasingly gas is being traded as LNG, potentially changing the very structure of that market. One can envisage gas trading relationships not exclusively dominated by point-to-point pipelines that make consumers beholden to single suppliers. As a resurgent gas supplier, understanding this market will help us shape the rules—to make them transparent, predictable, and thus to our commercial benefit. These changes in global gas markets are fundamental to both our geopolitical and commercial interests, and to the effective conduct of American foreign policy.

Business opportunities abound as well in clean and renewable energy and energy efficiency. American companies are world leaders in wind, solar, hydro, power transmission, efficient generation, and smart grids. The scale of this market is huge. The

International Energy Agency estimates that from 2011 to 2035, the world will see \$5.9 trillion in new investments in hydroelectric and other renewable power, \$2.8 trillion in coal, gas and oil-fired plants, and \$1.1 trillion in nuclear power. This shift to renewable power is market driven, and unprecedented in the world's economic history. It is big business. Fostering market environments to compete in these fields is good for energy security, and it will generate export markets and American jobs in a field where we are commercial leaders.

This changing face of global electric power also requires us to change the lens through which we see energy and economic development. Access to energy is the strongest driver of economic growth. To achieve universal access to energy by 2030, developing nations need to invest hundreds of billions of dollars in power infrastructure, but that is just 2.5 percent of global private investments in power. The challenge will be making strategic use of limited public resources to attract private capital to the markets of developing economies. Already, many poor people pay more for diesel-generated power than we do. The key to change is to create viable business models that bring efficient and reliable power to the poor, to foster their growth, to make it possible to educate their children, and to bring greater stability to where they live.

If confirmed as Assistant Secretary for Energy Resources, I pledge to make the pursuit of good governance and transparency in the energy sector a central theme for the Energy Resources Bureau. The Cardin-Lugar amendment to the Dodd-Frank Wall Street Reform and Consumer Protection Act set a new standard for transparency in extractive industries, and I hope the regulations expected from the SEC reflect the clear intent of the law. This effort compliments other efforts the State Department already undertakes, including strong engagement on the Extractive Industries Transparency Initiative, and a technical assistance program called the Energy Governance and Capacity Initiative, which provides advice and assistance to countries with emerging oil and gas industries, to help those countries manage their resources and revenues responsibly. Good governance and transparency will in the end help ensure that resources are used wisely, to the benefit of all citizens. That is good for economic growth, stability, and our foreign policy interests.

As this committee well knows, the purpose of American foreign policy is to make our nation prosperous and secure. We have learned that in an interconnected world, we advance our security and prosperity when our friends and allies advance with us. Energy diplomacy is one of our strongest tools to achieve the fundamental purpose of our foreign policy. With the wise stewardship of resources, and by fostering private innovation and investment to expand energy access, we can ensure that the world's energy resources become a sustained driver of growth and stability. I would welcome the opportunity to take on this challenge if confirmed as Assistant Secretary for Energy Resources.

I look forward to your questions.

Senator BOXER. Thank you.

I wanted us to talk about energy because I picked up on some of Senator Lugar's comments. He and I agree on a lot, but we don't agree on everything, and that is an area where I just see the world quite differently. And it makes your job, Mr. Pascual, very interesting.

But Senator Lugar talked about protecting Americans from oil price spikes, and I couldn't agree with him more. That is where we agree. We want to protect Americans from these spikes at the pump because it hurts, and it hurts us as we are getting on with our economic recovery.

And my view is I look at the oil companies. They are the ones who are raising the prices. So I want to know why are they raising the prices? Are they doing badly? Do they need to make sure they can maintain?

Well, you look at it. The five big oil companies' profits went up 75 percent last year. And instead of thanking America for it, they don't. They push up the cost of a gallon of gas, week after week, week after week.

And this is before any troubles were brewing in the Middle East, brewing worse troubles in Iran. And now, of course, you add that,

and you have got a lot of speculators on Wall Street that are pushing up the futures. So I would just say in order to protect American consumers, we should press the oil companies to not punish the American public as they make record profits, No. 1. And No. 2, we should use the power that Congress gave the CFTC to protect, make sure we don't see more of the speculating.

Now I think the other problem is, as we have seen these prices go up, we have seen petroleum exports from America go up by 67 percent over what period was that? Since 2009. We are exporting American-made petroleum, and we ought to keep it here.

Now we are importing less. And Ambassador Pascual, you are right. We are importing less, and why? One reason is fuel-efficient cars. Thanks to President Obama and bipartisan leadership in Congress, we are using fuel-efficient cars. That is really helping us. And moving toward electric, hybrid, and all the rest.

Less demand. That is good. So less demand for imports. But if we could keep some of the American-grown oil here, we would have even less, fewer imports.

So I am not going to ask you anything about what I just said because it is way too political and it is not in your portfolio. But I do want to ask you a question that I think is in your portfolio, Mr. Ambassador.

We are trying to move toward alternatives to imported oil. Advanced biofuels like cellulosic fuel, algae, I see a lot of it in our State, Mr. Stevens, and we are making progress. And I see us as an exporter of these technologies.

Do you, as you look at your portfolio and how it looks at this, can you talk to us about the potential for America to be the leader on these alternative fuels? Because the whole world is thrown off kilter when there are these problems in the Middle East and so on.

Mr. Ambassador.

Ambassador PASCUAL. Madam Chairman, thank you for raising that issue, and it is absolutely essential that we have a balanced portfolio of energy resources that we look at when we look at the world economy.

On biofuels, the United States is largest producer of biofuels. We are the largest exporter of biofuels right now. We are one of the leading researchers in new technologies in biofuels.

Interestingly, today, we are exporting biofuels to Brazil, which is an interesting dynamic that has occurred in the relationship. We have a particularly strong relationship with Brazil on the development of biofuels. As a result of our work together with Brazil, we have been undertaking joint research projects in Central America and in parts of Africa.

We have worked together in the context of the Global Biofuels Energy Partnership, which is a broader international organization that has created standards on the development of biofuels so that in the process of developing them, we can assure that they are done in a way that is economically sound, socially sound, and environmentally sound. And that many of the questions that have been raised in the past and the tradeoffs between biofuels and food production don't have to become an argument for the future because we have clarity in the way that these issues are assessed and developed.

The critical thing here is that a market in biofuels is developing internationally. We are a leader in this field. I would just only underscore as well the importance of the United States being a leader in other forms of renewable technologies—in wind and solar and transmission and smart grids.

And in particular, in the area of smart grids and information technology, increasingly, the world is going to have to adopt these technologies to make the best possible use of the energy sources that are available to them. And this isn't just a question of an environmental issue. The environmental part is important, but the export of American products and goods and services and the creation of jobs in this wide-open field is one where we have a competitive advantage.

Senator BOXER. Well, Mr. Ambassador, I really thank you for your terrific response because I see this as a great growth sector for America, these clean energy alternatives. Because, again, the whole world suffers when there is instability in the Middle East, and this would be a great role for us.

I want to talk about Tunisia for a minute. Well, I want to talk about the role of religion and politics not just in America, but in Tunisia. That is a joke.

Anyway, on one side are the Salafists, who adhere to a strict interpretation of Islam, are calling for a much more significant role for religion in the country's political system. On the other side are those who very much want to maintain Tunisia's historically secular political system.

According to the Agence France Presse, just today thousands of Tunisians marched in the capital city of Tunis, holding banners saying, "Leave my Tunisia free" and "Separation of religion and state."

Mr. Walles, do you expect to see these protests grow in size and scope? Are you concerned that both sides could pull further apart and present significant challenges for this emerging democracy?

Mr. WALLLES. Thank you, Senator Boxer, for the question.

I think, as I look at what has happened in Tunisia, they were the first country to experience a revolution in the Arab Spring, and they have been going through a process, first of having elections. Now they are in the process of drafting a constitution.

What happened in Tunisia is for 30 years, there was a repressive regime that pretty much suppressed any free political discourse, and that lid has now been lifted. And there is this discussion going on in Tunisia about these very issues.

As they draft a constitution, they have to go through a process of deciding what form of government do they want? Do they want a parliamentary system or Presidential system, or a mixture of that? And what is the relationship between religion and the state?

And as you said, there are extremes on both sides here, and we have seen some extremist statements from the Salafists in particular, but the fact of the matter is that most of the political discourse and the discussion has been within what is the proper bounds of a political discussion there.

And the election that they had, the party that got the most votes was the al-Nahda Party, which is a moderate Islamist party, as you described them. But they decided to go into a coalition government

with two other parties, both secular parties, one from the center, one from the left. So there is a fairly broad range of views within the government.

And each of the parties in the government have talked about the need to work together and to compromise and to look for ways to develop a consensus on how you would deal with these issues. So while there are extreme voices, the bulk of the Tunisian population is represented by these parties in the government that are looking for ways to work together.

You mentioned also the rights of women, which is an area where Tunisia has led the Arab world. They have some of the strongest protections for the rights of women in their constitution and in their penal code. And there have been voices as well, calling for that to be rolled back, but we have also seen from within the government, and including in the Islamist al-Nahda Party, talking about the need to maintain those protections.

So there is a lot of discussion going on, a lot of turmoil about the way forward. They are going to have to find Tunisian solutions to these problems.

But as we have approached the Arab Spring, whether it is in Tunisia or elsewhere, we have always emphasized the importance of universal values—protection of the rights of minorities, protection of the rights of women, free speech, freedom of association, freedom of religion. That is a touchstone for our approach across the Arab Spring, and I think that also needs to be the focus of our approach in Tunisia as well.

Senator BOXER. Thank you very much.

I will hold my question for you, Mr. Stevens, until my second round and call on Senator Lugar.

Senator LUGAR. Well, thank you very much, Madam Chairman.

Just to indicate our degree of accord, I would point out that I have been driving a Prius for the last 6 years. [Laughter.]

Senator BOXER. Me, too.

Senator LUGAR. There we go. So you can understand the bipartisan outlook we have on these things.

I would say, beyond that, as a corn farmer, I have been promoting corn ethanol for the last 15 years, and this has become a very prominent part of the biofuels. I appreciate there are all sorts of debates about corn ethanol, but nevertheless, it has displaced maybe 9 percent of the oil usage that we have in this country, and I hope it will do more.

Let me just say in the Ag Committee, we take up regularly the CFTC, the Commodity Futures Trading Commission, and this deals with the question of so-called speculations. Others would just say price finding. But the dilemma illustrated by the oil price controlled by the CFTC and so forth is that there is great fear throughout the world, not just in our country, that the supplies transited through the Strait of Hormuz are likely to be affected by problems in Iran or elsewhere. Therefore, with both these possible severe disruptions of supply and the view of many that the Saudis alone have a reserve capable of addressing a significant supply decrease in mind, we are in a precarious predicament in which there could be a huge spike in price of gasoline in a short period of time, given the foreign policy questions we are discussing today.

Which gets us back to, Ambassador Pascual, the fact that essentially these are questions of the security of our country, but they have a high content of diplomacy that we believe belongs in the State Department at the highest levels. And in testimony before this committee during the duration of time I have served, we have had one hearing after another in which it was recalled that Franklin Roosevelt and the Saudi monarchs came to some sort of implicit agreement that we in the United States needed oil.

They needed also our friendship and, if not, protection. And attempting to maintain this over the years, of course, has brought us into the Middle East in many ways, and we have expended hundreds of billions of dollars over the course of the years even in times of relative peace in the region just to keep clearing the path and to making certain that our naval power was sufficient.

So these are diplomatic considerations that are closely intertwined with our national defense, that I think these issues affect all of us. What I simply want to ask you, Ambassador Pascual, is that given the precarious nature of the oil situation, as we look at it presently and as reflected in prices at the pump or any other indicator, what are the provisions that our country can make?

One of them, obviously, is to use less, conserve and, therefore, do those things which we can in our buildings, quite apart from our cars and transportation systems and every other way that we use fossil fuels or any other sort of fuel.

We can, obviously, as the chairman has suggested, push very hard for biofuel substitution for almost anything else that might be there. And we have made great progress.

Indeed, the 59 percent of the oil we were importing maybe a couple of years ago is down to 50 percent. That is significant. That is 50 percent, and it gets to the guts of how our whole economy works at this point, given our international responsibilities.

So can you outline for us, at least in the work you have been doing already, prior to assumption of this new position and confirmable situation, how the State Department looks at this overall picture now of the prices that are clearly rising because of fears and the reality that there is very little reserve left anywhere in the world we could call upon?

Ambassador PASCUAL. Senator, thank you very much.

This is an issue of great interest to the American people, and it is of great concern to Secretary Clinton, to the President, and certainly to members of this committee.

One of the things that we have to recognize is in this period where there have been rising energy prices and some degree of speculation in the market, as you and Madam Chairman have both indicated, Iran has tried to use that opportunity in every possible way to talk up the potential risk and push prices up. We have to recognize that that is its intent.

At the same time, the best way to counter that is to be able to look at all the possible energy sources that we have, as both of you have indicated, to have diversification in our energy strategy and policies.

In the United States today, we now have more oil and gas rigs operating than the rest of the world combined. We have significantly increased our production of oil. We have significantly in-

creased our production of natural gas as well, which is another very important issue to be able to get back into.

If we look at the situation internationally, there is no magic bullet that one can use and say that this is going to resolve the world's energy problems. But it underscores the importance of having a broad and diversified strategy, and that is one of the reasons why in my job over the past months, I have been so busily engaged, for example, in going to the Middle East and engaging with Saudi Arabia and Kuwait and the United Arab Emirates.

And in those discussions, it has been interesting to the extent to which those countries have been reinforcing that they will respond to market demand. And indeed, even yesterday, there was an extraordinary meeting of the Saudi cabinet of ministers at the end of which they said the kingdom will work individually and in cooperation and coordination with the GCC and other producers inside and outside OPEC to ensure adequate oil supply, stabilize oil markets, and bring down oil prices to reasonable levels.

It is an indication of the changing environment that we have today where producers and consumers have to have shared interests. It is why in visits to Iraq, for example, we have been working with them not only over the past year to help them increase their production by 300,000 barrels a day, but looking ahead, developing a strategy and a framework and a relationship in which we can help them secure their plans of producing another 500,000.

My colleague to my right already indicated in Libya the significant recovery that we have seen to 1.4 million barrels a day and the potential of reaching higher levels by the end of the year. There are a number of other countries that are critical to engage in. In our own hemisphere, Colombia, Brazil, Canada, I would just underscore as significant countries and contributors to world energy markets.

And the point of this is, is that this issue is not simply resolved by talking to one country, but by dealing with many countries in a concerted and strategic way. But at the same time, undertaking the kinds of actions that you and Senator Boxer have indicated of reducing our own consumption, ensuring that we have energy efficiency and fuel efficiency measures to be able to reduce the demand in the United States.

Senator LUGAR. I thank you very much.

Thank you, Madam Chairman.

Senator BOXER. Thank you so much, Senator.

Senator Menendez.

Senator MENENDEZ. Thank you, Madam Chair.

Ambassador Pascual, let me ask you—well, before I do, let me just say I spoke to Secretary Clinton earlier today when she informed me of the exemption of the sanctions to the 10 European Union countries and Japan because of those nations' significant reductions in petroleum purchases from Iran. And as the author of the sanctions, I support the Secretary's decision and applaud the action of our friends and allies in the European Union and Japan for their forthright and expedient action.

And I think it sends a very clear message to others in the world about what they will need to do to offset their purchases of Iranian oil and, hopefully, create stability in the oil markets.

That, plus the swift determination on Saturday, which is the financial messaging service provider cutting off services to the Central Bank of Iran and 30 designated Iranian banks that are on our list, is having a real impact. And that impact can be seen through Iran's currency plummeting as well as Iran's oil shipments in February falling to a 10-year low. This is exactly what we were trying to achieve.

So that is the good news. The rest of what I want to get a sense of, since you will be in a key position based on how we wrote the law, is how do you define significant reduction and what level of reduction predicated your decision to recommend—I assume you were part of this process—to recommend the EU and Japan be exempted from sanctions today?

Ambassador PASCUAL. Senator, thank you very much. Thank you for your leadership in passing the legislation. Thank you for your very encouraging statement.

I think that you hit on the key word in your statement about how to think about the issue of significant reduction, which is encouragement, example to others. Japan was a model, a model in the sense of a country that went through the tragedy of Fukushima, and at the same time, it worked to build the national consensus within its political system to underscore the fact that the threat of Iran was so great that it was necessary to continue to reduce their imports of Iranian crude.

If Japan was able to do what it did over a course of 4 years, but in particular in the second half of last year, drastically reducing its imports of Iranian crude oil, that should be an example to others that they could potentially do more.

The European Union was another important example in which they have essentially ended new purchases, new contracts for Iranian crude oil, and are phasing out contracts, existing contracts by July 1. In other words, they are going to zero. The European Union did that for its own reasons, and we applaud the rationale.

If we had been involved with a country in the negotiation and had preemptively or ahead of time taken a position on a specific percentage, we might have actually prescribed a percentage that was less than what that country was willing to do. And so, I think, going back to your words, example, encouragement, example to others.

Here are two examples of what one country and a set of 10 countries, the European Union as a whole, have done. And what we are looking for is for countries to come to us and tell us if they believe that they should be in that category that deserves an exemption. What are the kinds of significant reductions that they are willing to pursue?

And to engage in a dialogue on that basis in order to be able to exact what we want through this legislation and I believe was your intent, which was to deny export markets to Iran.

Senator MENENDEZ. Well, let me explore this a little bit more with you. I appreciate your answer, but am not suggesting that you have a numerical number in mind.

But obviously, from the European Union, which is going to be zero, to Japan, which is about, what, 30-percent reduction or a 25-percent reduction?

Ambassador PASCUAL. The Japanese reduction, the current reduction is one that is privileged commercial information. But what is publicly available is that over the last half of last year, depending on the data source, that seasonally adjusted, they reduced between 15 and 22 percent.

Senator MENENDEZ. OK. So it seems to me that if the Japanese, with everything that they faced with the tsunami, the knocking out of their nuclear power, could in this time period do what they did that that would be, in my mind, the low mark for other nations who want to achieve the avoidance of sanctions. Would you agree with that?

Ambassador PASCUAL. I think, Senator, that we want to continue to press for other countries to use these as examples and be able to present the best case that they can if they believe that they should be considered.

I think that there are factors that we are going to have to take into account, including the percentage of their imports that come from Iran, the impact that they would have on their national economy, the kind of alternatives that they might have in the near term to seek other supplies. And on the basis of that, believe what is the best possible case that we can be able to work out with these individual countries.

Senator MENENDEZ. Have you already made any determination about which countries' sanctions will and won't apply at this point?

Ambassador PASCUAL. No, sir.

Senator MENENDEZ. Beyond today's announcement?

Ambassador PASCUAL. The determinations—the only determinations that have been made are the two that were announced by the Secretary of State today, the 10 European countries and Japan.

Senator MENENDEZ. What countries are you most concerned about in the context of reducing purchases of petroleum from Iran at this point?

Ambassador PASCUAL. Sir, there are 23 countries that have imported crude oil from Iran. Eleven of them were covered today. Of the remaining 12, I think there is public information on the overall levels of how much those countries are importing.

I would rather not go into the question of concern because what we would really like to see is those countries coming to us in a way that is open and engaging and shows a coincidence with the United States and our other partners that we all have a concern for reducing revenue to Iran and being able to negotiate and work out with them the best possible circumstance to reduce their imports.

Senator MENENDEZ. Well, let me just say that as much as I was complimentary, I think that what was done today was probably the easy part, to some degree, in terms of determining these countries. And we applaud them.

But the next tranche is going to be a lot more difficult. And so, the standards that are set as you move toward the next tranche of countries that on the list that are not in the universe that was exempted today is going to be incredibly important. We are going to be looking to engage with you to get a sense of the outline of what is an exemption at the end of the day because that is going to set the standard.

And of course, and I will close on this and wait for the second round, as the Secretary herself said, when she was before the full committee, and I asked her if she expected that significant reduction was every 180 days? And her answer was “yes.”

So, how we start off is incredibly important in that regard.

Senator BOXER. Thank you, Senator.

Just we have a vote at 4 p.m., do we not? OK. So we are going to try to complete this, but I think we will have time for a second round.

Yes, Senator.

Senator RISCH. Yes, Madam Chairman, I will yield back to you for the second round.

Senator BOXER. Are you sure?

Senator RISCH. Positive.

Senator BOXER. OK. I want to ask a question about Libya. And thank you for taking on this challenge. This is not an easy time to go over there. I am just very proud that you have accepted this challenge.

As one who backed the decision to engage in the U.N. no-fly zone, obviously, there is much to be proud of—the successful overthrow of Gaddafi and watching the Libyan people try to build a new government, a civil society from the ground up.

But I want to ask you about something troubling—the militias that refuse to disarm. Today, there may be up to 200,000 fighters in Libya who are refusing to lay down their arms despite pleas from the highest levels of the transitional Libyan Government.

What plans has the Libyan Government outlined to demobilize militia groups? What steps has it actively taken to implement those plans? What assistance has the U.S. Government offered? And just overall, are you concerned that armed militias could play an intimidating role in the runup to the planned elections in June?

Mr. STEVENS. Thank you, Madam Chairman, for your kind remarks and for your question.

This is probably the most serious question that Libyan authorities face right now, the issue of disarming and demobilizing and reintegrating the militias into Libyan civilian life. As you said, there are thousands and thousands of militia members scattered around the country and based in the capital and Benghazi as well.

The Libyan authorities are grappling with this issue as we speak. In fact, they already began some months ago in the final days of the revolution. And the plans that they have put together have a goal of incorporating some of them into the security forces, be they the police or the military, and some of them into civilian life, hopefully, the private sector or perhaps other civilian government jobs.

In terms of the steps they have taken, they have coalesced around more than one plan. I have to say it is not as organized as one might like it to be. But the steps that they are following involve, first of all, registering the names and personal data of the militia members, and they have made quite a bit of progress on this. Long lists of these people, who they are, where they are from, what skills they have, and where they would like to fit into Libyan society. So this is the first step.

And then, beyond that—

Senator BOXER. So, if I can interrupt? So they want to re-integrate them? Because that is important. Remember in Iraq what happened? Said no more Baath Party members of the militia, and they just turned them all away, and that started a whole what I would say "civil war."

So that is very interesting. Thank you for that information. Continue.

Mr. STEVENS. They are very mindful of the Iraq experience, and in fact, some of them use the phrase "debaathification" as something that they would want to avoid. So just to finish this thought, the next step would be to actually hire portions of them into the security services and the military and then direct others into the civilian areas of life, including training.

Now what are we doing about this? Well, the U.N. is taking the lead role in organizing the international effort to help in many of these areas, and one of them is providing advice and assistance based on other experiences that countries like ourselves and the EU members have had around the world with similar situations.

And so, we and the EU and other countries are working with the U.N. to provide assistance in this area, mainly in the form of advice.

Senator BOXER. Thank you.

I am just going to give back the rest of my time and call on Senator Lugar.

Senator LUGAR. Thank you, Madam Chairman.

Mr. Walles, Tunisia essentially has not been overlooked by all the drama going on elsewhere, but there has been an assumption that democracy and democratic institutions have made substantial progress. In your opening statement, you illustrated ways that that is so.

What I am curious about is what the benchmarks for knowing that, as a matter of fact, these institutions have taken hold? It was a surprise perhaps to many Americans to begin with that the Arab Spring began in Tunisia, as this would not have seemed to have been the logical focal point. But nevertheless, it did occur, and as the chairman has pointed out, some unusual people were elected in the legislative process.

What I wonder is just as further observation, many of the people most celebrated in the Arab Spring were young people demonstrating in the squares, using Twitter and other forms of social media. But what seems to have followed is a reimposition of older people, whether they be religious leaders or elderly politicians who were not with the previous government. And the young people do not seem to be playing an increasingly significant role.

Are we likely to see, therefore, a resumption again someday of people who feel that they are not getting the fulfillment in terms of jobs and their lives because even though there has been a change of regime and supposedly more democracy and human rights and so forth, somehow or other, they are still coming out on the short end of it?

Mr. WALLEES. Thank you, Senator Lugar, for the question.

You know, I have been working the past year on Egypt and a number of other countries that have been going through this. Each

of these countries is a little bit different, and the circumstances in each country are different as they proceed.

Tunisia went first, as we noted earlier. And they have had their election of a constituent assembly. They are now in the process of drafting a constitution. The constitution, I think, will be an important benchmark because they are going to have to grapple with a lot of difficult issues, including the relation between religion and the state, the role of women, things like that.

So that is an important thing that we need to watch out for. Once they have a constitution, they will then elect a parliament, a permanent parliament. Right now, it is just a constituent assembly, and then they will also elect a President. And so, that is another benchmark as well.

In Tunisia, as elsewhere in the Middle East, young people played an important role in the revolution. I think they will have to play an important role in the progress to democracy as well.

There were a lot of reasons why the revolution took place in Tunisia, why this started in Tunisia, but economic pressure was an important thing. There is a very high unemployment rate in Tunisia now, particularly among young people. The unemployment rate for young people is about 30 percent.

And particularly in the interior areas, which are much more disadvantaged, there is a very high rate of disaffection among youth. So that is an area that they are going to have to look at as well. So it is not just about building these institutions and the building blocks of the political process. It is also about building the economic underpinning for that so they can be a prosperous country as well.

Those are areas that we are going to look to. We have been supporting. And if confirmed, those are things that I would be looking at as well.

Senator LUGAR. Thank you very much.

I will yield my time to others.

Senator BOXER. Thank you.

We are going to go Senator Menendez, Senator Risch, Senator Udall.

Senator MENENDEZ. Thank you, Madam Chair.

Ambassador Pascual, just two final questions. There are energy analysts that are projecting that Iran's oil exports will fall by as much as 50 percent in the coming months, meaning that Iran might lose the capacity to export between 800,000 to 1 million barrels per day of oil. Is that estimate one that you share, or do you have a different one?

Ambassador PASCUAL. If one looks at the commitments made by the European Union to eliminate their imports of Iranian crude oil, if we look at reductions made by Japan, if we look at other statements that other countries have made, while it is difficult to predict an exact number, that is in the ballpark of what countries have been saying that they are going to reduce in Iranian crude imports.

Senator MENENDEZ. On a slightly different topic, the Spanish company Repsol has begun to drill in Cuban waters, despite the fact that Cuba is clearly incapable of mitigating a leak that would harm U.S. interests in the Caribbean. Does your office have a role

in this project? Have you had conversations with Repsol on their drilling in Cuba?

Ambassador PASCUAL. No, sir. My office does not have a role in this. I have not had conversations with Repsol about this issue. We have discussed issues with Repsol, particularly to their imports of Iranian crude oil, which they have actually now brought to zero.

Senator MENENDEZ. OK. And finally, Mr. Stevens, I have the families of 32 of 189 Americans who died on Pan Am Flight 103. And as someone who has been supportive of our efforts in Libya, but I also believe it is very important, as I told the Prime Minister when he visited the committee, that in order for Libya to be able to move forward in its future, it must reconcile events of the past.

And there are still many of these families who believe that justice has not been achieved for them. And while their loved ones can never be replaced, a sense of justice is desired and is ripe.

So my question is have you met or will you meet with the Department of Justice about their open Pan Am case before departing for Tripoli? And is it your understanding of U.S. policy to continue to actively pursue information about the bombing and other terror attacks orchestrated by the Gaddafi regime against U.S. citizens?

Mr. STEVENS. Thank you, Senator.

The Pan Am 103 bombing was a horrific act and one that we cannot forget, and I certainly will keep on my mind when I go to Libya, if I am confirmed.

I do plan to meet with the Justice Department officials in the coming days and weeks to discuss their case, which I understand is ongoing, and I am referring to the criminal case. And we have, as you know, raised this issue with the interim Libyan authorities, including during the visit of the Prime Minister of Libya a week or so ago when you met with him.

So, Senator, absolutely, that would be on the top of my list of issues—

Senator MENENDEZ. So you will visit with Justice before going to Tripoli?

Mr. STEVENS. Absolutely.

Senator MENENDEZ I appreciate you say you will keep it on the top of your mind. I would like it to be one of your priority items in your agenda.

Mr. STEVENS. It certainly would be, sir, if I am confirmed.

Senator MENENDEZ. Thank you very much.

Thank you, Madam Chairman.

Senator BOXER. Thank you.

Senator Risch.

Senator RISCH. Briefly, we are going to vote in a minute. So I want Senator Udall to have a chance. But I just have one question on the import reductions.

I understand that this information is I don't know whether it is classified or what you call it. But when are we going to get numbers on this? How can we make a judgment on this without having actual numbers of what the cutback is going to be?

Ambassador PASCUAL. Actual data on performance by countries usually is a couple of months in time lag. What we have seen already from the European Union is that they have taken legally

binding measures that they cannot execute new contracts. That is happening already right now.

As a result of that, they are not putting in place any additional supplies in the supply lines. They have committed to completely phase out or end existing contracts by July 1.

We have been in regular contact with the European Union to determine if that has been the case, and indeed, we have seen from the European Union continued phase-down of all of those contracts. We have also seen, anecdotally, that as a result of the measures that have been put in place on prohibitions on finance and on insurance, especially for ships and for tankers, that many countries have simply not been able to import Iranian crude because they can't get ships.

All of these things have actually accelerated the process of implementation. We are continually analyzing what the implications might be in terms of the numbers of volumes. But we, unfortunately, don't actually see that reflected in the data coming out of countries for a 1-to-2-month time lag.

Senator RISCH. How about the Japanese? You spoke of the European Union.

Ambassador PASCUAL. The Japanese, as I mentioned, going forward, the information that they have provided us is commercially privileged because of the contracts that are involved. But what is public is what the import trends have been over the last 6 months of 2011.

And from that, we have looked at different sources of data, including the International Energy Association, our own domestic data on actual ship movements, and depending on the data source, when you look at seasonally adjusted data, they have reduced imports in the range of 15 to 22 percent.

Senator RISCH. What is your level of confidence in that estimate?

Ambassador PASCUAL. It is extraordinarily high. It is corroborated by every type of data source, both what is coming out of the country by their customs data as well as shipping data, which is based on commercially available information on ship movements, liftings, and unloadings.

Senator RISCH. Thank you, Madam Chairman.

I want Senator Udall to have a chance. So I yield my time.

Senator BOXER. Senator Risch, thank you. And thank you for pressing on that. I think that was very helpful.

Senator Udall, welcome.

Senator UDALL. Thank you, Chairman Boxer.

Good to be with you all today.

Mr. Stevens, one of the programs that Gaddafi left behind was a huge water project known as the Great Manmade River. The goal of this project was to bring water to arid regions of the country and improve the agricultural capabilities of the country. What is the current status of this project?

I know issues have been raised in terms of sustainability and whether this was a good project or not. Is the United States supporting the project? What are you doing in terms of environmental review if you are going to work to move it forward?

Mr. STEVENS. Thank you for the question, Senator.

The Great Manmade River Project, of course, is one of Gaddafi's legacies. It was actually begun before he came to power and got its start during oil exploration by an American company that stumbled on some water out in the desert in southern Libya.

Since then, it has provided a good portion, if not the majority of Libya's water supply. Critics say that it is expensive and that it is a waste, that they are trying to grow agriculture in areas which they shouldn't. People on the other side say, well, it is a resource they have, and why shouldn't they use it?

During my time in Benghazi during the revolution, it largely continued to work unaffected. There was a brief interruption at one point, but they since made the repairs that were necessary, and now it continues to provide significant water to Libyans, both to cities and to farmers.

We are not providing any sort of assistance at all to this project. It is strictly funded by the Libyan Government, and they are using foreign contractors from Korea and Turkey and other places to help them.

Senator UDALL. Thank you.

Ambassador Pascual, one of the issues, and I know you have heard about it some here from various questions that have come at you, but is the gas prices and how they are getting out of hand and how people back home in New Mexico and California and Indiana, all places across the country, people, you know, why at this particular time are they spiking?

And I am wondering what, from your standpoint and what would you do as Assistant Secretary to improve the energy security of the United States, and what should be the short and long-term priorities to increase energy stability internationally?

Ambassador PASCUAL. Senator, thank you very much.

We had had an opportunity to discuss it, and I think you put it in exactly the right terms of energy security for the United States because that is, indeed, what the American people are looking for.

One of the things that we have underscored throughout this discussion is that there is no single answer, but it needs a diversified strategy. That diversified strategy has to include what we are doing at home, including the measures and the steps that we have pursued to increase production, where we have had significant increases in our productions of both oil and gas over the past 5 years.

It has been important to reduce our consumption and the kinds of fuel efficiency and other efficiency measures that we put in place in the United States that have cut consumption.

On the international side, one of the things that we have done and in my position as Coordinator for International Energy Affairs that we have been seeking to do is to engage all major producers and partners to understand what the prospects are for their production, to understand where there are potential bottlenecks where we can work together, to engage with energy companies to understand where we might be able to resolve issues that allow them to increase their investment and increase their productive capabilities.

We have spent time working with countries in the Middle East, and we have had consistent assurances that they will now respond to market demand. I mentioned yesterday an extraordinary meet-

ing of the Saudi Cabinet that resulted in a conclusion that they will continue to produce supplies that will actually seek to balance out prices on the international market.

And we have to recognize in the context of this that one of the things that Iran will do is do everything possible to talk up insecurity and risk and making statements such as cutting off the Strait of Hormuz. And when things like that happen, it creates speculation in the futures markets as well.

And so, it is critical to continue on this all-out front to provide a sense and perception, but also the reality that supplies can be available and to do that—and by doing that to be able to counter the other factors related to the risk and speculation which could be in the marketplace.

Senator UDALL. OK. Thank you.

And one final question for Mr. Wallis. The former President Ben Ali was known to use the domestic security services to repress dissent in the country. Furthermore, it is believed that the security services outnumbered the military considerably, with nearly 200,000 members.

How is the new government dealing with the remnants of the domestic security services, and what will the United States do to help improve the human rights situation in Tunisia to ensure a similar organization is not formed by future governments?

Mr. WALLIS. Thank you, Senator, for the question.

You are correct that in the past under the Ben Ali regime, the internal security forces were an instrument of repression on the population. That is no longer the case, although these security forces continue to exist. And this is a priority issue for the new government in terms of how they would reform these security forces.

Many of the members of the current government, including the ministers, were imprisoned under Ben Ali or they were exiled during that period. So they have firsthand experience with this repression. So they are not, by any means, prepared to continue that sort of thing.

But in order to make sure it doesn't happen again, they are going to have to reform the security forces so they are not an instrument of repression. They are an instrument to provide security for the people, which is what they should be doing.

In terms of what the United States could do, this is an area that we have begun to look at a little bit. We have experience in other places in the Middle East where we have worked with security forces and helped them reform. I know from my time in Jerusalem, we began a program like that for the Palestinians, and that has been a success.

Whether that would apply in the Tunisian case is something we are going to have to look at. I think the first step will be for the Tunisian Government to decide what they want to do with those security forces and how they want to reform them, and then we can look at whether it would be appropriate for us to assist in that.

Senator UDALL. Thank you very much.

And Chairman Boxer, thank you, and thank you for your testimony today. I look forward to moving these nominations forward expeditiously.

Senator BOXER. Senator Udall, thank you so much for coming here and asking those questions.

And Senator Lugar, thank you so much for chairing this hearing with me today and for your thoughtful questions.

I want to thank our nominees. They are outstanding. I can't imagine why we shouldn't act on each and every one of you expeditiously.

We will leave the record open for 24 hours to accommodate any of our colleagues who would like to submit written questions.

And again, we are going to do everything we can to move forward quickly.

Thank you for making the sacrifices for your country.

And we stand adjourned.

[Whereupon, at 4:05 p.m., the hearing was adjourned.]

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#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF JOHN CHRISTOPHER STEVENS TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Please provide detail for the committee on the Libyan fiscal situation, particularly as it pertains to assets frozen and unfrozen around the world.

*Answer.* Libyan authorities recently released the 2012 budget, which totals 68.5 billion LYD (or \$55 billion). According to local press reports, it is a balanced budget which relies heavily on oil revenues.

In December 2011 the U.N. delisted the assets of the Libyan Central Bank and the Libyan Arab Foreign Bank. The United States also removed sanctions on those two government entities, leaving very few assets frozen under U.S. jurisdiction. Those assets are now available to Libyan authorities. The Libyan Government has not requested that sanctions be lifted from the two remaining government entities listed at the U.N., Libyan Investment Authority (LIA) and the Libyan African Investment Portfolio (LAIP), pending its reorganization of their management structures.

*Question.* You are headed to an Embassy which was greatly damaged in the revolution. Please describe the Department's plans for rebuilding your Embassy and facilities.

- Has the Government of Libya made any offers to assist in the reconstruction?
- What money has been designated and what planning has been done by OBO?
- What is the plan for consulates, if any?

*Answer.* Due to the level of destruction at the former Embassy compound, the Department has established an Interim Embassy until such time as a New Embassy Compound can be built.

At this time, the Government of Libya has not specifically offered to assist in the reconstruction of the U.S. Embassy but is engaged with the Department of State on the issue of land acquisition as we conduct initial site searches for the New Embassy Compound.

OBO is working closely with Department offices and other agencies that will be working in the Interim Embassy to ensure that the facility adequately meets security and operational needs of all tenants. Evaluation teams have traveled to Libya to review existing facilities to ensure proper planning and usage of the facilities.

Funding for building the Interim Embassy will come from all agencies that will make use of the facility. Within the Department, the Bureau of Resource Management is fully aware of the financial needs associated with the Interim Embassy.

Currently, the Department is staffing a small office in Benghazi, Libya, that is responsible for monitoring the pulse of political action in eastern Libya. However, once national elections have taken place, the Department will reassess its utility.

*Question.* Will assignments for Tripoli staff be conducted in a normal fashion, or are they being given shortened assignments and special incentive packages?

*Answer.* There is a temporary incentive package for personnel assigned to Tripoli now and in the 2012 summer and winter 2012/2013 cycles. The Department will return to a 2-year tour of duty when security and living conditions normalize.

Embassy Tripoli is operating in extremely difficult conditions. U.S. Government employees are housed on a secure compound, two to four persons per bedroom and up to four people per bathroom depending on the number of personnel. All movements off-compound must be coordinated with a security package. Due to the limited living space, employees are not permitted to take unaccompanied baggage, household effects, consumables, or personal vehicles to post.

The incentives package entails 1-year assignments, with 35 percent hardship pay, 25 percent danger pay, and the provision of two Rest and Recuperation (R&R) trips or one R&R and two Regional Rest Breaks (RRB).

This package is being reevaluated as the situation in Tripoli changes and will be adjusted based on the overall security, stability, and openness of the situation.

*Question.* Gas prices for many Americans currently top \$4 per gallon and worldwide the price of a barrel of oil is \$107. You stated in the hearing that Libya expected to be back to prewar levels of oil production by the end of the year, but would you provide more details on the status of the Libyan production and export capacity? Are American firms back fully, and if not, what reasons are they expressing to you?

*Answer.* Even though the United States imports little oil from Libya, restoring Libya's participation in the global oil market will have the effect of stabilizing supplies, which is important for our ability to access supplies at an affordable price—a key element of our energy security policy. Libya is making significant progress in restoring output to its precrisis oil production level of about 1.6 million barrels per day and is currently producing over 1.4 million barrels per day, according to the Libyan authorities.

Most of the U.S. firms involved in production in Libya have reopened their offices in Tripoli and are taking steps to resume normal operations. U.S. firms have identified both security and logistical constraints in their meetings with us and we have engaged with the Libyan authorities on these issues.

*Question.* If you were addressing American businessmen, what would you want to tell them about opportunities in Libya? Do you expect to have a Senior Commercial Officer from the Department of Commerce as a member of your Country Team to assist American companies interested in investing in Libya?

*Answer.* As Ambassador Cretz has so often stated—and the Libyans have repeated publicly—Libya is now “open for business.” U.S. Embassy Tripoli, in coordination with the Department of State's Bureau for Economic and Business Affairs, established a series of sector-specific teleconferences which provide a “direct line” for American companies to the U.S. Ambassador. The Embassy has completed six sector-specific teleconferences to assist the American private sector identify commercial opportunities in Libya. These teleconferences have focused on sectors including infrastructure, security and health care, and have had upward of 100 participants per call. This program has been such a success that Secretary Clinton has asked the Department of State to expand it worldwide. If confirmed, I will continue the program in Libya, in order to keep U.S. companies abreast of all commercial opportunities emerging with Libya's political and economic transition.

The demand by the U.S. private sector for commercial opportunities in Libya is big, and it's only getting bigger. There is also tremendous demand in Libya for goods and services produced by U.S. companies. Broadly, there is great need for infrastructure, information and communications technology, oil and gas services, power generation, transportation products, and infrastructure, including rail.

I refer you to the Department of Commerce for details on their staffing plans in Libya and elsewhere. If confirmed, I certainly would want Department of Commerce representation in the Country Team at Embassy Tripoli.

*Question.* What, if any, role will U.S. assistance play in the security sector reform elements you discussed in the hearing?

*Answer.* The United States will continue to play a supporting role to the transitional Government of Libya (GOL) in security sector reform. We will work with the U.N. Support Mission in Libya (UNSMIL) and international partners to coordinate our assistance, and if confirmed, I will assist in these efforts.

Libya's Ministry of Defense (MOD), Ministry of Interior (MOI), Ministry of Justice (MOJ), and intelligence services are being reconstituted in the wake of the revolution. Currently, there is minimal absorptive capacity within the GOL for robust security sector assistance. The greatest need is for technical expertise to help the GOL shape its security apparatus and to assist GOL efforts to disarm, demobilize, and reintegrate (DDR) revolutionary fighters.

UNSMIL and our international partners have taken the lead in assisting the GOL to implement a DDR process. UNSMIL is diligently working to facilitate GOL secu-

rity sector coordination through the creation of a Libyan national security staff. The U.K. has embedded a technical expert in the Libyan MOI to assist in standing up a GOL police force. Jordan has signed a memorandum of understanding (MOU) with the MOI to train 10,000 new police cadets in basic police curriculum. The Libyan MOD has launched an assistance coordination mechanism to keep track of assistance to the armed forces, avoid duplication and identify gaps. The French have conducted joint maritime training with the Libyan Navy. Qatar and the UAE have committed to MOD assistance, but have not had any real engagement or response to date.

UNSMIL is also working closely with the GOL to coordinate the DDR process. The GOL and UNSMIL report that Libya's Warrior Affairs Committee has registered 148,000 fighters to date. Assisted by the international community, the GOL has announced a 3-year plan to integrate 25,000 revolutionaries into the regular military and 25,000 into the police forces. The remaining revolutionary forces will be reintegrated into civilian life through initiatives to develop small and medium business enterprises, or through new educational and training opportunities.

We aim to support these efforts by deploying targeted security sector assistance that will focus on bolstering GOL capacity and leveraging international assistance. In April, the Department's Export Control and Related Border Security (EXBS) program will fund the deployment of a team from the Bureau of International Security and Nonproliferation, Office of Export Control Cooperation, and the Department of Homeland Security, Customs and Border Protection, to conduct a 1-week consultation and basic enforcement training overview for Libyan MOI, MOD, and Customs Officials who will be leading the efforts to develop and integrate Libya's border security forces. We introduced the Defense Institution Reform Initiative (DIRI) program to Libyan Prime Minister El-Keib during his March 2012 visit. If accepted by the GOL, DIRI will provide a team of experts to advise the MOD on rightsizing its security forces and integrate rebel fighters into the Libyan armed forces.

Over the summer, the Anti-Terrorism Assistance (ATA) program will send an assessment team to evaluate the current capacity of Libyan law enforcement units that perform counterterrorism functions and to examine whether and how we can begin offering ATA training in the coming year.

In late March, we will deploy a security sector transition coordinator to U.S. Embassy Tripoli who will coordinate and report on these border security and MOI training efforts. We are also using the congressionally notified Presidential Drawdown authority to provide nonlethal personal equipment to the MOD as it forms a national military capable of providing protection to the civilians and civilian populated areas within Libya.

Additionally, funding from the FY 2011 Middle East Response Fund (MERF) will be used to support a DDR advisor in Tripoli whose focus will be on reintegrating militias into civilian life through advising the GOL on creating employment and education opportunities for former militia fighters.

*Question.* Libya faces significant needs as it develops its civil society in this period of transition. The United States is prepared to assist with training and technical assistance. With oil production at 1.4 million barrels per day and expected to increase—to what degree is Libya able to use its own national assets to bear the costs of this development.

*Answer.* We do not have detailed information on the exact expenditures of the Libyan Government in various sectors, including in civil society. We, however, do have evidence that the government has taken steps to ensure it has funds to meet the country's needs including by working to get the production of oil back to prewar levels. The government has also passed a budget of \$55 billion, helping to ensure that ministries can pursue reform, renovation, and capacity-building projects.

The Libyans have repeatedly stated they want to pay for the reconstruction and reform of their country and promote civil society. In the near term, however, Libya is spending the majority of its resources on ensuring that salaries are being paid and that basic services are provided to the Libyan people. The United States and the international community are currently filling short-term gaps in priority sectors and funding actors that we believe should receive assistance independent of the government, including certain civil society groups and the media.

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RESPONSES OF JACOB WALLIS TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* What, if any, have been the concrete results of U.S. transition support programs in Tunisia to date? How should the U.S. Government shape its future for-

sign aid programs in terms of balancing objectives related to security, democracy, the economy, and regional policy? How, if at all, can or should the United States assist with security sector reform?

Answer. The United States is committed to supporting Tunisia's transition to democracy and helping to establish a foundation for political stability and economic prosperity. Since the revolution, we have committed approximately \$197 million from FY 2010 and FY 2011 resources to support Tunisia's transition.

Securing a successful transition to democracy in Tunisia is a key policy priority for the United States, the importance of which cannot be overstated. A successful Tunisia will set a clear example for other democratic transitions underway in the Middle East and North Africa. Success will require progress in all four areas—security, democracy, economy, and regional policy. Following the revolution, U.S. efforts focused heavily on supporting Tunisia's political transition, especially in the runup to the October 2011 Constituent Assembly elections. We are now seeking to provide critical support needed to stabilize the economy and promote broad-based economic growth. We are also bolstering our efforts to assist Tunisia by promoting regional stability, countering terrorism, preventing the proliferation of illicit items, building law enforcement investigative capabilities, and enhancing border security efforts. Moving forward, we will continue to work with the Tunisian Government to build its capacity, to support civil society as they participate constructively in national political debate, and to support the Tunisian military and civilian security forces' efforts to improve the rule of law, promote regional security, and respect the rights of the Tunisian people.

Following the revolution, initial U.S. Government assistance efforts focused heavily on supporting Tunisia's political transition and election preparations. This included technical assistance to the Independent Elections Committee (IEC). We also supported voter education, facilitated political party outreach to women and youth, and helped to expand opportunities for women and youth to run for office and play leadership roles. The Tunisian elections were fair, credible, and transparent.

Since then, we are developing a robust economic assistance package that includes programs designed to ease the fiscal strain on the Government of Tunisia while encouraging private sector investment and market-oriented reforms. In this regard:

- We are finalizing with the Government of Tunisia a loan guarantee program to support its economic stabilization and economic reform goals.
- Tunisia will benefit from a Millennium Challenge Corporation (MCC) Threshold Program, which will support policy reform that can lead to faster growth and generate employment.
- We intend to capitalize a U.S.-Tunisian Enterprise Fund with an initial \$20 million to help Tunisians launch small and medium enterprises that will be the engines of long-term opportunity.
- The Peace Corps will return to Tunisia this year to provide English language training and programs to help prepare Tunisian students and professionals for future employment, build local capacity, and foster citizenship awareness at the grassroots level.
- USAID will implement an Internet Communication and Technology (ICT) sector development program. We are also supporting an OPIC franchising facility in Tunisia, as well as programs focused on developing entrepreneurship and employability skills.

Our security assistance for Tunisia includes \$17.5m in FMF and \$1.854m in IMET in FY12. Our bilateral military relationship, which has always been good, has grown stronger in the days since the revolution. We have a regular high-level bilateral dialogue with the Tunisian military, the Joint Military Commission, during which we share our respective regional security priorities, assess the Tunisian military's needs as they support Tunisia's territorial integrity, and discuss ways to support those needs to serve our mutual bilateral interests.

Security sector reform is also an important priority for the Government of Tunisia. Prior to the revolution, the Ministry of Interior was a key player in the regime's oppressive rule. The current government is aware of that legacy and wants to change it. Tunisia has a new Minister of Interior, a former political prisoner of the Ben Ali regime, who is untainted by collaboration with the former regime. He will lead Tunisia's reform efforts in this critical sector.

The United States stands ready to respond to Tunisian requests for support in this area. A ready and capable police force that respects human rights and adheres to the rule of law is critical to the success of a democratic country.

If confirmed as Ambassador, I would work actively to maintain programs that address all of these objectives—security, democracy, economy, and regional policy—in a balanced way.

*Question.* How would you evaluate al-Nahda's economic policy platform? To what extent does the coalition government share a common view of economic policy priorities and how to approach them? What steps are being taken to promote economic growth and job creation, and to address socio-economic grievances and regional economic disparities?

*Answer.* Even prior to the current government's assumption of office, al-Nahda reiterated its commitment to market-oriented economic growth.

Further, all political parties currently represented in government recognize Tunisia's urgent need to attract investment and create jobs. These are Tunisia's top two economic priorities today, and the parties are united in their pursuit of those goals.

The coalition partners are working together to develop the details of a common approach to these challenges, and each party has affirmed the need for greater accountability, transparency and foundational reform to make Tunisia's economy more vibrant, inclusive, and responsive to the global market. They are aggressively courting foreign direct investment. And they are working together to pass a new budget to facilitate development in previously marginalized regions of the country in order to close the developmental divide.

*Question.* The Peace Corps can be a powerful asset in promoting U.S. interests and values, particularly among Tunisia's more vulnerable populations in the interior of the country. How do you intend to leverage the presence of Peace Corps Volunteers in Tunisia to good effect?

*Answer.* The Peace Corps represents an important opportunity to enhance people-to-people ties between Tunisia and the United States. As it does in other countries, the Peace Corps will work with the Tunisian Government to determine programming, priorities, and volunteer site placement.

If confirmed as Ambassador, I will support the Peace Corps in its discussions with its Tunisian partners to ensure that Peace Corps Volunteers reach the most vulnerable populations in the south and interior of the country, and are meeting the needs of the communities in which they serve.

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RESPONSES OF CHRISTOPHER STEVENS TO QUESTIONS SUBMITTED  
BY SENATOR BARBARA BOXER

*Question.* According to the United Nations, as many as 6,000 detainees—about three quarters of those arrested during Libya's civil war—continue to be held in prison facilities run by individual militia groups operating outside the control of the government.

International human rights groups including Amnesty International and Human Rights Watch have provided deeply disturbing evidence of what appears to be widespread abuse.

- If confirmed, how will you work to promote the humane treatment of prisoners in Libya?

*Answer.* I share your concern regarding continuing reports of arbitrary detention and prisoner abuse. I, too, find these reports deeply troubling and, if confirmed, I would continue to raise the issue at the highest levels of the interim Government of Libya, as I understand Ambassador Cretz and his team are currently doing.

Ambassador Cretz and his team have stressed the importance that the United States places on protecting human rights and the specific need for the Government of Libya to get all detainees and detention facilities under central government control as soon as possible. Our Embassy has also joined with other like-minded embassies and multilateral organizations to press these points, a practice that I would continue if confirmed.

The interim Libyan Government has made positive statements regarding its respect for human rights, condemnation of torture, and commitment to consolidating control over militias and detention centers, including informal sites where most allegations of mistreatment originate. We recognize that this will be an important step in ensuring humane treatment and in establishing registration and review processes in accordance with international standards, but the government needs to go further.

If confirmed, I would continue the close contact with the Ministry of Justice that Ambassador Cretz and his team have maintained. I would continue to emphasize that the United States stands ready to assist Libya as it seeks to develop new Libyan judicial and corrections systems that meet international standards by ensuring due process and protecting basic human dignity.

I would also continue to promote continued Libyan Government collaboration with the International Committee of the Red Cross, the Office of the U.N. High Commis-

sioner for Refugees, and the International Organization for Migration which can provide technical assistance on protection of migrants and refugees as well as visit detainees, as our Embassy in Tripoli is already doing.

*Question.* In November 2011 I held a joint Foreign Relations subcommittee hearing with my colleague Senator Casey to examine the role of women in the Arab Spring with a specific focus on Egypt, Tunisia, and Libya.

- If confirmed, will you commit to working to help ensure that women play a strong, meaningful role in the political process in Libya and that their rights are fully protected?

*Answer.* Libyan women played a vital role in the 2011 civil uprising and revolution that toppled Moammar Qadhafi. During my time as the Special Envoy to the Transitional National Council in Benghazi last year, I had the privilege to meet and work with many inspirational Libyan women supporting the cause of the people. If confirmed, I am committed to ensuring that women are encouraged and supported to play a strong, meaningful role in the political process in Libya and that their rights are fully protected in law and in practice.

After 42 years of Qadhafi's dictatorship, Libyans have very limited experience with democracy and an open political process. Most candidates, both men and women, have no experience in the democratic realm and the challenge for the Libyan people will be to create a national dialogue in which all of Libya's diverse population can participate. A number of Libyan women activists are already urging strong women's participation in decisionmaking bodies and speaking out about the importance of electing women in the June elections. Under the electoral law passed in February of this year, 80 of the 200 delegates to the interim National Congress will be elected from lists submitted by political parties. Party lists are required to alternate between male and female candidates, a process known as the "zipper quota." Observers hope that the law will lead to increased participation by women in the government. A similar system was used in Tunisia and, based on that experience, some electoral experts expect that around 10–15 percent of the Parliament will be comprised of Libyan women. This is still far lower than women's percentage of the population but is a start.

Numerous women's groups and women-led organizations have emerged in Tripoli, Benghazi, and outlying areas since the beginning of the revolution. A few of these organizations, most of which are led by women who have management experience working for international corporations or significant experience outside Libya, have successfully initiated or completed projects that include a women's rights march to advocate at the Prime Minister's office, national conferences for youth and women, a reconciliation campaign, the establishment of women's centers and holding fundraising events. Many of the women's organizations are loosely constituted groups with limited organizational capacity to plan or implement activities beyond charity functions but have expressed a desire to expand their activities. Both experienced and inexperienced organizations have begun approaching our Embassy in Tripoli for assistance with conferences to inform women about their rights and prospective roles in elections, constitutional development, civil society, and the economy.

I believe that the United States can help to provide targeted amounts of technical assistance to help these organizations build up their capabilities in these nascent stages, as we are already doing through USAID's Office of Transition Initiatives (OTI) and the Middle East Partnership Initiative (MEPI). I understand that the United States is one of the only donors currently providing support to these local grassroots women's organizations and, if confirmed, it's a priority I will continue to emphasize.

USAID/OTI has already been providing support to women-led organizations as well as others that have significant female participation. USAID/OTI is currently planning initiatives such as: holding a national workshop on women in elections that will train women to educate people in their home communities about the importance of having female representation in the constituent assembly and constitutional commission; developing a toolkit of materials to be used in multiple training opportunities; and replicating a successful women's center that aims to facilitate engagement among women about how they can engage in political life. In addition to these new activities being developed, as mentioned above, USAID/OTI has already funded women's NGOs for the following projects: a constitutional workshop for government, political, and civil society leaders; a public awareness campaign to promote reconciliation, unity, and forgiveness as a means to move the nation toward a peaceful transition; and a youth training session that included a field visit to a local women's NGO.

MEPI programs in the sphere of women's empowerment include: a program to help Libyan businesswomen and women entrepreneurs connect with their counter-

parts throughout the region; a National Democratic Institute-led candidate training for a group of aspiring women politicians; and a small grants and capacity-building program for several small women-led or women-focused civil society organizations. These organizations are working to combat discrimination against women, encourage the participation of Libyan housewives in the political process, support the advocacy efforts of women with disabilities and establish a women's training center.

I applaud and support all of these programs and, if confirmed, would like to continue similar programming in support of women's political participation and the protection of women's rights in the new Libya.

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RESPONSES OF JACOB WALLEES TO QUESTIONS SUBMITTED  
BY SENATOR BARBARA BOXER

*Question.* As you know, the leaders of Tunisia's ruling al-Nahda Party have stated that they intend to uphold the country's progressive laws regarding women.

However, many remain concerned about the future of women's rights in Tunisia, particularly in light of growing calls by hard-liners for an Islamic State.

- Do you believe that al-Nahda will uphold and protect women's rights? Or are you concerned that they could make modifications to the country's laws to appease more hard-line elements?
- If confirmed, will you commit to working with Tunisia's leaders to encourage the promotion of women's rights in the country's new constitution, and to convey the message that women's rights are critical to security and prosperity in Tunisia?

*Answer.* As you note, the leaders of the an-Nahda Party have affirmed their intention to uphold and protect the rights Tunisian women are afforded under that country's constitution, as have other parties represented in Tunisia's current government.

We believe that the majority of Tunisians support the rights Tunisian women enjoy. Those rights have long been a source of justifiable pride, and they are essential to Tunisia's future political and economic success.

Equality under the law is a core tenet of our foreign policy. If confirmed, I will strongly convey the message that the advancement of women's rights and political and economic participation are critical to Tunisia's democracy and prosperity, and that these rights should continue to be enshrined in the Tunisian Constitution.

*Question.* As you may know, Tunisia made gains regarding freedom of the press following the ouster of longtime Tunisian President Zine El Abedine Ben Ali. In fact, Tunisia rose 30 slots—from 164th to 134th—on the Reporters without Borders "2012 Press Freedom Index."

However, significant problems remain.

1. Reporters without Borders has documented a number of attacks by Tunisian police on independent journalists.
2. A television station executive is facing trial and possible jail time for screening the award-winning French film *Persepolis*.
3. And recently, the government provoked controversy when it appointed two individuals associated with the Ben Ali regime to senior posts in the State media.

- Are you concerned about these developments?
- If confirmed, will you commit to working to promote freedom of the press in Tunisia?

*Answer.* Freedom of the press is an important universal value that must be respected in order for Tunisia's transition to democracy to succeed. I understand that our Embassy has already registered with the highest levels of the Government of Tunisia our concern about these cases. Tunisia is making progress in its democratic transition, but such transitions are often difficult and they take time.

If confirmed, I will continue to underscore our belief that freedom of expression is a fundamental human right and key to Tunisia's democratic success.

I will also continue our efforts to invest in Tunisia's capacity to responsibly exercise that freedom, including through training Tunisian journalists on the fundamentals of responsible, fact-based reporting.

RESPONSE OF CARLOS PASCUAL TO QUESTION SUBMITTED  
BY SENATOR BENJAMIN L. CARDIN

*Question.* The SEC will soon issue rules to implement section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. How will you use the example set by the United States on this issue to further encourage transparency in the extractive sector in other countries? In particular, in your new role, will you place a priority on encouraging EU progress on their similar legislation? Also, will you place a priority on encouraging an extractives transparency agenda within the G20 and other forums? Please describe your plans and strategy on this issue.

*Answer.* As Secretary Clinton underscored in recent testimony, the State Department will use its full diplomatic capabilities to encourage transparency in extractive industries around the world. Once the SEC issues the rules to implement section 1504, if confirmed, we will help educate other nations about the changes in U.S. law and explain how the new rules may affect countries and companies around the globe. Already we have taken advantage of excellent materials written by nongovernmental organizations on section 1504 and shared them with the EU and many countries with extractive industries in order to sensitize them to the legislation, its scope and importance. When the SEC's rules are issued, we will consult with these transparency organizations and draw on their materials and other publicly available information. We will use our extensive network of embassies to educate host governments and corporations about the existence and application of the Wall Street Reform and Consumer Protection Act. In addition, if confirmed, I will work through our posts overseas to help host governments create the necessary conditions for companies listed in the United States to be compliant with U.S. law.

The State Department has engaged senior European Union officials on the Dodd-Frank Act since September 2011 in anticipation of SEC rules. EU representatives and parliamentarians are well aware of our interest in creating a common platform for transparency. With issuance of SEC rules, ENR proposes to engage EU officials on compatibility with possible EU regulations. Similarly, we will work with the G20 to advance the principles in Dodd-Frank, building on the strong anticorruption platform already created in the G20. The Seoul G20 in 2010 set up an Anticorruption Working Group that provides an excellent vehicle to seek action by others comparable to Dodd-Frank.

Already, the 2010 G20 Seoul Anticorruption Action Plan commits countries "to promote integrity, transparency, accountability and the prevention of corruption, in the public sector, including in the management of public finances" and to combat corruption in specific sectors. We will use the G20 Anticorruption Working Group to drill down to actionable steps, including in the critical areas of transparency and integrity in public procurement, fiscal transparency, adoption and enforcement of laws criminalizing foreign bribery, and public integrity measures.

Our promotion of transparency around the world is supported by the example we set here at home. In addition to Dodd-Frank, the President recently announced our intention to implement the Extractive Industries Transparency Initiative in the United States. This international effort results in disclosure by companies of payments they make to governments, and by governments of payments they receive from companies. As the United States moves to become an EITI candidate country itself, we will look to encourage other members of the G20 to join the EITI as well. Moreover, through the Open Government Partnership (OGP), we are urging many of the more than 40 countries now developing national action plans to include EITI or other extractive industry transparency efforts in their plans.



**NOMINATIONS OF TRACEY ANN JACOBSON,  
RICHARD B. NORLAND, KENNETH MERTEN,  
MARK A. PEKALA, AND JEFFREY D. LEVINE**

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**WEDNESDAY, MARCH 21, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Tracey Ann Jacobson, of the District of Columbia, to be  
Ambassador to the Republic of Kosovo  
Hon. Richard B. Norland, of Iowa, to be Ambassador to Georgia  
Hon. Kenneth Merten, of Virginia, to be Ambassador to the Republic  
of Croatia  
Mark A. Pekala, of Maryland, to be Ambassador to the Republic of  
Latvia  
Jeffrey D. Levine, of California, to be Ambassador to the Republic  
of Estonia

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The committee met, pursuant to notice, at 10:02 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Jeanne Shaheen, presiding.

Present: Senators Shaheen, Cardin, Lugar, and Barrasso.

**OPENING STATEMENT OF HON. JEANNE SHAHEEN,  
U.S. SENATOR FROM NEW HAMPSHIRE**

Senator SHAHEEN. Good morning, everyone. My mike does work. I am delighted to welcome everyone here to the Senate Foreign Relations Committee hearing to consider the nominations of Tracey Ann Jacobson to be Ambassador to the Republic of Kosovo; Richard Norland to be Ambassador to Georgia; Kenneth Merten to be Ambassador to the Republic of Croatia; Mark Pekala to be Ambassador to the Republic of Latvia; and, Jeffrey Levine to be Ambassador to the Republic of Estonia.

I am the person conducting this hearing this morning, because I chair the European Affairs Subcommittee, and I am very honored to have the ranking member of the full Foreign Relations Committee, Senator Dick Lugar, here as part of this hearing. You are all career diplomats, so you know that usually there are not a lot of Senators who come to these hearings, and that that is not a bad thing. [Laughter.]

So we're delighted to be here with all of you today.

Our nominees have been appointed to take on critical ambassadorial positions in countries throughout Europe and the Caucasus. Each of these posts will be important in strengthening U.S. influence and safeguarding American interests.

I want to congratulate all of you on your nominations and welcome you and your families here today as we discuss the challenges and opportunities that you may face as you take on these new responsibilities.

Over the last 6 decades, the transatlantic community has committed itself to building the Europe that is whole, free, and at peace. The countries represented here today reflect the progress that we have made and the force for reform that institutions like NATO and the European Union have played over the last half century.

However, as we will no doubt hear from our witnesses, the job is far from done, and we still have many challenges before us.

Latvia and Estonia are relatively young but active and influential members of NATO and the EU. As Baltic countries, they are a testament to the success of the West's open-door policies and have led the charge among other post-Soviet states to promote democracy and Euro-Atlantic integration.

In addition, Estonia has recently met its NATO commitments to spend 2 percent of its GDP on defense, an impressive feat considering that only three of the 28 NATO countries have met that commitment in 2011.

Croatia, already a member of NATO, is slated to become the 28th member of the EU next summer. Though it continues to struggle with economic difficulties and some corruption at home, Croatia stands as a model for the rest of the countries of the Western Balkans. And I hope that it will maintain its leadership in the region and continue to play a positive role in moving Serbia, Kosovo, Bosnia, and others toward EU integration.

Since the Rose Revolution in 2003, Georgia has made tremendous progress on its reform agenda and today seeks full Euro-Atlantic integration.

It is punching well above its weight, to use a boxing term, as a NATO partner country in Afghanistan and will soon be the largest per capita contributing nation in that fight.

Georgia deserves to see some forward movement on its membership aspirations at the upcoming NATO summit in Chicago.

Still, we must continue to emphasize the importance of Georgia continuing down the path of democratic reform, and the upcoming elections will be a critical test for the sustainability of Georgia's democratic future.

Kosovo faces many daunting challenges beyond its struggle for international recognition, including unemployment, weak rule of law, corruption, and challenging relations with its neighbor Serbia.

Both Kosovo and Serbia have made some difficult yet necessary decisions to engage each other in technical dialogue over the last year. The progress made under the EU-sponsored talks allowed both countries to move further down the path to future EU membership earlier this year, a welcome development after some violence in northern Kosovo last summer.

Our diplomats working closely with our European colleagues must do more to creatively engage on the Serbia-Kosovo issue and work to find a long-term solution to the challenge of northern Kosovo.

Again, I want to thank each of you for your willingness to take on these important and challenging posts, and I will just introduce each of you briefly, and then I'll turn it over to you for your testimony.

First today we have Ambassador Tracey Ann Jacobson, who has been nominated to be the U.S. Ambassador to Kosovo. Ambassador Jacobson is the Deputy Director of the Foreign Service Institute. Prior to her tenure there, she served as U.S. Ambassador to both Tajikistan and Turkmenistan.

Next we have Ambassador Richard Norland, our nominee for the post in Georgia. Ambassador Norland currently serves as the international affairs adviser and deputy commandant at the National War College and was previously the U.S. Ambassador to Uzbekistan.

We also have Ambassador Kenneth Merten, the President's choice to be the Ambassador to Croatia. Ambassador Merten has a distinguished 25-year career in the Foreign Service and has served throughout Europe, in Central and South America, and is currently our Ambassador to Haiti.

Mr. Mark Pekala has been nominated to take up the post in Latvia. Mark is currently a director in the Bureau of Human Resources and has served previously as the deputy chief of mission in France and the Deputy Assistant Secretary of State for Europe. This will be Mr. Pekala's first ambassadorial posting.

And finally, we have Jeffrey Levine, who has been nominated to be the U.S. Ambassador to Estonia. Mr. Levine has served in a number of countries throughout Europe and is currently the Director of Recruitment, Examination, and Employment at the State Department. This will be his first ambassadorial posting as well.

Again, thank you all for being here, for your willingness to serve, and I hope that you will feel free to introduce any family or friends who may be here with you this morning.

Ambassador Jacobson.

**STATEMENT OF HON. TRACEY ANN JACOBSON, OF THE DISTRICT OF COLUMBIA, TO BE AMBASSADOR TO THE REPUBLIC OF KOSOVO**

Ambassador JACOBSON. Thank you. I would like to introduce the Kosovo desk officer, Wendy Brafman, and my very good friend, Susan Bauer, from State, Dave Recker from Justice, and Lt. Zac Schneidt from the Marines, and in absentia, my partner, David Baugh, who serves at the British Embassy in Kabul.

Madam Chairwoman, Senator Lugar, members of the committee, I am honored to appear before you as President Obama's nominee to be the third U.S. Ambassador to the Republic of Kosovo.

I have had the privilege of serving twice as U.S. Ambassador to Turkmenistan and Tajikistan, where my teams and I worked successfully on a range of issues, including the promotion of democracy and human rights, economic development, and security cooperation.

I believe these and other experiences have prepared me well to be the chief of mission in Kosovo.

This administration, as the one before it, has consistently made clear its commitment to Kosovo's sovereignty, territorial integrity, and independence, and its integration into regional and international institutions. This commitment will be the guiding principle of my mission as well, if confirmed.

After 4 years of independence, Kosovo has come a long way. It is now recognized by 87 countries and is a member of the World Bank and International Monetary Fund. It is likely to meet another benchmark this year, with the end of supervised independence and the closure of the International Civilian Office.

The goal of completing the integration of the Balkans into a Europe whole, free, and at peace has been an overarching, non-partisan approach by successive U.S. Governments since the 1990s. Euro-Atlantic integration remains a top policy priority in our relationship with Kosovo as with all its neighbors, because this will promote necessary domestic reform and regional cooperation.

Kosovo has made several concrete steps toward this future recently. In January, Kosovo and its partners welcomed the European Commission's intention to launch a visa liberalization dialogue. And in March, it welcomed the decision to launch a feasibility study for a stabilization and association agreement.

The EU consensus decisions in December of last year and February of this year mean that all members of the European Union, even those that have not recognized Kosovo's independence, see that its progress on the European path is good for the region and good for Europe as a whole.

Kosovo's relations with its neighbors, in particular Serbia, are key to regional stability and cooperation. That is why the United States has fully backed the ongoing EU-sponsored dialogue between Serbia and Kosovo, which has resulted in significant achievement since it was launched last March.

The two sides have been able to conclude a series of agreements that will improve the daily lives of citizens in both countries, to include the restoration of two-way trade, mutual recognition of university diplomas, and free movement across each other's borders.

The political leadership in Kosovo has shown maturity and foresight in taking some tough decisions to reach these agreements, which were not without their domestic critics.

I believe this political will is also motivated by an understanding that Serbia's progress on its European path is good for Kosovo, too.

The United States has been able to consistently support Kosovo every step of the way, as it has demonstrated a forward-looking approach. And if confirmed, I will ensure that we continue to support Kosovo's positive development.

Kosovo faces a daunting agenda with many pressing reform priorities. The United States must continue to focus on Kosovo's progress as a multiethnic democracy, ensuring respect for the rights of all of its communities—Kosovo Serbs, Roma, and others—and protection and preservation of their cultural and religious heritage.

Kosovo's reform agenda also includes tackling corruption, cementing the rule of law, further developing the energy sector,

removing barriers to business and investment, and strengthening public administration to improve governance.

NATO's Kosovo Force, KFOR, remains a relevant and crucial presence in Kosovo, as it helps to maintain, in accordance with its mandate, a safe and secure environment throughout the country. Its role has been particularly challenging in northern Kosovo, where tensions have run high and where hard-line Serb elements continue to deny Kosovo's authority and full freedom of movement to the international community.

On occasion, these tensions have escalated into violence, resulting in injuries to Kosovo troops, including Americans. Given this situation, it is likely that KFOR staffing will remain at current levels for the foreseeable future.

A solution to the situation in the north and normalization of relations requires a durable *modus vivendi* that respects Kosovo's sovereignty, takes into account the opinions of the citizens of the north, and allows both Serbia and Kosovo to make progress on their respective European paths.

Madam Chairwoman, if confirmed, I will work with you, members of this committee and Congress, the Government and people of Kosovo, our European allies, the EU Rule of Law Mission, NATO, the OSCE, and the U.N., as well as our regional partners, to meet our shared goal of building a more stable, democratic, peaceful, and prosperous Balkan region.

I would like to emphasize, as I've done before this committee before, that, if confirmed, I will not only be President Obama's representative, but also the leader of an interagency team, and I will take seriously my obligation to ensure a positive, productive, and safe environment for the people of my mission.

Thank you for the opportunity to appear before you today, and I look forward to answering any questions you may have.

[The prepared statement of Ambassador Jacobson follows:]

PREPARED STATEMENT OF TRACEY ANN JACOBSON

Madam Chairman, members of the committee, I am honored to appear before you today as President Obama's nominee to be the third United States Ambassador to the Republic of Kosovo.

I have had the privilege of serving twice as U.S. Ambassador—to Turkmenistan and Tajikistan—where my teams and I worked successfully on a range of issues including the promotion of democracy and human rights, economic development, and security cooperation. Prior to that I was deputy chief of mission in Latvia, where my main focus was to support Latvia's Euro-Atlantic aspirations. I believe these experiences have prepared me well to serve as chief of mission in Kosovo.

This administration, as the one before it, has repeatedly made clear its commitment to Kosovo's sovereignty, territorial integrity and independence, and its integration into regional and international institutions. This commitment will be the guiding principle of my mission, if I am confirmed. After 4 years of independence, Kosovo has come a long way. It is now recognized by 86 countries and is a member of the World Bank and International Monetary Fund. Kosovo will likely reach a major benchmark with the end of supervised independence and the closure of the International Civilian Office this year. The International Steering Group must first determine that Kosovo has adopted the constitutional and legislative amendments to ensure that key principles of the Comprehensive Status Proposal are incorporated and preserved, and progress on this is well underway.

The goal of completing the integration of the Balkans into a Europe whole, free, and at peace has been the overarching, nonpartisan approach of successive U.S. administrations since the 1990s. Euro-Atlantic integration remains a top policy priority in our relationship with Kosovo, as with all its neighbors, because this will promote necessary domestic reforms and regional cooperation. Kosovo has recently

made several concrete steps in its advancement toward this future. This year, Kosovo and its partners welcomed the European Commission's launch of a visa liberalization dialogue and the announcement of its intention to launch a Feasibility Study for a Stabilization and Association Agreement. The European Union (EU) consensus decisions taken in February and last December mean that all EU members, even the five that have not recognized Kosovo's independence, believe that Kosovo's progress on a European path is good for the region and for Europe as a whole.

Kosovo's relations with its neighbors, in particular Serbia, are crucial to regional stability and integration. This is why the United States has fully backed the ongoing EU-facilitated dialogue between Kosovo and Serbia, which has achieved significant progress since its launch last March. The two sides have concluded several agreements that will improve the daily lives of the citizens of both countries, such as the restoration of two-way trade, mutual recognition of university diplomas, and the ability to move freely across each others' borders. The political leadership in Kosovo has shown maturity and foresight in making some tough decisions to reach these agreements, which have not been without domestic critics. I believe the political will shown by Kosovo's leadership to reach practical agreements with its neighbor is also motivated by the understanding that Serbian progress on its European path is good for Kosovo, too. The United States was able to support Kosovo every step along this way, as it demonstrated maturity and a forward-looking approach. If confirmed, I will ensure that the U.S. Government continues that support and backing for Kosovo's positive development.

In the development of its democracy, Kosovo has a daunting agenda with many pressing reform priorities. The United States must continue to focus on advancing Kosovo's progress as a multiethnic democracy, ensuring respect for the rights of all of Kosovo's communities—Kosovo Serbs, Roma, and others—and the preservation of their cultural and religious heritage. Kosovo's reform agenda also includes tackling corruption, cementing rule of law, further developing the energy sector, reducing barriers to business and investment, and strengthening public administration to improve governance.

Like other post-socialist societies, Kosovo still has much to do in developing the conditions for sustained, private sector-led expansion. It must reduce redtape, decentralize decisionmaking authority, and—most importantly—ensure an independent judiciary and efficient court system to see that investors have legal certainty and timely resolution of disputes. There are some promising signs: as annual economic growth continues, spending remains within budgetary limits and inflation is stable.

NATO's Kosovo Force (KFOR) remains a relevant and crucial presence in Kosovo, helping to maintain, pursuant to its mandate, a safe and secure environment throughout the country. Its role has been particularly challenging in northern Kosovo, where the tensions have run high, and hard-line Serb elements deny Kosovo's authority and the full freedom of movement for the international community. On several occasions, this tension has escalated to violence, resulting in injuries to several KFOR troops, including Americans. Given this situation, KFOR will likely remain at current troop levels for the foreseeable future. A solution to the situation in the north and normalization of relations require a durable *modus vivendi* that respects Kosovo's sovereignty, takes into account the views of the citizens of the north, and allows both Kosovo and Serbia to proceed on their respective Euro-Atlantic paths.

Madam Chairman, if confirmed, I will work with you, members of this committee and Congress, the Government and people of Kosovo, our European allies, the EU Rule of Law Mission (EULEX), NATO, the OSCE and the U.N., as well as regional partners to meet our shared goal of building a more stable, democratic, peaceful and prosperous Balkan region.

In my current position as the Deputy Director of the Foreign Service Institute, I have the privilege to mentor students at all levels from 47 government agencies. So I would like to emphasize, as I have during previous appearances before this committee, that if confirmed I will be not only the President's representative to Kosovo, but also the leader of an interagency team, and I will take seriously my responsibility to ensure a positive, productive, safe environment for the people of my mission.

Thank you for the opportunity to appear before this committee today. I look forward to answering any questions you may have.

Senator SHAHEEN. Thank you very much.  
Ambassador Norland.

**STATEMENT OF HON. RICHARD B. NORLAND, OF IOWA,  
TO BE AMBASSADOR TO GEORGIA**

Ambassador NORLAND. Thank you, Madam Chairman, Senator Lugar.

First, let me introduce my wife, Mary Hartnett, who's here with us today. And let me also thank Georgia desk officers, K.G. Moore and Laura Hammond for their help in preparing me for this testimony.

It is a privilege to appear before you today as President Obama's nominee to serve as the U.S. Ambassador to Georgia. I am honored by the confidence placed in me by the President and by Secretary Clinton, and if confirmed, I look forward to working with this committee and the Congress in advancing United States interests in Georgia.

Madam Chairman, we meet today on the eve of the 20th anniversary of United States-Georgia relations, which were established on March 24, 1992. As President Obama noted during President Saakashvili's visit to Washington earlier this year, Georgia has made extraordinary progress during this time in transforming itself from a fragile state to one that has succeeded in significantly reducing petty corruption, modernizing state institutions and services, and building a sovereign and democratic country.

Georgia has also demonstrated itself to be a reliable partner on issues of importance to the United States and the international community, such as Afghanistan, nonproliferation, and trade.

Much work remains to be done, however, as you pointed out. And if confirmed, I will build on the tremendous efforts of my predecessor, Ambassador John Bass, and of this committee and your colleagues in Congress to deepen our partnership with the Government and people of Georgia in these and other areas.

Of paramount importance, I want to emphasize that the United States commitment to Georgia's territorial integrity and sovereignty remains steadfast. The United States will continue to take an active role in the Geneva discussions to address security and humanitarian concerns, and to pursue a peaceful resolution to the conflict. I experienced these challenges firsthand while serving in Georgia and working on conflict issues there in the early 1990s. The United States will continue efforts to persuade Russia to fulfill its 2008 cease-fire obligations, while also working on the essential task of improving broader Georgia-Russia relations.

Equally significant will be the strengthening of democratic institutions and processes in Georgia, especially in light of parliamentary elections this fall and Presidential elections in 2013.

The elections provide Georgia with an extraordinary opportunity to realize its first peaceful and fully democratic transfer of power. Free and fair elections will bring Georgia closer to Euro-Atlantic standards and integration. To get there, the Georgian Government will have to build on reforms made to date to foster greater political competition, labor rights, judicial independence, and media access.

I strongly believe that advancing our key interests in Georgia's long-term security and stability is directly linked to the Government's furthering democratic reforms.

As President Obama indicated, the United States continues to support Georgia's NATO membership aspirations. The Chicago summit is indeed an opportunity to highlight Georgia's progress toward meeting membership criteria as well as its significant partnership contributions. As you pointed out, Georgia currently contributes some 850 troops to ISAF and plans to deploy another 750 troops this fall, which will make it the largest non-NATO contributor.

As a former deputy chief of mission in Kabul, I am keenly aware of the importance of our mission to help the Afghan people and of the hostile environment in Helmand province, where brave Georgian troops operate without caveats.

Georgian soldiers and their families have also made extraordinary sacrifices with, sadly, 15 soldiers killed in action and more than 100 wounded, many severely. The United States will continue to work with the Georgian Government to care for the wounded soldiers.

Sustaining robust bilateral security and defense cooperation with Georgia also will remain a high priority, if I am confirmed. Our plans for security assistance and military engagement with Georgia are to support Georgia's defense reforms, to train and equip Georgian troops for participation in the ISAF mission, and to advance Georgia's NATO interoperability.

Both Presidents agreed in January to enhance these programs to advance Georgian military modernization, reform, and self-defense capabilities. Economic linkages to the wider world have long formed the lifeblood of the Caucasus region.

And if confirmed, I will also work to deepen economic and trade relations between the United States and Georgia. President Obama took our relations in this area to a new level in January when he announced the launch of a high-level dialogue to strengthen trade ties, including the possibility of a free trade agreement.

In the interest of time, Madam Chairman, my testimony has been submitted for the record. I will close by saying that, taken together, these efforts will help bring Georgia closer to achieving its Euro-Atlantic integration goals. And if confirmed, I pledge to do my very best to advance U.S. interests there. Thanks very much for considering my nomination, and I look forward to your questions.

[The prepared statement of Ambassador Norland follows:]

PREPARED STATEMENT OF RICHARD B. NORLAND

Madam Chairman and members of the committee, it is a privilege to appear before you today as President Obama's nominee to serve as the United States Ambassador to Georgia. I am honored by the confidence placed in me by President Obama and Secretary Clinton. If confirmed, I look forward to working with this committee and the Congress in advancing U.S. interests in Georgia. I am pleased to introduce my wife, Mary Hartnett.

Madam Chairman, we meet today on the eve of the 20th anniversary of United States-Georgia relations, which were established on March 24, 1992. As President Obama noted during President Saakashvili's visit to Washington earlier this year, Georgia has made extraordinary progress during this time in transforming itself from a fragile state to one that has succeeded in significantly reducing petty corruption, modernizing state institutions and services, and building a sovereign and democratic country. Georgia has also demonstrated itself to be a reliable partner on issues of importance to the United States and the international community, such as Afghanistan, nonproliferation, and trade. Much work remains to be done, how-

ever, and if confirmed, I will build on the tremendous efforts of my predecessor, Ambassador John Bass, and of this committee and your colleagues in the Congress, to deepen our partnership with the government and people of Georgia in these and other areas.

Of paramount importance, I want to emphasize that the United States commitment to Georgian territorial integrity and sovereignty remains steadfast. The United States will continue to take an active role in the Geneva discussions to address security and humanitarian concerns, and to pursue a peaceful resolution to the conflict. I experienced these challenges first-hand while serving in Georgia and working on conflict issues there in the early 1990s. The United States will continue efforts to persuade Russia to fulfill its 2008 cease-fire commitments, while also working on the essential task of improving broader Georgia-Russia relations.

Equally significant will be the strengthening of democratic institutions and processes in Georgia, especially in light of parliamentary elections this fall and Presidential elections in 2013. The elections provide Georgia with an opportunity to realize its first peaceful and fully democratic transfer of power. Free and fair elections will bring Georgia closer to Euro-Atlantic standards and integration. To get there, the Georgian Government will have to build on reforms made to date to foster greater political competition, labor rights, judicial independence and media access. I strongly believe that advancing our key interest in Georgia's long-term security and stability is directly linked to the government's furthering democratic reforms.

As President Obama indicated, the United States continues to support Georgia's NATO membership aspirations. The Chicago summit is an important opportunity to highlight Georgia's progress toward meeting membership criteria as well as its significant partnership contributions. Georgia currently contributes some 850 troops to ISAF and plans to deploy another 750 troops this fall, which will make it the largest non-NATO contributor. As a former deputy chief of mission in Afghanistan I am keenly aware of the importance of our mission to help the Afghan people, and of the hostile environment in Helmand province where brave Georgian troops operate without caveats. Georgian soldiers and their families have also made extraordinary sacrifices with 15 soldiers killed in action and more than 100 wounded, many severely. The United States will continue to work with the Georgian Government to care for their wounded soldiers.

Sustaining robust bilateral security and defense cooperation with Georgia will also remain a high priority if I am confirmed. Our plans for security assistance and military engagement with Georgia are to support Georgia's defense reforms, to train and equip Georgian troops for participation in ISAF operations, and to advance Georgia's NATO interoperability. Both Presidents agreed in January to enhance these programs to advance Georgian military modernization, reform, and self defense capabilities.

Economic linkages to the wider world have long formed the lifeblood of the Caucasus region, and, if confirmed, I will also work to deepen economic and trade cooperation between the United States and Georgia. President Obama took our relations in this area to a new level in January when he announced the launch of a high-level dialogue to strengthen trade relations, including the possibility of a free trade agreement. Through this dialogue our two countries can pursue cooperation that will benefit both U.S. and Georgian citizens alike. With the support of Congress we can continue to help Georgia strengthen rule of law, provide commercial and judicial training, and improve investment protections through continued U.S. assistance. Finally, building on Georgia's successful first Millennium Challenge Corporation (MCC) compact, I will also continue the work being done to develop a second compact proposal that, if completed, will make significant investments in the Georgian people through education.

Madam Chairman, taken together, these efforts will help bring Georgia closer to achieving its Euro-Atlantic integration goals and, if confirmed, I pledge to do my very best to advance U.S. interests there. Thank you very much for considering my nomination, and I look forward to your questions.

Senator SHAHEEN. Thank you.  
Ambassador Merten.

**STATEMENT OF HON. KENNETH MERTEN, OF VIRGINIA,  
TO BE AMBASSADOR TO THE REPUBLIC OF CROATIA**

Ambassador MERTEN. Madam Chairwoman, members of the committee, it is a privilege to appear before you today as President Obama's nominee to serve as the U.S. Ambassador to Croatia. I am

honored by the confidence placed in me by the President and the Secretary of State.

If confirmed, I look forward to working with this committee and the Congress in advancing U.S. interests in Croatia.

I am delighted and proud to be accompanied today by desk officer, Susan McFee, who is behind me there, and by my wife, Susan, and my daughter, Elisabeth. Sadly, my daughter, Caryl, could not get away from university today in Charlottesville to join us.

We have been a Foreign Service family for over 20 years and have all felt proud to be given the chance to represent the United States at postings in Germany, France, the U.S. mission to the European Union, and three times in Haiti.

As you are aware, my current assignment in Haiti has been slightly more eventful than we had hoped, but I am proud of the way my family and my colleagues at the Embassy responded following the earthquake to come to the aid of the Haitian people and to evacuate over 16,000 American citizens.

While I hope not to face any similar crises in Croatia, my experience in Haiti demonstrates that I am an effective manager of people and resources, critical for any chief of mission.

Our bilateral relationship with Croatia has never been stronger. In fact, this afternoon, Secretary Clinton will meet with Foreign Minister Vesna Pusic to discuss our many common interests and how we will further strengthen our partnership under Croatia's new government. Just a few weeks ago, Attorney General Holder met with his Croatian counterpart to discuss our cooperation on rule-of-law issues. We have a robust military-to-military relationship. And next month, we will host the second Brown Forum, a regional conference held in honor of former Commerce Secretary, Ron Brown, focused on how to create positive conditions for increased trade and investment among the United States, Croatia, and the region. And these are only a few examples to illustrate our strong ties.

Croatia has made remarkable progress in only two decades since independence, becoming a NATO member in 2009, and now standing on the threshold of the European Union with full EU membership expected in 2013. The citizens of Croatia deserve to be congratulated for all they have accomplished.

Croatia's success in implementing often difficult reforms and creating a strong democratic society demonstrate that it is positioned to serve as a role model and a leader in the region for European and Euro-Atlantic integration.

Indeed, the United States supports the positive decisions Croatia has made to improve regional cooperation. We also encourage Croatian leaders to continue their efforts toward good neighborly relations and to continue working with neighbors to address bilateral and regional challenges, such as refugees and transnational crime.

As an international partner, Croatia has proven itself to be an active and committed NATO ally, as evidenced by its important contributions to global security, particularly in ISAF, KFOR, and U.N. peacekeeping missions.

While Croatia has come a great distance in terms of democratic progress, there is more to be done. The Croatian economy continues

to be challenged by high unemployment and anemic growth. This reflects both the global economic crisis and domestic challenges. The recently elected Government recognizes the urgent need for economic reform, and the United States will support Croatia's efforts to undertake those reforms to improve the business and investment climate so that sustainable economic growth and prosperity can be achieved. This in turn can be the basis for expanding our economic and trade relations.

If I am confirmed, I will seek to forge an even stronger partnership with Croatia, building on the excellent work of our outgoing Ambassador, James Foley, and our country team in Zagreb.

My foremost priority as Ambassador will be promoting United States interests in Croatia while pursuing our goals of strengthening the rule of law, fighting corruption, promoting economic growth and prosperity, reinforcing democratic institutions, and promoting regional security. I will actively seek to deepen our strategic alliance through NATO, ISAF, the Adriatic Charter, and other cooperative means.

I will also work closely with our EU partners to help Croatia complete the few remaining accession requirements. I look forward to Croatia's celebrating its full EU membership in 2013.

Madam Chairwoman and members of the committee, thank you for this opportunity to appear before you today. I will be pleased to answer any questions you have.

[The prepared statement of Ambassador Merten follows:]

PREPARED STATEMENT OF KENNETH H. MERTEN

Madam Chairman and members of the committee, it is a privilege to appear before you today as President Obama's nominee to serve as the United States Ambassador to the Republic of Croatia. I am honored by the confidence placed in me by the President and Secretary Clinton. If confirmed, I look forward to working with this committee and the Congress in advancing U.S. interests in Croatia.

I am delighted and proud to be accompanied today by my wife, Susan, and my daughter, Elisabeth. My daughter, Caryl, could not get away from university in Charlottesville to join us. We have been a Foreign Service family for over 20 years and have all felt proud to be given the chance to represent the United States at postings in Germany, France, at our mission to the European Union and three times in Haiti. As you are aware, my most recent assignment in Haiti was more eventful than we had hoped, but I am proud of the way my family and my colleagues at the Embassy responded following the earthquake, to come to the aid of the Haitian people and to evacuate over 16,000 American citizens. While I hope not to face any similar crises in Croatia, my experience in Haiti demonstrates that I am an effective manager of people and resources, critical for any chief of mission.

Our bilateral relationship with Croatia has never been stronger. In fact, this afternoon Secretary Clinton will meet with Foreign Minister Vesna Pusic to discuss our many common interests and how we will further strengthen our partnership under Croatia's new government. Just a few weeks ago, Attorney General Holder met with his Croatian counterpart to discuss our cooperation on rule-of-law issues, including Croatia's ongoing efforts to root out corruption and bring suspected war criminals to justice. We have a robust military-to-military relationship, which includes a joint NATO unit in Afghanistan and the State Partnership Program with the Minnesota National Guard. Next month, we will host the second Brown Forum, a regional conference held in honor of former Commerce Secretary, Ron Brown, focused on how to create positive conditions for increased trade and investment among the United States, Croatia, and the region. And these are only a few examples to illustrate our strong ties.

Croatia has made remarkable progress in only two decades since independence and a costly war, becoming a NATO member in 2009, and now standing on the threshold of the European Union, with full EU membership expected in 2013. The citizens of Croatia deserve to be congratulated for all they have accomplished. Croatia's success in implementing often difficult reforms and creating a strong demo-

cratic society demonstrate that it is positioned to serve as a role model and leader in the region for European and Euro-Atlantic integration.

Indeed, the United States supports the positive decisions Croatia has made to improve regional cooperation. We also encourage Croatian leaders to continue their efforts toward good neighborly relations and to continue working with neighbors to address bilateral and regional challenges such as refugees and transnational crime. As an international partner, Croatia has proven itself to be an active and committed NATO ally, as evidenced by its important contributions to global security, particularly in the International Security Assistance Force (ISAF) in Afghanistan, the Kosovo Force (KFOR), and U.N. peacekeeping activities. These contributions to regional and global stability reflect our shared values and the depth of our partnership with Croatia.

While Croatia has come a great distance in terms of democratic progress, there is more to be done. The Croatian economy continues to be challenged by high unemployment and anemic growth. This reflects both the global economic crisis and domestic challenges, including a cumbersome bureaucracy and an investment climate that needs to be much more welcoming to business. The recently elected Croatian Government recognizes the urgent need for economic reform. The United States will support Croatia's efforts to undertake reforms to improve the business and investment climate so that sustainable economic growth and prosperity can be achieved. This in turn can be the basis for expanding our economic and trade relations.

If I am confirmed, I will seek to forge an even stronger partnership with Croatia, building on the excellent work of our outgoing Ambassador, James Foley, and our country team in Zagreb. My foremost priority as Ambassador will be promoting U.S. interests in Croatia while pursuing our goals of strengthening the rule of law, fighting corruption, promoting economic growth and prosperity, reinforcing democratic institutions, and promoting regional security. I will actively seek to deepen our strategic alliance through NATO, ISAF, the Adriatic Charter, and other cooperative means. I will also work closely with our EU partners to help Croatia complete the few remaining accession requirements and look forward to celebrating its full EU membership in 2013.

Madam Chairman and members of the committee, thank you for this opportunity to appear before you. I would be pleased to answer any questions that you may have.

Senator SHAHEEN. Thank you very much.  
Mr. Pekala.

**STATEMENT OF MARK A. PEKALA, OF MARYLAND,  
TO BE AMBASSADOR TO THE REPUBLIC OF LATVIA**

Mr. PEKALA. Thank you, Madam Chairwoman, distinguished manners of the committee. It is a genuine privilege to appear before you today, and I thank you.

I am deeply grateful to President Obama and Secretary Clinton for their support and confidence in nominating me to be the next U.S. Ambassador to the Republic of Latvia.

If confirmed by the Senate, I pledge to devote all my energy to represent the United States to the very best of my ability and to advance U.S. interests in Latvia, while further strengthening the partnership between our two countries.

I am fully committed to working closely with this committee, your staff, and your congressional colleagues to advance our common objectives and shared agenda.

With your permission, I would like to introduce my wife, Maria. We are the very happy and proud parents of Julia and Nora, age 10 and 7, who have spent nearly two-thirds of their lives overseas while Maria and I have tried our best represent the American people.

I would also like to introduce and thank Julie-Anne Peterson, the Latvia desk officer at the State Department.

Over the last 10 of my nearly 25 years of government as deputy chief of mission in France, deputy chief of mission in Estonia, and Deputy Assistant Secretary of State responsible for our bilateral relations with for 15 European countries, including Latvia, as well as director of the entry-level division of human resources at the State Department.

I believe that these experiences have prepared me well, if confirmed, to lead our mission and to exercise American leadership in Latvia.

Last year, Latvia celebrated the 20th anniversary of regaining its independence; 2012 will mark 90 years of unbroken diplomatic relations with our friend and ally.

Since 1991, Latvia has embraced democracy and the principles of an open market; it is an excellent partner in a good environment in which to carry out the President's national export initiative dedicated to supporting U.S. businesses, increasing U.S. exports, and creating jobs in the United States.

If confirmed, I will work with United States businesses to expand their markets into Latvia. United States exports to Latvia have been rising over the last 2 years, and recent successful advocacy by Embassy Riga on behalf of the American companies IBM and Datacard demonstrates that there is scope for expanded United States investment in the Latvian market.

Latvia was hit extraordinarily hard by the economic crisis, losing nearly 25 percent of its GDP. But it has proven itself to be both resilient and innovative in meeting its economic obligations and finding creative ways to offer its expertise to its post-Soviet neighbors. After weathering its economic storm, Latvia is actively contributing to assistance projects in Moldova, including a rule-of-law program in cooperation with USAID.

Latvia also provides training for Afghan railroad officials and is planning to participate in a training program for Afghan air traffic controllers.

If confirmed, I will work with Latvia to continue this crucial development engagement.

In 2004 Latvia joined NATO. It is a valued member of the alliance, contributing approximately 200 troops and police trainers in Afghanistan. In addition, the Latvian National Armed Forces have successfully developed a high-demand niche capability with their Joint Terminal Attack Controller, or JTAC program.

Latvia is one of only six other allied countries certified to call in United States close air support on the battlefield.

Standing with the alliance does not come without cost. Latvia has suffered the loss of four soldiers and had nine wounded during its years in Afghanistan. We are deeply grateful for Latvia's contributions and for its decision to remain with us in Afghanistan until 2014.

As a native of Michigan, I am particularly proud of Latvia's partnership with the Michigan National Guard, now in its 20th year. In Afghanistan, Latvia successfully ran an operational mentoring and liaison team, or OMLT, with the Guard.

Today, Latvia is once again teaming up with its National Guard partners to train soldiers in Liberia, an effort that underlines not only how far Latvia has come in the 20 years since its

regained its independence, but also its increasing focus and venturing outside its neighborhood to share the valuable lessons learned during its evolution from newly independent country to mature democracy.

Although Latvia has made tremendous strides in democracy and the rule of law, it is still struggling to come to terms with some aspects of its past, particularly the legacies of World War II and Soviet rule.

Latvia has work to do to promote social integration of its minority populations. We are encouraged to see the Latvian Government considering measures that would improve integration of this population. We hope that the recent language referendum can be used by both sides as a means to open a constructive dialogue between ethnic Russians and ethnic Latvians.

If confirmed, I hope to use my position as Ambassador to support outreach efforts to all minority communities in Latvia.

Should the Senate confirm my nomination, I will dedicate myself to protecting and advancing United States interests in Latvia.

I thank you again for the privilege of appearing before you today, and I welcome any questions you may have.

Thank you.

[The prepared statement of Mr. Pekala follows:]

PREPARED STATEMENT OF MARK PEKALA

Madam Chairman, distinguished members of the committee, it is a genuine privilege to appear before you today, and I thank you. I am deeply grateful to President Obama and Secretary Clinton for their support and confidence in nominating me to be the next U.S. Ambassador to the Republic of Latvia. If confirmed by the Senate, I pledge to devote all my energy to represent the United States to the very best of my ability and to advance U.S. interests in Latvia, while further strengthening the partnership between our two countries. I am fully committed to working closely with this committee, your staff, and your congressional colleagues to advance our common objectives and shared agenda.

With your permission, I would like to introduce my wife, Maria. We are the very happy and proud parents of Julia and Nora, age 10 and 7, who have spent nearly two-thirds of their lives overseas while Maria and I have tried our best to represent the American people.

Over the last 10 of my nearly 25 years of Government service, I have served as deputy chief of mission in France, deputy chief of mission in Estonia, and Deputy Assistant Secretary of State, responsible for our bilateral relations with 15 European countries, including Latvia, and as Director of the Entry-Level Division of Human Resources at the State Department. I believe that these experiences have prepared me well, if confirmed, to lead our mission—and to exercise American leadership—in Latvia.

Last year, Latvia celebrated the 20th anniversary of regaining its independence; 2012 will mark 90 years of unbroken diplomatic relations with our friend and ally. Since 1991, Latvia has embraced democracy and the principles of an open market. It is an excellent partner and a good environment in which to carry out the President's National Export Initiative, dedicated to supporting U.S. businesses, increasing U.S. exports, and creating jobs in the United States. If confirmed, I will work with U.S. businesses to expand their markets into Latvia. U.S. exports to Latvia have been rising over the past 2 years, and recent successful advocacy by Embassy Riga on behalf of American companies IBM and DataCard demonstrates that there is scope for expanded U.S. investment in the Latvian market.

Latvia was hit extraordinarily hard by the economic crisis, losing nearly 25 percent of GDP in the global economic crisis. But it has proven itself to be both resilient and innovative in meeting its economic obligations and finding creative ways to offer its expertise to its post-Soviet neighbors. After weathering its economic storm, Latvia is actively contributing to assistance projects in Moldova, including a rule of law program in cooperation with USAID. Latvia also provides training for Afghan railroad officials and is planning to participate in a training program for

Afghan air traffic controllers. If confirmed, I will work with Latvia to continue this crucial development engagement.

In 2004, Latvia joined NATO. It is a valued member of the alliance, contributing approximately 200 troops and police trainers in Afghanistan. In addition, the Latvian National Armed Forces have successfully developed a high-demand niche capability with their Joint Terminal Attack Controller (JTAC) program. Latvia is one of only six other allied countries certified to call in U.S. close air support on the battlefield. Standing with the alliance has not come without cost; Latvia has suffered the loss of four soldiers and had nine wounded during its years in Afghanistan. We are deeply grateful for Latvia's contributions and for its decision to remain with us in Afghanistan until 2014.

As a native of Michigan, I am particularly proud of Latvia's partnership with the Michigan National Guard, now in its 20th year. In Afghanistan, Latvia successfully ran an Operational Mentoring and Liaison Team (OMLT) with the Guard. Today, Latvia is once again teaming up with its National Guard partners to train soldiers in Liberia—an effort that underlines not only how far Latvia has come in the 20 years since it regained its independence, but also its increasing focus on venturing outside its neighborhood to share the valuable lessons learned during its evolution from newly independent country to mature democracy.

Although Latvia has made tremendous strides in democracy and rule of law, it is still struggling to come to terms with some aspects of its past, particularly the legacies of World War II and Soviet rule. Latvia has work to do to promote social integration of its minority populations. Almost a third of Latvia's residents are ethnic Russians, of whom just under 300,000 are noncitizens. We are encouraged to see the Latvian Government considering measures that would improve integration of this population; we hope that the recent language referendum can be used by both sides as a means to open a constructive dialog between ethnic Russians and ethnic Latvians. If confirmed, I hope to use my position as Ambassador to support outreach efforts to all minority communities in Latvia.

Latvia is also making progress in coming to terms with the horrific events of the Holocaust, but more needs to be done. The restitution of private property is largely finished, but we need to see further progress on compensation for communal and heirless properties. If confirmed, I pledge to work diligently with the Government of Latvia and the local Jewish community to address Holocaust legacy and property restitution issues.

Should the Senate confirm my nomination, I will dedicate myself to protecting and advancing U.S. interests in Latvia. I thank you again for the privilege of appearing before you today and I welcome any questions you may have.

Senator SHAHEEN. Thank you very much.

Mr. Levine.

**STATEMENT OF JEFFREY D. LEVINE, OF CALIFORNIA,  
TO BE AMBASSADOR TO THE REPUBLIC OF ESTONIA**

Mr. LEVINE. Madam Chair, members of the committee, it is an honor to appear before you today as President Obama's nominee to be the next United States Ambassador to the Republic of Estonia. I'm grateful to the President and to Secretary Clinton for the trust they have placed in me.

If confirmed, I will work tirelessly to advance the interests of the United States and further strengthen the already deep and productive relationship we enjoy with Estonia.

Madam Chair, with me today are my wife, Janie, and son, Nick. I'm very fortunate to have a supportive family who has shared the joys and challenges of my 27-year Foreign Service career. Nick will be remaining in the United States to start college, but if I am confirmed, I hope he will share at least part of this adventure on school breaks.

I also would like to introduce Rodney Hunter, the State Department's desk officer for Estonia.

For nearly 50 years, the United States refused to acknowledge the illegal and forcible occupation of Estonia by the Soviet Union.

Their regular statements of support that came from the White House and Congress served as signals of hope for Estonians both in Estonia and abroad. Since 1991 and the reestablishment of Estonia's independence, each American President and every Congress have continued the support as Estonia transformed itself from a Soviet satellite to the strong and reliable democratic ally that it is today.

Estonia is a modern free-market success story. Even during the worldwide economic crisis, Estonia's fiscal and economic situation has steadily improved. After more than a year as a member of the eurozone, Estonia's economic situation is stronger than ever. In the midst of Europe's economic problems, Moody's upgraded Estonia's credit rating last year.

Estonia is also sharing the benefits and lessons of its success with other democracies and nations in transition across the globe.

Since it became a NATO ally in 2004, Estonia has shown unwavering support for shared objectives around the world. Estonian troops served with us in Iraq and continue to operate without caveats in southern Afghanistan.

Estonia has expressed its commitment to stay on the ground as the NATO mission transforms into advice and assistance. This commitment will remain strong, though Estonia has paid a high price for the service with the lives of 11 of its brave soldiers in Iraq and Afghanistan, the second-highest per capita loss in Afghanistan of any ISAF partner.

Estonia has also contributed to many other military missions, including Kosovo, Bosnia-Herzegovina, and the Horn of Africa. Estonia's military remains a force in transition, but one that is willing to take on dangerous missions side by side with American troops.

Our support remains a crucial tool to help Estonia create a military even more capable of serving alongside United States forces in the future. Estonian soldiers and officers attend training in the United States and have proven themselves accomplished and knowledgeable partners on the ground in Afghanistan and around the world.

As you noted, Estonia has also committed 2 percent of its GDP to defense spending, serving as a model for other allies and sharing the burden of our common security.

Estonia is a world leader in information technology and an Estonian entrepreneur is the creator of Skype, now used around the world. It hosts the NATO Cyber-Security Center of Excellence in Tallinn, which the United States joined officially in 2011. Estonia's innovative Cyber Defense League works closely with the Maryland National Guard to boost cyber security in both our countries.

In joint operations with the FBI and Secret Service, Estonia has been crucial in bringing a number of cyber criminals to justice in the United States.

Estonia is also a pioneer in e-governance. In its last election, one quarter of Estonians voted online; electronic medical records are fully accessible from any doctor's office; and its citizens have unprecedented access to information about their government. Moreover, Estonia has willingly shared this expertise with more than 40 nations, from Tunisia to India to the Ukraine.

If confirmed, I will work to continue our strong cooperation on cyber issues and find ways to leverage United States support of Estonia's endeavors to ensure that our assistance to young democracies, like Moldova, for example, is as effective as possible.

The United States also welcomes Estonia's ongoing efforts to build strong communal relations among all Estonians, including the country's sizable Russian-speaking population.

If confirmed, I hope to work closely with my public diplomacy colleagues in Washington and in the region to further utilize social media resources to better reach out to all in Estonia, including the Russian-speaking minority and especially the young people.

Madam Chair, members of the committee, the history of relations between the American people and Estonia is one of trust and mutual support. Just as we stood side by side with the Estonian people during their difficult past, Estonians today are at our side as we meet common challenges and seize joint opportunities.

Estonians are not just dependable allies and strong partners but also close friends of the American people. If confirmed, I will dedicate myself to advancing that friendship and promoting United States interests in Estonia to further our partnership.

Thank you again for allowing me to appear before you today. I look forward to your questions.

[The prepared statement of Mr. Levine follows:]

PREPARED STATEMENT OF JEFFREY D. LEVINE

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Since it became a NATO ally in 2004, Estonia has shown unwavering support for our shared objectives around the world. Estonian troops served with us in Iraq and continue to operate without caveats in southern Afghanistan. Estonia has expressed its commitment to stay on the ground as the NATO mission transforms into advice and assistance. This commitment remains strong, though Estonia has paid a high price for this service with the lives of 11 of its brave soldiers in Iraq and Afghanistan, the second highest per capita loss in Afghanistan of any ISAF partner. Estonia has also contributed to many other military missions, including in Kosovo, Bosnia/Herzegovina, and the Horn of Africa.

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Estonia is also a pioneer in e-governance. In its last election one-quarter of Estonians voted online, electronic medical records are fully accessible from any doctor's office, and its citizens have unprecedented access to information about their government. Moreover, Estonia has willingly shared this expertise with more than 40 nations, from Tunisia, to India, to Ukraine. If confirmed, I will work to continue our strong cooperation on cyber issues, and find ways to leverage U.S. support for Estonia's endeavors to ensure that our assistance to young democracies like Moldova, for example, is as effective as possible.

The United States also welcomes Estonia's ongoing efforts to build strong communal relations among all Estonians, including the country's sizeable Russian-speaking population. If confirmed, I hope to work closely with my public diplomacy colleagues in Washington and in the region to further utilize "social media" resources to better reach out to all in Estonia, including the Russian-speaking minority and especially to young people.

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Thank you again for allowing me to appear before you today. I look forward to your questions.

Senator SHAHEEN. Thank you very much, Mr. Levine.

And thank you all for your testimony and for introducing your family members who are here. We especially appreciate their being here this morning and their support for the work that you have been doing and will continue to do.

I know that Senator Lugar has some time constraints, so, Senator, would you like to begin the questioning?

Senator LUGAR. Thank you very much, Madam Chairman.

Let me ask Ambassador Norland, you are aware of the Cooperative Threat Reduction Program in Georgia in which we recently have completed a central reference laboratory to address potential natural and bioterrorist infectious disease outbreaks which threaten Georgia, the United States, and others.

This is taking some time and effort, but to my knowledge, this facility is presently functioning. I would just simply ask at the outset that you be aware of the project, and likewise be helpful in working with Georgian authorities to gain the greatest benefits from this, similar to other laboratories set up in the area under the Nunn-Lugar program where information is shared with the United States with the thought of stopping any potential biological threat.

A specific question comes with regard to NATO, and I introduced the NATO Enhancement Act, which would encourage further NATO enlargement and designate all countries expressing a national interest in joining NATO, including Georgia, as potential aspirant countries.

As you have studied the Georgian situation in preparation for your ambassadorship, what is the lay of the land as you see it? And what steps could the United States take constructively to help Georgian aspirations?

Ambassador NORLAND. Well, thank you for both questions, Senator.

On the CTR issue, let me start by congratulating you for two decades of work on nonproliferation. These reference laboratories are sort of a continuation of that work. I am aware of this kind of project because we had one in Uzbekistan under way. I'm aware that the one in Georgia was recently inaugurated. It is an extremely important project, both for what it represents in terms of nonproliferation issues, but also in terms of public health, animal disease control, and things that are important to agriculture.

The Embassy or mission there I understand is supporting the project actively, and the U.S. Army plans to actually station some people there to work with the Georgians to make sure the laboratory properly carries out its functions.

On the NATO issue, also let me thank you and members of the committee for the tremendous work over the years that you have done in support of NATO enlargement, and particularly for the support you're lending to Georgia's NATO aspirations. We welcome this support from the Congress, and we strongly support Georgia's NATO aspirations.

NATO has declared that Georgia will be a member, so the issue really has to do with how and when. There is no single path to NATO membership. As it stands now, as I understand, the annual national program and the NATO-Georgia council all their primary mechanisms through which Georgia and the allies are pursuing the issue of Georgia's membership.

But a lot of emphasis at the same time is being placed on steps Georgia is taking already in the direction of membership. Its contributions to ISAF, which we noted already today, the steps it has taken on defense reform and modernization, and the steps which I alluded to regarding democracy and economic progress. These are all part of the package that go into meeting the criteria for NATO membership.

As I carried out my consultations, I have become aware of a serious effort on the part of the administration to use the Chicago summit to signal acknowledgment for Georgia's progress in these areas and to work with the allies to develop a consensus on the next steps forward.

And I can assure you that, if confirmed, carrying that forward will be an extremely important part of my duties.

Senator LUGAR. Well, that is a very, very important statement. I appreciate your leadership in that area. And you know you will have the support back here of many of us as you proceed.

Let me ask you, Mr. Pekala, speaking of the NATO summit in Chicago, I am reminded of the NATO summit that occurred in Riga in 2006. I was honored to be the dinner speaker before the day of the summit and took that occasion to recall that the previous winter had been one in which natural gas shipments from Russia to Ukraine had been terminated. That also occurred in other

countries, but it was especially conspicuous in regard to Ukraine, with ramifications in Germany.

So I suggested that article 5 of the NATO charter really ought to be expanded to energy security, that warfare in Europe might not commence through troops marching across territory or aircraft bombings, but simply by cutting off the gas or cutting off the oil.

This has been a subject of great importance, obviously not only to the country that you're going to represent, but its neighbors, and for that matter, all of Europe is represented with ideas like the Nabucco pipeline or other smaller projects.

What is the situation now as you perceive it in the country that you are about to represent—the United States—in Latvia? What is the energy predicament? And what degree of energy independence or security does it have?

Mr. PEKALA. Senator, thank you for that very important question. We share your concerns, obviously.

We in the State Department, you, many others, over the past many years, have been talking to countries in the region about the importance of diversifying the sources of energy and diversifying the ownership of the pipelines that bring that energy to various countries.

The situation in Latvia is evolving. They do understand the importance of diversity of ownership and supply. They are subject to a near-Russian monopoly on their gas and oil. But in other areas, the picture is a lot more optimistic.

Latvia only imports a tiny percentage of its energy, that mostly from Estonia. They produce most of their own energy through hydroelectric plants and other means. And they are working with the other two Baltic States on other means of renewable energy sources. They are working with Estonia and Lithuania on a possible nuclear power plant in Lithuania, and they are talking to Estonia and Lithuania and many other countries in the region about a possible LNG, a liquefied natural gas terminal, somewhere in the Baltics, also thinking about tapping into supplies that might be in Germany and Poland and elsewhere. And the Latvians, like others, are looking into shale oil and shale gas as a means of diversifying their supply and enhancing their independence.

So the good news is that the Latvians clearly understand, along with you and us and many others, the importance of diversification, and they are working hard on establishing means to work hard on that in the 21st century to increase their independence.

Senator LUGAR. I appreciate that response. Obviously, you are on top of the subject, and I congratulate you.

Thank you, Madam Chairwoman.

Senator SHAHEEN. Thank you, Senator.

You probably saw us doing some quick whispering up here. We think we are going to have some votes called very shortly, so Senator Cardin is going to go next, and then I will continue. We will recess to vote, and then I will come back if there are still questions.

So, Senator Cardin.

Senator CARDIN. Thank you very much, Madam Chair.

What I will do is I will pose a question to all five that I will ask be answered for the record, so we don't need to take the time now.

But let me make the point, if I might, and that is, first, thank all five of you for your public service. And I thank you for your families. You have all had an incredible career of public service, and you are continuing that, and we know this is sacrifice not only for you, but for your families. We appreciate that very much.

All five of the countries that are represented here have a lot in common. They are all strategically important to the United States. We have excellent relationships with all five countries. And they are countries that we want to continue to strengthen those ties.

I have the honor of chairing the U.S.-Helsinki Commission, the Senate chair of the commission. And my question deals with the highlighting the important role that you can play as Ambassador to continue the advancements on the human dimensions of the OSCE.

I particularly mention Estonia, because Estonia has been a successful country in using the OSCE format in dealing with its Russian-speaking minority, and I applaud the Estonian Government. I've been there. I've worked with them, in using the OSCE to advance the human rights issues.

[The written answers submitted for the record by Ambassador Merten, Mr. Pekala, and Mr. Levine follow:]

Ambassador MERTEN. The OSCE has played a key role in Croatia's transformation into a NATO Ally and soon-to-be EU member. Evidence of its progress can be seen in the decision to close the OSCE Office in Zagreb, truly a success story for the region and the organization. Yet more work remains. If confirmed, as Ambassador I will strongly encourage Croatia to continue to meet its OSCE human dimension commitments on human rights and fundamental freedoms, both for the citizens of Croatia and so that Croatia can be a model for the rest of the region. These commitments include protecting human and minority rights, ensuring civil society and independent media have space in which to operate, and inviting international election observation.

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Mr. PEKALA. If confirmed as Ambassador, I would work closely with the Government of Latvia on the full panoply of OSCE activities throughout its geographic area of activity. We greatly value the work that the OSCE has accomplished. Both the United States and Latvia share its goals and objectives. We see Latvia as an excellent partner in these endeavors and anticipate a robust relationship on these issues in the future.

In particular, I would urge close cooperation with OSCE institutions, with the aim of improving transparency. In the context of the OSCE, Latvia has demonstrated a willingness to share the experience it has gained through its democratic transition to assist other states in the region, and as part of OSCE's efforts to support OSCE partner states in the Mediterranean and North Africa.

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Mr. LEVINE. If confirmed, I will work closely with the Government of Estonia to advance our shared goal of strengthening the OSCE's human dimension. I believe that Estonia has a deep appreciation for OSCE's democratization and human rights work, as it benefited directly during Estonia's own democratic transition. Today, Estonia serves as an example of transparency, openness, and freedom and works to share its experience and expertise with other countries in the OSCE region, such as Belarus and Moldova. Estonia also takes the protection of freedoms of the press, speech, and Internet seriously, both domestically and abroad.

Estonia has also worked over the past year to take several positive steps on its own issues of minority rights and citizenship, and it has reduced the number of people in the country who lack citizenship. While there is still some distance to go, Estonia is moving in the right direction. If confirmed, I will work closely with the Government of Estonia, as well as through our social media platforms with the public, to ensure that progress continues.

Let me, if I just might very quickly, mention in Kosovo, there are challenges. There are serious challenges. Kosovo is not a member of the OSCE, because of the blockage of a minority number of countries within the OSCE. But it needs to pay attention to the rights of all of its citizens, and I will be asking, Ms. Jacobson, that you pay particular sensitivity to that in your role, when confirmed, as Ambassador.

As Ambassador, what is the important role that you can play to continue the advancements on the human dimensions of the OSCE?

[The written answer submitted for the record by Ambassador Jacobson follows:]

The Government of Kosovo is not currently a participating State, but its admission would be welcome in the future. Much work takes place every day in Kosovo that furthers the OSCE's comprehensive view of security, especially in the human dimension. Supporting OSCE's efforts to protect human rights and strengthen democracy will be a critical element of my mission, if I am confirmed. If confirmed, I would look forward to working with the OSCE and would also hope to have the same good partnership with the Helsinki Commission that I enjoyed as Ambassador to Turkmenistan and Tajikistan. This partnership resulted in significant achievements, for example in the area of religious freedom in Turkmenistan.

In Kosovo there has been a lot of progress made in the area of human rights with regard to protection of all communities, as required in the Constitution, and some progress has also been made in terms of bringing to justice those officials who commit abuses.

The GoK is also taking steps to address irregularities and electoral manipulations which marred Assembly elections in 2010. In preparation for the next parliamentary elections, a legislative committee is revising the electoral code, while another committee is preparing constitutional changes that would allow direct election of the President. Further, after some criticism of the lack of serious sentences and fines for people who committed electoral abuses, we have noted a positive trend since 2011 toward serious sentences and fines for election fraud; 27 people have been sentenced to terms, and more than 100 people have been fined.

There also remain concerns about discrimination, for example against ethnic and religious minorities, disabled persons and members of the lesbian, gay, bisexual and transgender community. Additional human rights issues included allegations of prisoner abuse as well as corruption and favoritism in prisons; lengthy pretrial detention; judicial inefficiency; intimidation of media by public officials and criminal elements; limited progress in returning internally displaced persons (IDPs) to their homes; government corruption; trafficking in persons; and child labor in the informal sector.

Roadblocks established by Serb hard-liners in northern Kosovo have also seriously restricted basic rights for citizens in the north, including the free movement of goods, people, and services. Serb hard-liners have employed violence and intimidation against domestic opponents and international security forces, which resulted in deaths and injuries during the year.

Tackling these issues is going to take a concerted international effort to address, and will require leadership by the United States in cooperation with Kosovo.

My main question, though, is to Ambassador Norland, if I might. You've come from Uzbekistan, which is not exactly the best nation as an example of the advancement of human rights. Georgia has problems. They are strategically important to us. They are moving forward in transition. I had a chance to talk to President Saakashvili when he was here about what he is doing as far as open and free elections for both the Parliament and for the Presidency. We know that there are efforts to limit those who are eligible to run for President, and there have been statements made by the opposition that they are being denied opportunities to fairly compete in the national elections.

So my question to you is—and you can answer this for the record—that'll be fine—as to what steps you would take as Amba-

sador to make sure that Georgia continues its transition to free and open elections, allowing fair opportunities for opposition candidates to compete in the election?

And, Madam Chair, I can have those answered for the record.

Senator SHAHEEN. Well, I would actually like to hear the answer, so we have a few minutes before we have to recess for the vote. So perhaps, Ambassador Norland, you can go ahead and respond.

Ambassador NORLAND. Thank you, Senator.

And thank you, Senator Cardin, for the question, and for your work in support of the Helsinki Accords. I am familiar with that work from when I was with, at the time, CSCE in Georgia, and the principles that are represented by the accord are actually principles on the table still today with respect to the conflict zones in Georgia and also with respect to the democratic process that you have touched on.

If confirmed, I would seek to develop broad firsthand knowledge of Georgia's performance with respect to promotion of rule of law and fundamental freedoms afforded under Helsinki Accords and to urge the Georgians to take all necessary steps to ensure they are in full compliance.

Georgia has made progress toward becoming a full democratic state. The elections this year and the Presidential elections next year are testimony to that.

But, as you indicate, there are very real concerns. While there has been real progress, there are real concerns about what you might call of the level playing field. And there are reports of harassment of opposition candidates that trouble us deeply. The role of the so-called chamber of control and party financing is drawing a lot of concern in Georgia and in the international community.

I can tell you already our mission is raising these concerns publicly and privately with the Georgian Government. And if confirmed, it would be my role to continue to monitor very carefully Georgia's observance of the principles that we hold dear. This would be a central priority for my mission.

The United States already spends millions of dollars in assistance to promote civil society, rule of law, and democracy in Georgia. And we need to be careful stewards of those funds to make sure that we are getting the results we're looking for.

Finally, I would just point out, given Georgia's interests, Georgia's aspirations to NATO membership, and our support for those aspirations, how these elections are conducted is very important litmus test, and we will be watching carefully to make sure that the way these elections unfold are in keeping with NATO standards.

Senator CARDIN. I would just underscore the issue of qualification of opposition candidates. That has been used in too many European countries as a way of trying to block opposition opportunities. I would just urge our presence there to have the widest possible opportunities for opposition to effectively be able to compete on a level playing field.

Ambassador NORLAND. Yes, sir.

Senator CARDIN. Thank you, Madam Chair.

Senator SHAHEEN. Thank you. Would you like to hear a response from Ambassador Jacobson, too, on the Kosovo issue?

Senator CARDIN. Yes, thank you.

Ambassador JACOBSON. Thank you for the opportunity.

If I am confirmed, the issue of human rights and promotion of democracy will be a critical element of my mission, as it was in my missions in Turkmenistan and Tajikistan. And I would look forward to working in very close partnership with the Helsinki Commission, a partnership which I think produces real results; for example, our progress on the issue of religious freedom in Turkmenistan.

In Kosovo, there has been a lot of progress made in the area of human rights with regard to protection of all the communities, which is included in the constitution. And some progress has also been made in terms of bringing to justice those officials who commit abuses.

The Government is currently working on electoral law in preparation for parliamentary elections, which could occur as early as next year, and also looking at constitutional amendments to allow the direct election of the President.

After some criticism of the lack of serious sentences and fines for people who committed electoral abuses, we have noted a positive trend in 2011 toward serious sentences and fines. And, in fact, 27 people have been sentenced to terms and more than 100 people have been fined.

There are still serious problems with discrimination, societal discrimination, for example, against ethnic and religious minorities, against disabled and LGBT people. There are issues with corruption and rule of law. There are a variety of issues that are going to take a concerted international effort, including leadership by the United States in cooperation with Kosovo, to address.

I would also point out that the human rights situation in the North is not helped by the existence of the illegal parallel institutions, which do prevent full human rights; for example, the freedom of movement.

And these issues would all be critically important to my mission, if confirmed.

Senator CARDIN. I am just pointing out there appears to be an opening with Serbia as it relates to north Kosovo. There appears to be a willingness to talk more openly about these issues, and Serbia is trying to become the leader; chair an office in the OSCE.

So there is some opportunity, we think, to make significant progress in this area. And I agree with your assessment. But I think the United States can play a very important role, and our Embassy in Kosovo can be a critical partner.

Thank you, Madam Chair.

Senator SHAHEEN. Thank you.

At this point, we will recess for about 15 minutes while we vote. And I will return. I'm not sure who else will.

Thank you.

[Recess.]

Senator BARRASSO [presiding]. Thank you for resuming this. We apologize for the fact that there is a vote going on. Senator Shaheen will be back shortly.

I wanted to first thank all of you for your willingness to serve, and congratulate you on your appointments, and look forward to additional discussions.

I'm going to start, if I could, with the nominee to Kosovo.

Ambassador Jacobson, in November last year, I traveled to Camp Bondsteel in Kosovo. That was my second visit. I spent Thanksgiving with the troops. We have 23 Wyoming Air National Guardsmen there. They are members of Detachment 3, the B Company, 777th Aviation Support Battalion. For the next 6 months, they are going to continue to provide helicopter support and maintenance to the 112th Aviation Regiment. Also able to meet at the time on Thanksgiving Day with the Chargé d'Affaires, Michael Murphy, and had a nice visit.

On paper, our forces in Kosovo are classified as the third responder in support of the peacekeeping operations. However, we know that more often than not when violence erupts, these forces become the first responders when Kosovo security forces and European Union forces can't assist.

So with the drawdown that is occurring there, I just want to know how we can encourage the people of Kosovo to step up and provide the type of security that people of Kosovo demand, expect, and who can we trust to make sure that that happens and what role you will plan that.

Ambassador JACOBSON. Thank you for the question, Senator.

KFOR staffing is currently at about 5,800 troops, which the United States usually forms around 10 percent. We are what is known as Gate 2 in terms of the level of staffing. Given the violence that occurred last summer and the conditions on the ground, we see the staffing levels remaining relatively consistent for the near foreseeable future, because KFOR, as you mentioned, does play an incredibly important role in terms of maintaining security throughout the country.

In addition to that, KFOR is playing an important role in terms of mentoring and advising the Kosovo security force, which has responsibility in four major areas, including civil emergency, fire suppression, disposal of hazardous materials, explosive ordnance disposal. And KFOR will continue to play that role as the Kosovo security force develops.

The commander of KFOR has recommended that the full operating capacity status for the Kosovo security force. This is a decision that has to be taken by the North Atlantic Council. And that decision will inform how we go forward in the future.

Senator BARRASSO. Thank you.

Ambassador Norland, I had a chance to travel to Georgia with Senator McCain and others, and meet with the President there. On December 31, 2011, President Obama signed the National Defense Authorization Act for Fiscal Year 2012. It specifically calls on the Secretary of Defense to submit a plan to Congress for the normalization of U.S. defense cooperation with Georgia, including the sale of defensive weapons.

If confirmed as United States Ambassador to the Republic of Georgia, will you be committed to stepping up the United States defense security cooperation with Georgia and support efforts to assist in developing Georgia's self-defense capabilities?

Ambassador NORLAND. Senator, yes. Thank you for the question. And thanks for your support for Georgia, for NATO enlargement, and for Georgia's defense capabilities.

I firmly believe that a robust military-to-military relationship needs to be a part of United States-Georgia relations. And fortunately, during President Saakashvili's meeting with President Obama on January 30, I think some important forward impetus was given to that relationship.

We have already seen approval of a shipment or the purchase of M4 carbines by the Georgians. There's going to be I think enhanced focus on support for Georgian defense reforms, for Georgia's ability to participate in the ISAF mission, and for NATO interoperability in that regard.

As we speak, the U.S. Marines are wrapping up today an exercise, Agile Spirit, with Georgian military, in support of their ISAF presence. The Georgia National Guard here in the United States has a very important and active relationship with the military in Georgia. Deputy Assistant Secretary Wallander from the Department of Defense was there recently, and I understand a Georgian Deputy Minister of Defense is coming here next month to pick up the dialogue following the Presidential meeting here on this issue.

Absolutely, if confirmed, I see it as an essential part of my mission to develop a robust military-to-military bilateral defense cooperation arrangement with Georgia.

Senator BARRASSO. Thank you, Mr. Norland. I appreciate it.

Ambassador Merten, with regard to Croatia, I'm just wondering how Croatia has been impacted by the global economic crisis, and what sort of efforts have been taken by Croatia to boost its competitiveness, to boost its economic growth, and how the United States may be involved and helpful in future efforts.

Ambassador MERTEN. Thanks so much.

I think Croatia's accession to the European Union, if that goes forward as planned next summer—summer 2013—will be a large boon to the Croatian economy.

One of the things I hope to focus on, should I be fortunate enough to be able to get out to post, is to work with the Croatians on investment and economic growth issues. I firmly believe that as a good partner economically, we can work with them and help them to develop their economy, to develop a business-friendly environment, which is very welcoming to foreign investment, particularly American investment.

And, ultimately that is good for the American people, because a good, strong economic partner in Croatia will help create and generate jobs here in the United States.

Senator BARRASSO. Thank you.

Mr. Pekala, the former President of Latvia is an orthopedic surgeon, and I'm an orthopedic surgeon. We trained with the same professors. So we have great relationships unrelated to all the things that you're going to be doing. But if you ever get into a pinch, let the orthopedic surgeons come in, and we can help.

Latvia was significantly impacted by the global economic crisis. The country's gross domestic product dropped by 17 percent in 2009, unemployment rose to 18 percent in 2010. In 2008, the IMF provided a stabilization loan to Latvia.

What steps is the Government taking in response to the economic crisis? And what kind of impact will the uncertainty in the eurozone have on Latvia?

Mr. PEKALA. Senator, thank you for that question, and I can ask former President Zatlers and you, then, if it hurts when I—

Senator BARRASSO. It hurts when you do that, stop doing that.

Mr. PEKALA. Exactly. [Laughter.]

As you well stated, Latvia was hit very hard by the economic crisis. I mentioned in my prepared remarks that between 2008 and 2010, as you said, GDP in Latvia went down by 25 percent.

Prime Minister Dombrovskis, starting right away after the economic crisis hit, undertook a very serious program of reducing Government expenditures in increasing revenue. And after 2010, and as you mentioned the IMF, some European countries, especially Nordic countries, and the European Union, undertook a lending program to Latvia. With the seriousness of the Government program, and the assistance from these other places, Latvia has very impressively rebounded.

Last year, 2011, their growth rate was 5.5 percent, one of the highest growth rates in the European Union. In the last quarter of 2011, their growth rate was 5.7 percent, the highest growth rate in the European Union. They have been very serious about the measures taken in the government and the economy to improve.

There is great news on this for Latvia, of course. As you mentioned, unemployment went down from 20 through 15; it's now at 12. Still high but going in the right direction.

And there's good news for the Latvians and for us. One of the elements of the good news for us is that there is really fertile ground now for increased American investment in Latvia. That has grown over the last 2 years. Last year it was about \$600 million, a growth of almost 70 percent from the previous year. And if I am confirmed, I intend to put very high on my list of priorities enhancing American investment in Latvia. This creates American jobs. It is good for all of us. Good for America, good for Latvia.

Another element of the benefit here is that Latvia has now reengaged and restarted its assistance program in its neighborhood and beyond. Through the economic crisis, it wasn't able to do so, it was so strapped. Some Government agencies lost 40 percent of their budgets, 30 percent of their people, during the economic crisis. But Latvia's back, and it has restarted its assistance program.

They are extremely well engaged with Georgia and have been over many years with the Ministry of Interior and Justice of the Ministry of Foreign Affairs, and the Ministry of Defense, on what Georgia can do to improve its democratic reforms and get closer to NATO membership. And they have a very important assistance program with Moldova, again, to teach the lessons that they have learned as they have evolved.

So there's good news for Latvia. And we want to be a part of that and help them and help America at the same time.

Senator BARRASSO. Thank you.

Mr. Levine, I want to ask about the energy sector in Estonia. And I know they have called for diversification of Europe's energy supplies, the Government of Estonia is looking at different energy sources to reduce the country's dependence on Russian gas supply.

So I just want to ask you, what kind of energy resources Estonia has and what progress is being made toward more energy independence, and what your evaluation is of the effectiveness of the country's energy independence strategy.

Mr. LEVINE. Thank you, Senator.

Estonia is lucky to have large deposits of oil shale, which provides the majority of its oil and petroleum products. It is dependent on Russia for gas, which provides about 15 percent of their energy needs. But so far, that relationship has been working smoothly.

They have been very much a proponent of a European energy strategy and, themselves, tried to diversify. As was mentioned earlier, they are a part of the partnership that is looking at a nuclear power plant in Lithuania. And working with Finland, they have been laying cables to connect themselves to the Finnish electricity grid.

Their expertise in oil shale I think is both an opportunity for them on the energy front as well as the commercial front. They have purchased oil shale property in the United States, about 30,000 acres in Utah, and hope to bring that into production by 2016, producing about 30,000 barrels a day.

I think that kind of partnership between our two countries on both energy and technology is one of the benefits that we can enjoy.

Senator BARRASSO. Well, thank you.

And, Madam Chairman, I now note a number of young people in the audience, obviously family members. And I congratulated each of the nominees. I also want to thank and congratulate each of the families. I know that it is a major family commitment to take on these kind of responsibilities for the United States.

Thank you, Madam Chairman. No further questions.

Senator SHAHEEN [presiding]. Thank you very much, Senator Barrasso. And thank you for bringing reinforcements to keep the hearing going while I was voting.

I want to follow up on the economic question that you asked Mr. Pekala, to Mr. Levine, because one of the things—a number of you mentioned that effect the economic crisis on the countries that you're hoping to serve. But Estonia, actually, seems to have weathered the current economic crisis in Europe much better. To what do you attribute that? What are they doing right?

Mr. LEVINE. I believe that Estonia is doing a lot right. They're viewed as one of the most open, most liberal economies in the world. And the policies that they have pursued very much in the free market realm are working for them.

They are back to positive growth. Unemployment is down. They are followers of Maastricht Criteria. And they have a relatively small population. And all those factors combined has led to a real economic success story.

With that said, I would like to see greater commercial and economic activity between the United States and Estonia in a way that will benefit both of our economies.

Senator SHAHEEN. Thank you. You mentioned in your testimony NATO's Cyber Defense Center of Excellence, which is in Estonia. Can you comment on what impact that has had on Estonia? And also on NATO? What lessons have been learned from having that

Center of Excellence there that we may be ought to learn here in the United States?

Mr. LEVINE. Thank you, Senator.

Their expertise in cyber security is one of the niches that Estonia has been able to offer to both the alliance and the world at large. At the center, they are working on issues directly related to NATO's internal cyber security, and in partnership with the Maryland National Guard, they have a similar program working on the development of cyber security strategies that are applicable to the society at large.

We do have participants at the center in Tallinn. And it is viewed as a very successful enterprise.

Senator SHAHEEN. And many people believe that the 2007 cyber attacks that have made Estonia one of the leaders in cyber security, because of their need to respond to those attacks, that those attacks originated in Russia. Can you talk about how Estonia feels about the current Obama administration's reset policies toward Russia, and what the impact of both the 2007 attack and that reset policy have had on Estonia?

Mr. LEVINE. Thank you, Senator.

I would characterize the Estonian-Russian relationship as cool but correct. And our reset provided them a little bit more space in order to pursue the practical cooperation that they had with the Russians on things like border control, immigration.

Outside of that, there isn't a lot of contact between the two governments. The reset, as I said, it allows them a little bit more space, but we wouldn't expect their own bilateral relationship to have any major improvements until there is a reconciliation of the 50 years of history that they had together.

It is a very different view of the Soviet occupation, very different view of what that era was about, is going to be an obstacle in a closer relationship.

Senator SHAHEEN. Thank you.

Ambassador Jacobson, in your testimony, if I can find it here, you had a really good summary, I think, of what would be important to resolving the current situation with Serbia. And you say that a solution to the situation in the North, normalization of relations, require a durable modus vivendi that respects Kosovo's sovereignty, takes into account the views of the citizens of the north, and allows both Kosovo and Serbia to proceed on their respective paths.

How do we help that happen?

Ambassador JACOBSON. Well, I think we have to continue to engage using the United States leadership with our international partners, with the government and with the people of Kosovo, with our regional partners.

One of the examples that I think is useful in this regard is the Kosovo Serbs who live in the south. And there are actually a lot more of those in the south than there are in the north. And they have been able to take full advantage of the far-reaching protections afforded them both by the comprehensive status proposal and by Kosovo's own constitutions.

I'm talking about local self-government and autonomy. I'm talking about the fact that the Kosovo Serbs in the south participate

in all levels of government, from municipal—and there are Serb-majority municipalities in the south, all the way to the national level. And I think this is an important model.

But just as important is the idea of engagement and dialogue, and Prime Minister Thaci has said that he and his government will reach out to community leaders in the north. This is something that we absolutely promote and encourage.

And if I am confirmed, I will do my best to listen; to understand the interests of all the stakeholders in this issue; and to work with our international partners, with the Congress, and with the government and the people of Kosovo to work toward that durable *modus vivendi* based on practical agreements that make a difference in people's lives that I mentioned in my testimony.

Senator SHAHEEN. And is there any evidence that in the northern part of Kosovo that those parallel structures that you mentioned are becoming a concern for Serbs who live in that area?

Ambassador JACOBSON. Well, I think recent polling in the north of Kosovo has indicated that 70 percent of the Serbs that live up there don't see that Belgrade has any sort of plan for their future. And this I think is a point. Nobody has any objections to Serbia providing legitimate, transparent assistance to Serbs in Kosovo in the areas of health and education and social welfare. But I don't see that that is what the illegal parallel structures are providing.

They are, in fact, interested in preserving their own authority, and in some cases have actually created an atmosphere of intimidation and fear for those in the north who do wish to cooperate with the international community and with the Government in Kosovo.

So clearly, this is an issue that is going to require sustained engagement, leadership, and contacts.

Senator SHAHEEN. And is there evidence that that environment of fear is coming from Belgrade? Or is it coming from the local Serbs in the northern part of the country?

Ambassador JACOBSON. I think an environment of fear is a complex thing, and without having been there myself, I wouldn't want to ascribe the origins to it. But it certainly does exist, and it's something that we have to work toward ameliorating, both in terms of the security situation on the ground that is assisted by KFOR and in terms of our diplomatic engagement, and also in terms of our assistance programs, some of which have been hampered in the north by the lack of freedom of movement.

I have in mind some of USAID proposals for infrastructure, so we have had to focus more on community-building, short-term job creation. We have in fact created 1,600 jobs.

So this is, I think, the kind of engagement that we need to continue together with our international partners in the countries of the region to reduce those levels of tension over time.

Senator SHAHEEN. And one of the sources of conflict has been concern among Serbs about attacks on the Serbian monasteries that we have seen in the past. Is there a general acceptance now by the Kosovars that those monasteries are important historical and religious—I don't want to use the term "artifacts"—religious symbols? So accepting their presence there without destroying them, because obviously that will continue, until that point happens, that will continue to be a source of conflict.

Ambassador JACOBSON. Well, I think the fact that the Government of Kosovo has really engaged in this reconstruction and implementation commission, which was established together with the Serbian Orthodox Church and the ministries of culture of both Serbia and Kosovo, to rebuild and repair those religious buildings that were destroyed in the 2004 riots is really testament to that fact.

In fact, the Government of Kosovo not only financially supports that effort but also provides 17 sites with protection from the Kosovo security force.

Societal discrimination does still exist—I don't want to downplay that—in Kosovo with harassment or vandalism against both Serbian Orthodox sites. Also, last year there was vandalism in a Jewish cemetery in Pristina, which the Government moved quickly to clean up and denounce.

The Protestants have complained that they haven't been able to open a cemetery in Decani, and the Islamic community has protested the ban on headscarves in religious institutions.

So these are all examples that appear in our religious freedom report. And if confirmed, I would work very hard on issues of respect for religious diversity.

I've learned through my engagement with religious leaders at FSI that some of them don't like the word "tolerance," because it indicates that I'm just putting up with you.

So the eventual goal is to produce a requirement that respects and promotes religious diversity. And I would work very hard on that issue with religious communities and leaders and with the government and people of Kosovo, if confirmed.

Senator SHAHEEN. Thank you very much.

Ambassador Norland, I know that Senator Cardin raised some concerns about open elections in Georgia and some of the activities that raise questions about how free the opposition is to compete in those elections.

Yesterday, the Atlantic Council had a panel discussion here about NATO and the upcoming summit in Chicago, which as you point out, and others have, I did in my remarks, Georgia has aspirations and has been promised membership in NATO, ultimately.

But one of the points that former Secretary Albright made yesterday is that there is a connection between rule of law, and free and open elections, and government values, and participation in NATO.

And so can you talk about how important an open, competitive election for Georgia's future, both for continued support here in the United States and Europe, and also in terms of NATO acceptance, will be?

Ambassador NORLAND. Yes, Senator, thanks.

I think that the relationship is pivotal, that Europe and the United States are closely watching the conduct of these elections to determine whether they meet the criteria that are expected of a NATO member country.

There are real concerns about the way certain aspects of these elections are being conducted, harassment of opposition. Our goal is to see a level playing field.

We have extended thanks to Congress. We have extensive assistance programs to try to develop the rule of law, to promote a civil society, the role of the media.

And it is not that we are focused on any particular individual. What we are seeking to do is to protect the integrity and support the integrity of the process. And I think Georgian officials are beginning to understand that, in fact, they are being watched, that this is being monitored closely, and that it is being viewed as a litmus test for their membership in NATO.

We hope that they will take the right steps.

Senator SHAHEEN. Thank you. I certainly hope that is the case as well.

As you remember so well, back in 2008, the Russian—there was a conflict between Georgia and Russia over Abkhazia and South Ossetia. There's not a lot that is being heard right now about what the status of that situation is, except that Russia has not complied with all of the terms of the agreement that ended that conflict, or at least created a cease-fire.

So can you talk about whether there any recent measures that we have taken to encourage Russia to fulfill its obligations under the agreement?

Ambassador NORLAND. Well, first of all, let me thank you for your participation in the Atlantic Council publication on Georgia in the West, because I think a lot of good ideas are contained in there, which I know will help guide me, if I am confirmed.

Senator SHAHEEN. My staff appreciates your mentioning that.

Ambassador NORLAND. What happened in Georgia in 2008 was a tragedy. And I think the entire international community is seized now with the issue of how do we overcome that tragedy and find a way to move forward, and, if you will, in a way, to move back toward the status quo ante.

We continue to object to the presence of Russian troops in the occupied territories, and we strongly support Georgia's sovereignty and territorial integrity. These are matters of principle.

You asked what additional steps can we take now; what is the prospect for galvanized movement on this? I will know better if confirmed and able to get out and get a sense on the ground of what is possible.

But quite clearly, we need to continue to use the forum in Geneva and other fora to urge Russia to fulfill its 2008 cease-fire obligations.

There is no military solution to the situation, so the issue is how do we galvanize out diplomacy. As George Kennan would say, all measures short of war, to try to address the situation.

In addition to the talks in Geneva, there's another round coming up at the end of this month. We can find ways to try to take steps to, for example, get international monitoring groups, whether from OSCE, the EU-monitoring mission, or others, into the occupied territories themselves and not simply on the margins.

Try to get humanitarian assistance into those areas, and look for small confidence-building measures that can lay the groundwork for progress, such as Georgia's no-first-use-of-force declaration. Hopefully, Russia would reciprocate—the projects that OSCE is

doing with regard to water management in South Ossetia, or the UNDP's youth projects in Abkhazia.

I think if we approach these issues in a spirit of transparency with a desire to minimize regional tensions and find a way forward, I think diplomacy can play a very important role in getting us out of this mess.

Senator SHAHEEN. Thank you very much.

Ambassador Merten, you talked about Croatia's EU membership, which will soon happen, in 2013. Can you talk a little bit more about how that membership is going to benefit Croatia? And what might be the impact of that on some of Croatia's neighbors in the Western Balkans?

Ambassador MERTEN. Thanks for that question.

I think full EU membership for Croatia opens up, obviously, a huge market for Croatian producers. It also presents them with a challenge, however, because they're going to need to raise the bar of their competitiveness to at least meet the level of their EU neighbors.

But given Croatia's past performance over recent years, I am quite confident that the Croatian private sector and Croatian Government will be able to meet those challenges.

Regarding the rest of the immediate neighborhood, if you will, I think Croatia sets a good example for the way other countries in the region can move forward. We have a mature partnership now with Croatia. We no longer have an AID mission there. They have made terrific progress. And I think they show a good roadmap to other countries in the region, to what is possible.

And I am very optimistic that their EU membership will give them great opportunities if they are able to take advantage of them.

Senator SHAHEEN. I had the opportunity to visit Croatia a couple years ago with Senator Voinovich when he was still in the Senate. And as I am sure you are aware, he is beloved in the Western Balkans. But one of the things we did was to meet with the Prime Minister at the time who had been very successful in cracking down on corruption, much more so, I think, than was anticipated when she took over that job.

Can you talk about the extent to which many of those reforms are continuing and how big a challenge that continues to be in the country?

Ambassador MERTEN. Of course. Thank you.

My understanding is that there continue to be some challenges in that area. However, I think, as, again, part of Croatia's EU accession process, they have had to put in certain safeguards in place. As I understand it, they are still in the process of doing some of that, so there is some of the remaining homework, if you will, that needs to be done by Croatia before they can fully join next year.

We will certainly encourage them, should I be confirmed, in continuing to meet those requirements and any offers of assistance or advice that we can offer, I would certainly make those available.

Senator SHAHEEN. Thank you very much.

Mr. Pekala, in your testimony, you talked about the effort to reach out to the minority communities in Latvia.

What kind of things do you have in mind as you're talking about outreach? What could you do as the U.S. Ambassador, to help with that effort?

Mr. PEKALA. Madam Chairwoman, thank you for the question.

I think we can operate on two levels in Latvia. And if I am confirmed, I would try to operate on both.

On the overall approach to tolerance and understanding and dialogue, we, the United States, represent the world's best example of how multicultural societies can work in terms of diversity, inclusion, understanding, study, and conferences, and education, and teaching teachers, and so on.

And we can present the example of how this works in practice. And Latvians understand that. And of course, they look to us for some examples.

Under that level, on the ground, the Embassy now in Riga is very active on bringing people together and helping them achieve this kind of dialogue and understanding. So when they have events, they don't include any particular ethnic group and exclude others; they bring everyone together. And sometimes they find people haven't met their colleagues who speak a different language. And they can provide the lubrication and the mechanism for people to make these connections.

As we all know, there are few things more powerful than just people-to-people connections. Our Embassy in Riga is doing a great job on those. If confirmed, I would like to continue and accentuate and reinforce those.

And we have a simple goal of getting people together, help them understand each other, help them tolerate and move together on what will be, eventually, a fully integrated multicultural society.

Senator SHAHEEN. Well, as you point out in your testimony, again, one of those groups are ethnic Russians. And obviously, given the history, the relationship with Russia has been challenging.

There are some Latvians who suggest that NATO isn't prepared to deal with Russia, should conditions between Russia and its Baltic neighbors deteriorate. Do you share those concerns? And can you talk about why Latvians might be feeling that way right now, beyond just the historical context?

Mr. PEKALA. Madam Chairwoman, I don't share that view. I believe that most Latvians, certainly officials and most of the population, feel that their strategic context, their historic and geographical connections with Russia, shifted in 2004, when Latvia joined NATO.

They feel very confident about the article 5 guarantees of their security in NATO.

I was serving in Estonia on March 29, 2004, when the Baltic States joined NATO. And in Estonia, Latvia, Lithuania, this was a historic moment, a really joyous day when they found that their security concerns were shared now in an alliance that was not only throughout Europe but across the Atlantic as well. They take great comfort and pride in being associated with the United States and NATO.

They can be very confident of this article 5 commitment. I think most of them are confident. And we take every opportunity to dem-

onstrate that. I won't go on and on about Baltic air policing, but they feel, again, that this is a very real commitment to their security, a very real undertaking by the allies, and particularly the United States.

I think they feel pretty comfortable about the security in the context of NATO and beyond.

Senator SHAHEEN. Great, and thank you very much for that answer.

And I'm very impressed that your daughters are still awake. So, good job, girls. [Laughter.]

Mr. PEKALA. Thank you.

Senator SHAHEEN. Thank you all very much. I have no further questions.

We will keep the record open for 24 hours in case there are questions submitted.

And I wish you all great luck in your new roles. And if this committee can be helpful to you in any way, please let us know.

The hearing is adjourned.

[Whereupon, at 11:36 a.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

##### RESPONSES OF RICHARD B. NORLAND TO QUESTIONS SUBMITTED BY SENATOR RICHARD G. LUGAR

*Question.* Little progress has been made in bringing Russia back in line with its international commitments to withdraw from the breakaway regions of Georgia, and confidence-building measures across the administrative boundary line have met with limited success and enthusiasm. If you are confirmed as Ambassador, what priorities will you pursue with respect to the breakaway territories of Georgia, in terms of advocating U.S. policies and bringing greater transparency to the situation?

*Answer.* If confirmed, my priorities on this issue will be to continue to voice U.S. objection to Russia's occupation and militarization of the separatist Georgian regions of Abkhazia and South Ossetia and to insist that Russia fulfill its obligations under the 2008 cease-fire agreement, including withdrawal of its forces to pre-conflict positions and free access for humanitarian assistance. I will also support diplomatic efforts by the United States, as an active participant in the Geneva discussions, to work with the cochairs and others in pursuit of a resolution to the conflict. In addition, if confirmed, I will continue to speak out in support of Georgia's territorial integrity, as the United States did recently in statements regarding the March 10 illegitimate "elections" in the separatist region of Abkhazia. We will also continue to support strongly Georgia's efforts to prevent any further recognitions of the occupied territories.

The United States is supportive of efforts by all stakeholders to reach a peaceful resolution to the conflict, pursue confidence-building measures, increase transparency, promote security and stability, and address humanitarian issues through projects that directly improve the lives of the communities on the ground. I will support U.S. efforts to continue to press for full access to the separatist regions by the European Union Monitoring Mission (EUMM) and international organizations like the OSCE to increase transparency and address ongoing humanitarian and human rights concerns there.

*Question.* Georgia will hold important elections for Parliament and President over the next year. Where do you see Georgia in terms of ensuring a free and fair playing field for these upcoming elections?

*Answer.* The upcoming elections represent an important opportunity for Georgia to advance its democratic development through its first formal transfer of power via elections. Georgia has made important progress on democratic reforms since the Rose Revolution. However, the United States is concerned about reports of harassment of opposition party members. The United States is committed to supporting free and fair parliamentary and Presidential electoral processes in Georgia. The administration's focus is on contributing to efforts to strengthen processes and insti-

tutions, not to support individual candidates, specific political parties, or a particular outcome. The United States will continue to encourage the Government of Georgia to foster a competitive and pluralistic campaign environment leading to elections that allow the Georgian people to decide on the leadership that is best for them. Ensuring free and fair elections is also vital to Georgia achieving the standards necessary to facilitate its Euro-Atlantic integration.

*Question.* During President Saakashvili's visit to the United States, reports suggested that the administration would be conducting an "elevation" of security cooperation with Georgia that would focus on territorial self-defense. What tangible changes will this new emphasis entail?

*Answer.* President Saakashvili and President Obama discussed building upon existing successful programs to help the Georgian military continue its institutional reform and defense transformation efforts that support Georgia's self-defense, sustain its work with ISAF in Afghanistan, and help it operate more effectively with NATO. The Department of Defense and Georgian Ministry of Defense are discussing specific steps that will help Georgia achieve its goals. The administration will also work with the Georgian Government under our existing Charter on Strategic Partnership and Bilateral Defense Consultations forums to discuss and further develop these concepts, subject to fiscal constraints on both sides.

*Question.* What is the timeline for negotiation of a free trade agreement with Georgia?

*Answer.* President Obama and President Saakashvili agreed to increase trade and economic cooperation during President Saakashvili's visit to Washington earlier this year and agreed to launch a high-level dialogue to consider how to accomplish this through enhanced trade and investment frameworks, investment agreements, and the possibility of a free trade agreement. Initial USTR-led discussions will commence in the near future, as well as parallel discussions within the U.S.-Georgia Strategic Partnership Commission's economic working group as early as this spring.

*Question.* Some reports have suggested that opposition supporters in Georgia have been detained. Are these reports correct and what steps are being undertaken to address this matter?

*Answer.* We are not aware of any opposition supporters being detained, although there have been some credible reports of their harassment. In addition, there are indications that Georgia's new campaign finance law is being implemented in a manner which is curbing political speech.

The United States has urged and will continue to urge the Government of Georgia to foster a campaign environment that is free and fair and perceived as such by the Georgian people. The Embassy has worked closely with all interested parties, both inside and outside the government, and including the opposition, in an effort to achieve a competitive campaign environment. Our focus is on the process and ensuring that all qualified candidates and political parties are able to compete on equal terms; the administration does not support any particular party or candidate.

*Question.* Solomon Kimeridze, an opposition supporter, reportedly died while in custody. Is this report accurate and what is your understanding of the circumstances of his death?

*Answer.* Official reports indicate that Solomon Kimeridze died while in custody of police in the town of Khashuri. As a result of the investigation by the Georgian Government, I understand new rules regarding law enforcement monitoring were implemented and the Khashuri Chief of Police was relieved of his duties due to "failure to institute safety norms" which led to injuries reportedly sustained from a fall from the third floor to the first floor of the police building. Embassy Tbilisi personnel met with Ministry of Justice and Ministry of Internal Affairs officials following the incident to discuss the ongoing investigation by the Chief Prosecutor's office and reiterated the importance of an independent and transparent investigation. The United States has raised rule-of-law concerns with the Georgian Government and spoken out repeatedly on rule of law and human rights issues, including concerns about ensuring the judiciary's independence and even-handed and consistent application of due process protections.

**NOMINATIONS OF SCOTT DeLISI, MICHAEL  
RAYNOR, AND MAKILA JAMES**

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**THURSDAY, MARCH 22, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Scott DeLisi, of Minnesota, to be Ambassador to the Republic  
of Uganda  
Michael Raynor, of Maryland, to be Ambassador to the Republic of  
Benin  
Makila James, of the District of Columbia, to be Ambassador to the  
Kingdom of Swaziland

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The committee met, pursuant to notice, at 2:30 p.m., in room  
SD-419, Dirksen Senate Office Building, Hon. Christopher A.  
Coons, presiding.

Present: Senators Coons, Udall, and Isakson.

**OPENING STATEMENT OF HON. CHRISTOPHER A. COONS,  
U.S. SENATOR FROM DELAWARE**

Senator COONS. I am pleased to chair this hearing of the Senate  
Foreign Relations Subcommittee for Africa, considering nominees  
to serve as Ambassador to the Republic of Uganda, the Republic of  
Benin, and Kingdom of Swaziland.

As always, I welcome my good friend and ranking member, Sen-  
ator Isakson, hopefully as well as some other members of the For-  
eign Relations Committee who may join us.

I would like to welcome today our distinguished nominees,  
Ambassador Scott DeLisi, the nominee for Uganda; Makila James,  
the nominee for Swaziland; and Michael Raynor, the nominee for  
Benin. I apologize that ongoing votes and deliberations of the floor  
have delayed our start by a few moments. I am grateful for your  
patience.

These three nominees bring to the table today a vast array of  
professional experience, and I look forward to hearing your vision  
for advancing United States interests, values, and policy concerns  
in Africa. We will speak about three important countries in three  
very different regions of Africa.

Uganda, a country I visited 25 years ago, but have not had the  
joy yet of returning to. It is a valued strategic partner of the  
United States. Uganda is playing a critical role in regional efforts  
targeting Joseph Kony and the Lord's Resistance Army in close

coordination with recently deployed U.S. military advisers in Central Africa. Uganda is also a leading contributor to the AMISOM peacekeeping mission in Somalia and has shown a longstanding commitment to countering al-Shabaab and other destabilizing forces in the Horn.

The U.S. Ambassador to Uganda will have the challenging job of continuing that strategic partnership, while urging Uganda to also improve systems of governance and adopt democratic reforms. President Museveni has ruled for 26 years, and government security forces have at times taken a heavy-handed approach toward political opponents. Also, in my view, a deeply troubling bill imposing harsh criminal penalties for homosexuality that is currently making its way to the Ugandan Parliament, and has been a source of some tension between our governments.

Last, new discoveries of oil promise to bring new revenue and economic opportunities to Uganda, but also increase the importance and urgency of insuring transparency and combating corruption.

Swaziland, a tiny country on the border of South Africa, has a long record of stability, and is a top exporter of textiles to the United States under AGOA. Its constitutional monarchy has created tension between the dominant royal family and pro-democracy opposition groups who want the right to form political parties and participate more directly in governance.

Swaziland has the highest HIV/AIDS infection rate in the world with more than a quarter of adults suffering from this infection. Challenges for the new Ambassador will include working with the government to encourage political freedom and democratic reform while continuing our effective health sector funding and partnership.

Last, Benin, a country that Senator Isakson and I had an opportunity to visit together last year, has made important progress on governance, and has had two decades of peaceful and democratic transitions. With vital assistance from the Millennium Challenge Corporation, Benin has upgraded and rehabilitated its port, and it remains an important producer of cotton.

I would be remiss if I failed to mention the important trade between the Port of Wilmington in my home State and the Port of Cotonou, making Benin one of the biggest international trading partners for the State of Delaware.

Benin has the potential to be an even more diversified and important trading partner with the United States, and I hope the new Ambassador will work with President Yayi and his government to increase transparency, combat corruption, and improve the ease of doing business.

All three nominees before us have had long, distinguished careers with the State Department and bring a wealth of experience to these positions. Ambassador DeLisi has 30 years of Foreign Service experience, is currently the Ambassador to Nepal, previously served as Ambassador to Eritrea, and deputy chief of mission to Botswana.

Ms. Mikala James is also a Senior Foreign Service officer currently serving as Office Director for Caribbean Affairs, having previously served as Deputy Director in the Office of Southern African

Affairs, and as the principal officer at the consulate general in Juba.

Last, Mr. Michael Raynor is currently serving as the Executive Director of the Bureau of African Affairs, where he oversees support of U.S. policy goals for the Bureau and its 53 overseas embassies, consulates, and offices. He has served primarily in Africa, including Zimbabwe, Namibia, Guinea, Djibouti, and Congo Brazzaville.

I look forward to hearing from them after first turning to Senator Isakson for some opening remarks.

Senator Isakson.

**OPENING STATEMENT OF HON. JOHNNY ISAKSON,  
U.S. SENATOR FROM GEORGIA**

Senator ISAKSON. Well, thank you, Mr. Chairman. I would ask unanimous consent that a prepared statement be put in the record.

Senator COONS. Without objection.

Senator ISAKSON. And I want to welcome all of you today to this hearing and do what I always do when people accept posts that are not necessarily considered the political plums of assignments around the world. And your sacrifice for your country is noted and appreciated. And we appreciate your willingness to serve very, very much.

I have had the occasion to have quite a relationship with the nation of Benin, which Mr. Raynor and I have discussed. The Ambassador preceding you, Mr. Knight, has done a phenomenal job, and I enjoyed visiting with him, along with Senator Coons.

President Yayi has done a remarkable job in terms of reform, and I have to congratulate and commend Minister of Justice Ms. Bedo, who is undertaking the prosecution or the hopeful prosecution of the perpetrators of the murder of the young Georgian by the name of Kate Puzey, who served in the Peace Corps and was brutally murdered in Benin for doing the right thing, I might add.

But I really appreciate the State Department's cooperation on this. Aaron Williams has been fantastic. Knight has been fantastic. And I am sure that will continue with Michael Raynor, and it is my hope that justice will ultimately be done.

I also congratulate Benin on just entering into their second Millennium Challenge contract with further expansion to Port Cotonou. That shows that they are working on corruption issues and other issues that MCC requires for improvement. And like Senator Coons, acknowledge they will continue to be a growing trading partner with the United States of America.

I have never had the privilege of going to Swaziland, but I have read the briefs, and I know it has got a number of challenges. I know its location is close to South Africa, and a part of the world I want to get to one day so I can add it to the list of African countries I visited. And I will be interested in seeing Ms. James' comment on what alarmed me, which was the high rate of AIDS infection in Swaziland, which was 25.9 percent of something we are obviously, because of PEPFAR and the initiative of President Bush and President Obama, interested in trying to make a contribution.

Mr. DeLisi, it is a pleasure to see you again. I honor you for accepting this appointment to Uganda. I look forward to going to

Uganda in the not too distant future. As you note in your prepared testimony, we have introduced advisors, military advisors, to help the Ugandan Government and the Democratic Republic of the Congo in terms of the issues with Joseph Kony and the Lord's Resistance Army. But that is—you are right in the garden spot of the Great Lakes Region of all of Africa. The friendship the United States has with Uganda has grown since the 1986 election, and we appreciate the improvements in democracy that have been made there. I look forward to hearing your comments, not only about our relationship, but also about any comments you have on Joseph Kony and the advisors we have deployed in that country.

So, on behalf of the people of Georgia that I represent, thank you for your willingness to serve the country, and I look forward to your testimony.

[The prepared statement of Senator Isakson follows:]

PREPARED STATEMENT OF HON. JOHNNY ISAKSON, U.S. SENATOR FROM GEORGIA

Thank you, Chairman Coons. I am pleased to join you in welcoming Ambassador Scott DeLisi, Mr. Michael Raynor, and Ms. Makila James to the committee. I appreciate this opportunity to discuss your nominations and discuss our bilateral relationships with Benin, Swaziland, and Uganda. All three countries present many opportunities and challenges.

Last June, Chairman Coons and I had the opportunity to visit Benin to engage Benin's Government on the ongoing investigation into the murder of a young Georgian named Kate Puzey who was killed while serving as a Peace Corps Volunteer in northern Benin. Finding justice for Kate and her family has been a priority of mine and I am thankful for the U.S. mission to Benin and the Government of Benin for their cooperative efforts and continued dedication to pursuing justice. The current U.S. Ambassador to Benin, James Knight, has been a great advocate for the United States, particularly for the Puzey family, and I have greatly appreciated his efforts during his term.

President Yayi's continuing reform efforts in Benin are helping to develop its economy and his collaborative efforts with fellow ECOWAS leaders have seen Benin emerge as a leader on the issues important to West Africa. In December 2011, Benin was declared eligible for a second compact with the Millennium Challenge Corporation. This compact would allow Benin to continue the development of the Port of Cotonou which is crucial to economic growth for Benin.

While I have not had the chance to visit Swaziland or Uganda, I am well aware of some of the challenges facing the nominees if they are confirmed. Swaziland, with the world's highest HIV infection rate, has been the recipient of much U.S. assistance to turn the tide of the growth of that rate. As we consider U.S. commitments to global health, it is important to understand the strategy for implementation of U.S. global health programs in countries such as Swaziland. Swaziland has made great strides in increasing its ownership over U.S.-funded HIV/AIDS treatment programs, and the next Ambassador will be charged with encouraging the continuation of this positive trend.

President Museveni has been in power in Uganda since 1986 and has helped to bring stability and democracy to a country that had experienced years of civil war. However, concerns have been recently been growing about a deterioration in democratic rights and President Museveni's increasingly entrenched hold on the Presidency.

Located in the troubled Great Lakes Region, Uganda is crucial to regional security cooperation. There are currently 100 combat-equipped U.S. military advisors providing training to the Ugandan military in their quest to track down and capture Joseph Kony and the Lord's Resistance Army. I look forward to hearing Ambassador DeLisi's thoughts on how he plans to continue to engage the Government of Uganda on our shared interest of regional stability and security.

Thank you again, Mr. Chairman, for calling this important hearing. I look forward to hearing the testimonies of the nominees.

Senator COONS. Thank you, Senator.

I now look forward to hearing from our nominees, starting with Ambassador DeLisi, followed by Ms. James, and finally Mr. Raynor.

Please start, if you would, by introducing your families or anyone else you would like to recognize that is here in support of you. And I would like to also start by thanking both you and your families and circle of friends and supporters for sustaining your long careers in service to the United States.

Ambassador.

**STATEMENT OF HON. SCOTT DELISI, OF MINNESOTA,  
TO BE AMBASSADOR TO THE REPUBLIC OF UGANDA**

Ambassador DELISI. Thank you, Senator, and I am honored to introduce my wife, Leah, who has been a partner in diplomatic service to our Nation for decades, and probably a better diplomat than I am.

With that, Mr. Chairman, members of the committee, I am deeply honored to appear before you today as the nominee to be the next United States Ambassador to the Republic of Uganda. I am grateful to the President and the Secretary of State for their confidence and their support.

Uganda is a vital partner in a volatile region. As the major troop contributor to the African Union mission in Somalia, AMISOM, Uganda has made tremendous sacrifices to promote peace and stability in the Horn of Africa.

The Ugandan military has also led regional efforts to counter the Lord's Resistance Army. Although the LRA has not been active in Uganda since 2006, it continues to cast a wide shadow across Central Africa. The United States has supported Uganda's constructive role both in AMISOM and against the LRA. Most recently, we deployed a small number of U.S. military personnel to serve as advisors to Uganda's counter LRA forces and those of other regional partners.

Uganda has also contributed to the peace and development in South Sudan, Africa's newest nation and Uganda's neighbor to the north, by providing training and assistance to its civil service, judiciary, and military.

Uganda stands out not only for its current contributions to regional peace and security, but also for its own transition from a state in chaos to one of the region's most stable nations. When President Yoweri Museveni came to power in 1986, after decades of violent internal strife in Uganda, he instituted political reforms and sound macroeconomic policies that created a more inclusive government and contributed to steady economic growth.

Against this backdrop, the United States has enjoyed a close bilateral partnership with Uganda for the past quarter century. We recognize, however, that we must continue to work with Uganda to address a number of ongoing challenges in terms of broad economic development and the nurturing of a democratic political culture.

On the development front, we have a robust set of programs. The President's Feed the Future initiative focuses on improving productivity and incomes in the agriculture sector on which 70 percent of Uganda's citizens rely for their livelihoods.

Another area of focus has been Northern Uganda where we provided \$102 million last year to help the region's people, including many former LRA abductees, rebuild their lives and communities.

The health sector is another challenge. Although HIV/AIDS prevalence rates have decreased from a high of 20 percent in the 1990s, they have stagnated at around 6 percent for the past decade. Malaria is another lethal threat in Uganda, causing an estimated 100,000 deaths per year.

There are also very significant challenges in the area of maternal and child health. Through the Global Health Initiative, the President's emergency plan for AIDS relief, the President's malaria initiative, we are working the Ugandan Government to improve the quality and accessibility of health services and to address Uganda's most pressing health concerns.

We recognize, however, that long-term success will require a significant and sustained commitment from the Ugandan Government. If confirmed, I will continue to reinforce this point and seek to build an even more effective partnership with the Ugandan Government, civil society, and faith-based groups in the areas of economic development and health.

We are also working to help Uganda strengthen its multiparty democracy and reinforce its respect for human rights. Although Uganda's electoral process last year was more transparent and peaceful than previous elections, it was carried out on an uneven playing field and fraught with irregularities. More can be done to improve and empower Uganda's governing institutions, and we will continue our efforts in that regard. Likewise, we continue to urge the Ugandan Government and civil society to respect not just political freedoms, but also the fundamental human rights of all individuals.

Finally, Mr. Chairman, if confirmed, the protection of U.S. citizens and U.S. business interests in Uganda will be one of my foremost concerns for my team and for me.

In sum, Mr. Chairman, if confirmed, I will seek to strengthen our partnership with Uganda as a force for regional peace and security. I will also work with the government and people of Uganda in pursuit of a healthier, more productive, and more prosperous society where protection of citizens' political and personal freedoms is a priority for all. Achieving these objectives will be critical to Uganda's future stability and economic growth, as well as its continued role as an important and constructive regional leader.

I look forward to the opportunity to serve our Nation and Uganda if confirmed, and welcome any questions that the committee may have.

Thank you.

[The prepared statement of Ambassador DeLisi follows:]

PREPARED STATEMENT OF AMBASSADOR SCOTT DELISI

Mr. Chairman and members of the committee, I am deeply honored to appear before you today as the nominee to be the next United States Ambassador to the Republic of Uganda. I am grateful to the President and Secretary of State for their confidence and support.

Uganda is a vital U.S. partner in a volatile region. As the major troop contributor to the African Union Mission in Somalia (AMISOM), Uganda has made tremendous sacrifices to promote peace and stability in the Horn of Africa. The Ugandan military has also led regional efforts to counter the Lord's Resistance Army (LRA).

Although the LRA has not been active in Uganda since 2006, it continues to cast a wide shadow across central Africa.

The United States has supported Uganda's constructive role both in AMISOM and against the LRA. Most recently, we deployed a small number of U.S. military personnel to serve as advisors to Uganda's counter-LRA forces and those of other regional partners. Uganda has also contributed to peace and development in South Sudan, Africa's newest nation and Uganda's neighbor to the north, by providing training and assistance to its civil service, judiciary, and military.

Uganda stands out not only for its current contributions to regional peace and security but also for its own transition from a state in chaos to one of the region's most stable nations. When President Yoweri Museveni came to power in 1986 after decades of violent internal strife in Uganda, he instituted political reforms and sound macroeconomic policies that created a more inclusive government and contributed to steady economic growth. Against this backdrop, the United States has enjoyed a close bilateral partnership with Uganda for the past quarter century.

We recognize, however, that we must continue to work with Uganda to address a number of ongoing challenges in terms of broad economic development and the nurturing of a democratic political culture.

On the development front, we have a robust set of programs. The President's Feed the Future Initiative focuses on improving productivity and incomes in the agriculture sector, on which 70 percent of Uganda's citizens rely for their livelihoods. Another area of focus has been northern Uganda, where we provided \$102 million last year to help the region's people, including many former LRA abductees, rebuild their lives and communities.

The health sector is another challenge. Although HIV/AIDS prevalence rates have decreased from a high of 20 percent in the 1990s, they have stagnated at around 6 percent for the past decade. Malaria is another lethal threat in Uganda, causing an estimated 100,000 deaths per year. There are also very significant challenges in the area of maternal and child health. Through the Global Health Initiative, the President's Emergency Plan for AIDS Relief, and the President's Malaria Initiative, we are working with the Ugandan Government to improve the quality and accessibility of health services and to address Uganda's most pressing health concerns.

We recognize, however, that long-term success will require a significant and sustained commitment from the Ugandan Government. If confirmed, I will continue to reinforce this point and seek to build even more effective partnerships with the Ugandan Government, civil society, and faith-based groups in the areas of economic development and health.

We are also working to help Uganda strengthen its multiparty democracy and reinforce its respect for human rights. Although Uganda's electoral process last year was more transparent and peaceful than previous elections, it was carried out on an uneven playing field and fraught with irregularities. More can be done to improve and empower Uganda's governing institutions, and we will continue our efforts in that regard. Likewise, we continue to urge the Ugandan Government and civil society to respect not just political freedoms but also the fundamental human rights of all individuals.

Finally, Mr. Chairman, if confirmed, the protection of U.S. citizens and U.S. business interests in Uganda will be one of the foremost concerns for my team and for me.

In sum, Mr. Chairman, if confirmed, I will seek to strengthen our partnership with Uganda as a force for regional peace and security. I will also work with the government and people of Uganda in pursuit of a healthier, more productive, and more prosperous society where protection of citizens' political and personal freedoms is a priority for all. Achieving these objectives will be critical to Uganda's future stability and economic growth, as well as its continued role as an important and constructive regional leader.

I look forward to the opportunity to serve our nation in Uganda if confirmed, and I welcome any questions the committee may have.

Senator COONS. Thank you, Ambassador DeLisi.  
Ms. James.

**STATEMENT OF MAKILA JAMES, OF THE DISTRICT OF COLUMBIA, TO BE AMBASSADOR TO THE KINGDOM OF SWAZILAND**

Ms. JAMES. Mr. Chairman and members of the committee, it is a great privilege and honor to appear before you today as President

Obama's nominee to be the Ambassador to the Kingdom of Swaziland.

I am extremely pleased to have my family here with me—my husband, Louis Welles; my son, Mandela; and several close friends. They have always provided me with unwavering love and support throughout my Foreign Service career, and I am most grateful to them.

Mr. Chairman, if confirmed, I look forward to working with you and the honorable members of this committee to advance U.S. interests in Swaziland. I am confident that based on my 24 years in the Foreign Service, I am prepared for the challenges of leading our efforts to strive for an HIV-free generation, promote democracy and good governance, support respect for human rights and the rule of law, and foster sustainable development in Swaziland.

Swaziland is an extraordinary country and a valued partner to the United States. As one of the few resident diplomatic missions in the Kingdom, we have a unique opportunity to engage directly and to influence the government on issues of shared strategic interest. We must take advantage of the opportunity to do so as Swaziland faces an uncertain future.

After decades of absolute monarchy, the government's initial efforts to expand political freedoms have slowed. Swazi citizens have limited ability to engage meaningfully in politics, and basic rights, such as freedom of assembly, speech, and press are restricted. A deeply traditional society that prides itself on stability, the Kingdom is beset by modern problems: fiscal shortfalls, a devastating HIV/AIDS rate, and the need for political change toward a more inclusive democratic system. Despite these serious challenges, I am confident that progress remains possible, and that we must work diligently to pursue our goals in Swaziland.

If confirmed, I will serve during a crucial moment in Swazi history. Under my guidance, the U.S. Embassy would continue to advance democracy in Swaziland by encouraging support for key government institutions, including Parliament and the judiciary. We will support civil society, labor unions, the media, and other institutions that hold the government accountable, in particular in the run up to the 2013 parliamentary elections, a possible turning point in Swaziland's future.

I would also work closely with the Government of the Kingdom of Swaziland and civil society to enhance the status of women and children—a critical area of engagement to help address HIV/AIDS and uphold universal human rights. Like many Swazis, I, too, am convinced that there is no fundamental tradeoff between democracy and tradition, that Swazis can be both proud of their culture and proud of their freedom. Perhaps the greatest threat to Swaziland's future, however, lies in the health of its people. Swaziland has the most severe national HIV/AIDS and tuberculosis crisis in the world with a prevalence rate of 26 percent and a life expectancy of only 43 years.

The United States is helping Swaziland fight the HIV/AIDS epidemic by providing resources under the President's Emergency Plan for AIDS Relief, PEPFAR. The PEPFAR budget for Swaziland has risen from roughly \$9 million in 2007 to \$33 million in 2011.

To stem the tide of HIV/AIDS and help improve aid effectiveness, the U.S. Government has signed a Partnership Framework Agreement with the Government of the Kingdom of Swaziland that has contributed significantly to Swaziland's prevention of mother-to-child transmission and HIV/AIDS treatment programs, amongst some of the most effective in all of Africa.

The aim now is to strengthen public health and community systems to sustain the response to the HIV/AIDS epidemic beyond the PEPFAR program lifespan. If confirmed, I will work to increase Swazi Government accountability and capacity to combat HIV/AIDS while promoting Swazi-led efforts to create an HIV-free generation.

The Government of Swaziland is also challenged by a fiscal crisis that has hampered its ability to operate effectively. If confirmed, I will continue our work with the Swazi Government to promote economic reforms, provide technical assistance, and encourage fiscal transparency and accountability. In addition, I will promote labor reform and provide other guidance for Swaziland to remain eligible for African Growth and Opportunity Act benefits, and I will advocate for U.S. businesses who are seeking to enter the Swazi market.

As a rotating chair of regional organizations, including the Southern African Development community and the African Union, Swaziland is important to United States interests as it wields significance influence despite its small size. It is critical to our regional strategic interests that we ensure that Swaziland remains stable.

Fortunately, the United States-Swazi bilateral relationship is strong. There is no greater evidence of our friendship than the vibrant Peace Corps program through which 66 American volunteers are currently engaged in community health, HIV/AIDS prevention programs, and youth development. Encouraged by the mutual respect our two nations share, and energized by the challenges that lie ahead, I look forward to serving as Ambassador to Swaziland if confirmed.

Mr. Chairman and members of the committee, I want to thank you for the opportunity to appear before you today, and I will be happy to answer any questions you have.

[The prepared statement of Ms. James follows:]

PREPARED STATEMENT OF MAKILA JAMES

Mr. Chairman and members of the committee, it is a great privilege and honor for me to appear before you today as President Obama's nominee to be Ambassador to the Kingdom of Swaziland. I am extremely pleased to have my family here with me—my husband, Louis Wells, and my son, Mandela. They have always provided me with their unwavering love and support throughout my Foreign Service career and I am most grateful to them.

Mr. Chairman, if confirmed, I look forward to working with you and the honorable members of this committee to advance U.S. interests in Swaziland. I am confident that based on my 24 years in the Foreign Service I am prepared for the challenges of leading our efforts to strive for an HIV-free generation, promote democracy and good governance, support respect for human rights and the rule of law, and foster sustainable development in Swaziland. I have spent the vast majority of my Foreign Service career working in or on Africa. I have served as Principal Officer in Juba, Southern Sudan; Political Officer in Harare, Zimbabwe; and Political/Economic Officer in Kaduna, Nigeria; as well as Desk Officer for Sierra Leone and The Gambia; International Relations Officer for Africa in the United Nations Security Council;

and a Member of the Secretary of State's Policy Planning Office responsible for Africa. I believe that my experiences in Zimbabwe, a country still in transition toward greater democratization, has especially prepared me to serve as the U.S. Ambassador to Swaziland as it confronts similar challenges in expanding democracy. My overall experiences in each of these assignments has prepared me to serve in a difficult environment and afforded me a broad knowledge of the region and people.

In my current position as Director of Caribbean Affairs, I have led my staff in supporting U.S. policy in the 14 countries and several independent territories for which I am responsible, helping to strengthen democratic institutions, address major threats to citizen security, promote human rights, and encourage economic development. I have also served as Deputy Director and Acting Director of the Office of Southern African Affairs. These positions, as well as my service in Juba, have provided me with the important management skills which I would bring to an assignment as U.S. Ambassador to Swaziland.

Swaziland is an extraordinary country and valued partner of the United States. As one of the few resident diplomatic missions in the Kingdom, we have a unique opportunity to directly engage and influence the government on issues of shared strategic interest. We must take advantage of this opportunity as Swaziland faces an uncertain future. After decades of absolute monarchy, the government's initial efforts to expand political freedoms have slowed. Swazi citizens have limited ability to engage meaningfully in politics, and basic rights such as the freedom of assembly, speech, and press are restricted. A deeply traditional society that prides itself on stability, the Kingdom is beset by modern problems: fiscal shortfalls, a devastating HIV/AIDS epidemic, and the need for political change toward a more inclusive democratic system.

Despite these serious challenges, I am confident that progress remains possible and that we must work diligently to pursue our goals in Swaziland. If confirmed, I will serve as Ambassador during a crucial moment in Swazi history. Under my guidance, the U.S. Embassy would continue to advance democracy in Swaziland by encouraging support for key government institutions, including Parliament and the judiciary, which engender and uphold democratic values. We would also support civil society, labor unions, the media, and other institutions that hold the government accountable, in particular in the runup to the 2013 parliamentary elections, a possible turning point in Swaziland's future. I would also work closely with the Government of the Kingdom of Swaziland and civil society to enhance the status of women and girls—critical areas of engagement to help address the HIV/AIDS epidemic, support poverty alleviation efforts, and uphold universal human rights. Like many Swazis, I, too, am convinced that there is no fundamental tradeoff between democracy and tradition, that Swazis can be both proud of their culture and proud of their freedom.

Perhaps the greatest threat to Swaziland's future, however, lies in the health of its people. Swaziland has the most severe national HIV/AIDS and tuberculosis crises in the world, with an HIV prevalence of 26 percent and a life expectancy of only 43 years. The United States is helping Swaziland fight the HIV/AIDS epidemic by providing resources under the President's Emergency Plan for AIDS Relief, or PEPFAR. PEPFAR's budget for Swaziland has risen from roughly \$9 million in 2007 to \$33 million in 2011. To stem the tide of HIV/AIDS and help improve aid effectiveness, the U.S. Government has signed a Partnership Framework Agreement with the Government of the Kingdom of Swaziland, the second-ever agreement of its kind. This Partnership has contributed significantly to Swaziland's prevention of mother-to-child transmission and HIV treatment programs, among the most effective in all of sub-Saharan Africa. The aim now is to strengthen public health and community systems to sustain the response to the HIV/AIDS epidemic beyond the PEPFAR program's lifespan. If confirmed, I will work to increase Swazi Government accountability and capacity to combat HIV/AIDS, while promoting Swazi-led efforts to create an HIV-free generation.

Compounding the challenges of the HIV/AIDS epidemic, the Government of Swaziland is challenged by a fiscal crisis that has hampered the government's ability to operate effectively. If confirmed, I will continue our work with the Swazi Government to promote economic reforms, provide technical assistance, and encourage fiscal transparency and accountability. In addition, I will promote labor reforms and provide other guidance for Swaziland to remain eligible for African Growth and Opportunities Act (AGOA) benefits, and I will advocate for U.S. businesses seeking to enter the Swazi market. AGOA is a critically important program in Swaziland that is helping the country address its serious unemployment rate of 41 percent. Swaziland is a country that has successfully utilized AGOA and is one of the top African exporters of textile to the United States. AGOA employs approximately

15,000 Swazi workers in the textile sector, many of them women. I would encourage Swaziland to demonstrate the continued progress required for renewed AGOA eligibility to ensure its continued access to its trade preferences.

As a rotating chair of regional organizations, including the Southern African Development Community (SADC), and the African Union, Swaziland is important to U.S. interests as it wields significant influence despite its small size. It is critical to our regional strategic interests that we ensure Swaziland is stable. Fortunately, the U.S.-Swaziland bilateral relationship is strong. There is no greater evidence of our friendship than the vibrant Peace Corps program, through which 66 American volunteers are currently engaged in community health/HIV prevention and youth development. As the impact of the Peace Corps Volunteers continues to gradually expand throughout 2012, I would focus on working with the in-country Peace Corps staff to ensure the effectiveness of this important program—the face of America throughout much of rural Swaziland—as well as the safety and welfare of each of the volunteers. Encouraged by the mutual respect our two nations share and energized by the challenges that lie ahead, I look forward to serving as U.S. Ambassador to Swaziland, if confirmed.

Mr. Chairman and members of the committee, I want to thank you for the opportunity to appear before you today. I will be happy to answer any questions you have.

Senator COONS. Thank you, Ms. James.

Mr. Raynor.

**STATEMENT OF MICHAEL RAYNOR, OF MARYLAND,  
TO BE AMBASSADOR TO THE REPUBLIC OF BENIN**

Mr. RAYNOR. Thank you very much. Mr. Chairman and members of the committee, I am honored to appear before you today, and grateful to President Obama and Secretary Clinton for the confidence they have placed in me as their nominee for Ambassador to the Republic of Benin.

I am happy to introduce my wife, Kate, my son, Bradley, and my daughter, Emma. They have all done America proud through many years overseas, and I could not be more grateful for their support.

I have focused on Africa during 20 of my 24 years in the Foreign Service, including 14 years at our Embassies in Congo, Djibouti, Guinea, Namibia, and Zimbabwe, and 6 years in Washington, most recently as the Executive Director of the Bureau of African Affairs. From this experience. From the service I have gained rich experiences upon which I will draw to support U.S. interests if confirmed as the next U.S. Ambassador to the Republic of Benin.

Mr. Chairman and Senator Isakson, I greatly respect the interest you have taken in Benin. Your visit last June highlighted important U.S. Government programs, as well as your strong interest in achieving justice for Kate Puzey, a wonderful Peace Corps Volunteer who was tragically murdered just over 3 years ago. The impressive luncheon you hosted last July for President Yayi and three other West African Presidents further reflected your significant engagement in the region.

The United States and Benin have a strong relationship founded on common interests and objectives. Benin is a West African success story and a proponent of values we Americans hold dear. Since the early 1990s, Benin's embrace of democratic pluralism has resulted in multiple free and fair elections, including peaceful democratic transitions between political parties. And it continues to buttress its democratic institutions and procedures.

If confirmed, I will promote U.S. engagement in support of good governance, accountability, and capacity-building within the government and civil society.

Benin has a strong record on human rights. Religious tolerance and freedom of expression are hallmarks of Beninese society. Benin and the United States have collaborated to promote women's and children's rights and to counter violence against women. If confirmed, I will build upon efforts to protect Benin's most vulnerable populations. This commitment extends to investing in the health of the Beninese people to boost maternal and child health, keep Benin's HIV rate in check, and combat malaria and other diseases.

Benin and the United States share an interest in countering terrorism and promoting regional stability. Benin's region presents significant terrorist and maritime security concerns. Benin participates actively in U.S. international military education and training programs, and has contributed to United Nations' peacekeeping efforts in Africa and Haiti. If confirmed, I will support Benin's capacity to promote regional and global security.

Since embracing free market principles over 20 years ago, Benin has pursued economic reforms and diversification. Last October, Benin completed a \$307 million Millennium Challenge Corporation Compact that improved Benin's port and increased its citizens' access to entrepreneurial credit, land title, and legal remedies. Due to this success, and in light of Benin's commitment to good governance and economic development, Benin was deemed eligible to develop a proposal for a second MCC compact. If confirmed, I will work closely with the Government of Benin toward a second compact, both to enhance Benin's economic vitality and to promote U.S. commercial opportunities in Benin.

While Benin is indeed a success story, it faces challenges to sustaining and building upon its progress. Benin ranks low on many of development indicators, including measures of education, health, corruption, personal income, and business climate. The United States has a strong stake in helping Benin overcome these challenges, not only for the sake of the Beninese people, but because of the value that a democratic, responsible, and economically vibrant Benin brings to the United States efforts to promote these values more broadly.

When he met with President Obama in Washington last July, President Yayi reiterated his commitment to building upon Benin's strengths, addressing its vulnerabilities, and expanding its positive role on the world stage. If confirmed, I will work hard to enhance the vital role of the United States in these efforts.

Any discussion of United States interests in Benin must sadly include the terrible murder of Kate Puzey, a tragedy not only for her family and friends, but for all who stood to benefit from her positive influence on the world. Great good was brought from this tragedy through the enactment of the Kate Puzey Peace Corps Volunteer Protection Act last November, but legal justice is needed as well. The United States continues to assist Benin in investigating the crime. If confirmed, I will press efforts to achieve justice and resolution.

Thank you, Mr. Chairman, and members of the committee, for the opportunity to address you today. If confirmed, I look forward to working with you and representing the interests of the American people in Benin. I am happy to answer any questions.

[The prepared statement of Mr. Raynor follows:]

## PREPARED STATEMENT OF MICHAEL RAYNOR

Mr. Chairman and members of the committee, I am honored to appear before you today, and grateful to President Obama and Secretary Clinton for the confidence they have placed in me as their nominee for Ambassador to the Republic of Benin.

I am happy that my wife, Kate, my son, Bradley, and my daughter, Emma, are able to join me today. They have all done America proud through many years overseas, and I couldn't be more grateful for their support.

I have focused on Africa during 20 of my 24 years in the Foreign Service, including 14 years at our Embassies in Congo, Djibouti, Guinea, Namibia, and Zimbabwe, and 6 years in Washington, most recently as the Executive Director of the Bureau of African Affairs. From this service I have gained rich experience upon which I will draw to support U.S. interests, if confirmed as the next U.S. Ambassador to the Republic of Benin.

Mr. Chairman and Senator Isakson, I greatly respect the interest you have taken in Benin. Your visit last June highlighted important U.S. Government programs as well as your strong interest in achieving justice for Kate Puzey, a wonderful Peace Corps Volunteer who was tragically murdered just over 3 years ago. The impressive luncheon you hosted last July for President Yayi and three other West African Presidents further reflected your significant engagement in the region.

The United States and Benin have a strong relationship founded on common interests and objectives. Benin is a West African success story and a proponent of values we Americans hold dear. Since the early 1990s, Benin's embrace of democratic pluralism has resulted in multiple free and fair elections including peaceful democratic transitions between political parties, and it continues to buttress its democratic institutions and procedures. If confirmed, I will promote U.S. engagement in support of good governance, accountability, and capacity-building within the government and civil society.

Benin has a strong record on human rights. Religious tolerance and freedom of expression are hallmarks of Beninese society. Benin and the United States have collaborated to promote women's and children's rights and to counter violence against women. If confirmed, I will build upon efforts to protect Benin's most vulnerable populations. This commitment extends to investing in the health of the Beninese people to boost maternal and child health, keep Benin's HIV rate in check, and combat malaria and other diseases.

Benin and the United States share an interest in countering terrorism and promoting regional stability. Benin's region presents significant terrorist and maritime security concerns. Benin participates actively in U.S. International Military Education and Training programs and has contributed to United Nations peacekeeping efforts in Africa and Haiti. If confirmed, I will support Benin's capacity to promote regional and global security.

Since embracing free market principles over 20 years ago, Benin has pursued economic reforms and diversification. Last October, Benin completed a \$307 million Millennium Challenge Corporation Compact that improved Benin's port and increased its citizens' access to entrepreneurial credit, land title, and legal remedies. Due to this success, and in light of Benin's commitment to good governance and economic development, Benin was deemed eligible to develop a proposal for a second MCC Compact. If confirmed, I will work closely with the Government of Benin toward a second compact, both to enhance Benin's economic vitality and to promote U.S. commercial opportunities in Benin.

While Benin is indeed a success story, it faces challenges to sustaining and building upon its progress. Benin ranks low on many development indicators, including measures of education, health, corruption, personal income, and business climate. The United States has a strong stake in helping Benin overcome these challenges, not only for the sake of the Beninese people, but because of the value that a democratic, responsible, and economically vibrant Benin brings to U.S. efforts to promote these values more broadly. When he met with President Obama in Washington last July, President Yayi reiterated his commitment to building upon Benin's strengths, addressing its vulnerabilities, and expanding its positive role on the world stage. If confirmed, I will work hard to enhance the vital role of the United States in this effort.

Any discussion of U.S. interests in Benin must sadly include the terrible murder of Kate Puzey, a tragedy not only for her family and friends but for all who stood to benefit from her positive influence on the world. Great good was brought from this tragedy through the enactment of the Kate Puzey Peace Corps Volunteer Protection Act last November, but legal justice is needed as well. The United States continues to assist Benin in investigating the crime. If confirmed, I will press efforts to achieve justice and resolution.

Thank you, Mr. Chairman and members of the committee, for the opportunity to address you today. If confirmed, I look forward to working with you in representing the interests of the American people in Benin. I am happy to answer any questions.

Senator COONS. Thank you to all three of our nominees today. I would like to open our first round of questions by just asking each of you in turn if you would, to broadly address what you see as the most critical policy objectives for the United States in your country of appointment, and, in particular, given our fairly difficult and limited budget environment in the coming decade, what you see as the means that you will use to focus our partnership, our assistance with these three countries to make sure that they are effective, and what you will be doing to promote trade and responsible economic development in partnership between the United States and your countries of appointment.

Ambassador DeLisi.

Ambassador DELISI. Thank you for the question, Senator. It is wide ranging.

Certainly in your introductory remarks, you touched on the key issues, I think, for us in Uganda. They certainly would be part of what I would address if confirmed. Strengthening and maintaining the strategic partnership that we have and the role that they have continued to play in support of bringing peace and stability to both the Horn of Africa and the Great Lakes Region is tremendously important. We appreciate the sacrifices that Uganda has made, especially in Somalia. We want to keep that relationship vibrant.

But just because we have a strong security partnership does not mean that we cannot speak candidly and constructively to our partners about issues of concern, and that includes democracy and human rights. You have noted that there are challenges in that arena, and that is something that I think that we have to address.

And on that front, it is not always about resources. We have some money that is in our democracy and governance programs that is intended to address those concerns, but it is about leadership, and it is about visibility. And I think one of the things that an ambassador has to do is be the spokesperson, to be seen as visibly and in a very clear way demonstrating that we care about these issues. And that is something that I have tried to do in Katmandu. It is something that I would try to do as well in Kampala if I am confirmed.

Equally, as we seek to build strong partners in Africa, prosperous, stable societies, public health issues are critical. We have a robust budget there. We are not strained for resources. But I think it is imperative, given that it is a resource constrained world, that we look at the budget that we have and that we use it in the most effective way possible; that we review our programs, make sure they are directed toward the support of a comprehensive and strategic vision about what we are doing there.

The other thing that I would hope to be able to do in terms of addressing our resources and the constraints is to leverage other people's money. I have found it can be an effective tool in Nepal and many of the efforts that we launched. We have provided leadership, but we have not been able to use the resources from partners in the private sector, other diplomatic partners, to support the

issues of concern on which we have led, and I would hope we would be able to continue to do that.

In terms of building the economic relations, the trade relationships, right now we have not a very robust trade partnership with Uganda. I would like to see that change, but I know that is not going to be easy. It is about building infrastructure. It is about addressing some of the fundamentals within the Ugandan economy that have to be looked at first before they can be the kind of partner that we might want. And that is what we are trying to do. We are trying to look at issues of corruption. We are looking at issues related to energy. We are looking at ways that we can strengthen the agricultural sector, which is the heart of the economy, and that is where we are directing our Feed the Future resources.

We will continue to do all of that. And meanwhile, once I am on the ground, if confirmed, I will be looking to see what other opportunities there are for U.S. business, and we will pursue them as strongly as we can.

Thank you, sir.

Senator COONS. Thank you, Ambassador.

Ms. James.

Ms. JAMES. Thank you, Mr. Chairman.

As you know, Swaziland does have a very difficult and challenging political environment, and so democracy and governance are very high on the agenda for me, in particular. It has been a challenge because this is an absolute monarchy. Political parties are effectively banned, and basic rights have been severely restricted. Nevertheless, there are some signs of positive developments which I would want to take advantage of and really work very hard to engage on.

Swaziland does have democratic institutions. The court system and Parliament are targets of opportunity that I think we would want to work very closely on. We try to build capacity there with the limited program funding that we do have.

I also think it is important that we engage heavily with civil society and with the government to keep a regular dialogue open and to underscore that these are priority issues for the United States Government. As Ambassador, I would be very visible, very vigilant, in following up on these kinds of conversations with all parties in the country.

We have very limited democracy and governance funds, and so it is going to require that we are smart, that we are efficient, and that we leverage all of our programs, because within a number of our programs, we have the opportunity to build good governance capacity.

Within the PEPFAR program, which is very focused on the Health Ministry and the Finance Ministry, we have an opportunity to work to build up systems to help address accountability and transparency issues. Similarly, with the AGOA eligibility requirements, we have an opportunity to engage with the government on a regular basis to encourage anticorruption efforts and political pluralism. So, we have vehicles there that we will use, even though we do not have dedicated, significant democracy, and governance funds.

With respect to promoting trade, I would note that Swaziland has actually benefited very much from the African Growth and Opportunity Act. They have exported extensively to the United States, and that is creating a more prosperous Swaziland. A key ingredient for American businessmen who want to operate in Swaziland is the need for a market. They need a purchasing market, and so to the extent that we are using AGOA to help build up Swaziland's own economy and its own income there, that is good for the U.S. economy as well.

There is also a very enabling business environment in Swaziland despite the issues we talked about on the political front. There is a very good business climate there. Senator Isakson, as you may know, Coca-Cola has the largest plant on the continent in Swaziland. They have been there for many years successfully. They are a good corporation which exercises social responsibility. They are a role model. And I would want to engage with them to think about how we could bring in more businesses there.

So, I think the enabling business environment and working with the government on labor issues, would support the kinds of conversations that I would want to have to encourage businessmen to look at Swaziland.

Senator COONS. Thank you, Ms. James.

Mr. Raynor, if you would.

Mr. RAYNOR. Thank you, Mr. Chairman. First, on your question with regards to policy objectives, in a nutshell I would say that I would see, if confirmed, my objective in Benin to be essentially to solidify and build upon the gains that Benin has made, and then to look at the obstacles that it faces to further progress.

As you noted, Mr. Chairman, Benin has established quite a strong track record in terms of democracy and good governance, as well as human rights. Indeed, it also has established a good record with regards to economic structural reforms and sustained rates of economic growth. As such, it already serves as something of a role model within West Africa and beyond of a stable, democratic society.

I think one thing I would do if confirmed would be to stress in diplomacy and public diplomacy that these attributes are things that we, the United States, value very highly in Benin, and they essentially form the cornerstone of our very positive relations.

And from that basis, I would then engage with the Government of Benin to look at the obstacles to further progress and what we may be able to do with regards to formal aid and otherwise to help the country overcome them. These obstacles include the need for further progress in areas of health and education. Also, the business climate. And I think we would need to look at what we are doing with our formal aid, and we would have to make sure that evolves in response to gains made, in response to the Beninese own assessment of their priorities, in response to what other actors in the donor community and the international community are engaging on so that there is complementarity and a sort of a multiplier effect to our engagement.

Certainly growing Benin's economy, I think, is central to its interests in the future, and I would certainly look for ways to leverage and build upon the gains made through the MCC compact,

which, as you noted, Senator Isakson, markedly improved the Port. It both expanded and renovated it. It also addressed some of the issues related to the business climate in the country with regards to access to credit, access to judicial process.

So, I think those are gains that need to be solidified and built upon. The prospects of a second compact would also be a very encouraging prospect. And, more generally, I think we just need to look for ways to assist in Benin in diversifying its economy, both diversifying its agricultural sector and its broader economy.

Senator COONS. Thank you, Mr. Raynor.

Ambassador DeLisi, if I might, one last question this round, and then I will turn it over to Senator Isakson.

Ambassador DeLisi, have we been doing enough as a nation to support the pursuit of Joseph Kony and to be actively engaged in the efforts to end the Lord's Resistance Army? What more could we be doing? How can we sustain this effort? And what has the United States been doing to help the communities in Northern Uganda recover from the impact of the Lord's Resistance Army?

Ambassador DELISI. Thank you very much for the question, Senator, and I would like to thank you and your colleague, Senator Isakson, and others who passed the resolution yesterday addressing this issue. The sort of leadership that we have seen on the Hill, and I do not say this just because I am here before you today, but this is important. It sends a powerful message to support what the administration is trying to do in pursuit of Joseph Kony and his lieutenants.

And, yes, I think we are doing well. I am very pleased with what I have been able to learn in the few weeks that I have been reading. I think we have had a very active engagement and support of our African partners, because this is an African-driven initiative, and I think that that is a good thing.

But we have been active in support. We have provided over \$50 million in assistance over the past 4 years as we have pursued this. We have now deployed, as you know, special operations forces to support, again, our African partners to give them both the intelligence and operational coordination that is necessary to make this more effective.

We are looking to partner more effectively with the African Union, which is it sees now with this issue, and is launching their own initiative to press forward. And that is good. I think that will be especially important to us in terms of standing up the coordination center in South Sudan, giving us a standing headquarters that we can engage with, but also in encouraging the regional partners to work together as effectively as we need.

We can always try to do more, but we know that this is a daunting task. Kony and his cadre are in an area the size of the State of California in some of the most inhospitable terrain, some of the most dense jungle, without roads, without easy access, not easy to track. This is a long-term effort. But we believe that the governments of the region and that the Government of Uganda in terms of its role is committed to staying the course. I hope that we will be as well.

I know that there is pending legislation that was introduced in the House that would expand the Rewards for Justice Program. I

think that that would be a tool that would be very useful for us if we could apply the Rewards for Justice Program to Mr. Kony and his top commanders, again another step in the right direction.

We are looking as well to see what we can do in terms of assisting with one of the greatest challenges, and that is mobility, and that is something that we will be consulting with, and I will be talking to colleagues in the Africa command if I am confirmed, and we will look at these issues in coordination with colleagues in Washington.

Finally, turning to Northern Uganda, we provided just last year alone, as I noted in my open remarks, \$102 million. We have seen that close to 95 percent of the people who were displaced during the conflict, of those 2 million people, 95 percent have now returned to their homes, to their communities, or are in transitional centers. We are starting to move from humanitarian assistance to more traditional development mechanisms. We are working with vocational training, creating jobs, revitalizing agriculture.

And in that group that we are assisting are many former LRA abductees. There is over 12,000 who have come out in the past decade, little more than a decade. And many of them are being assisted by our programs in Northern Uganda. But we are doing that in partnership with the Government of Uganda, which has its own peace recovery and development program for the north, and they have been funding it, and they are continuing to do so as well.

And that is the important part that this is in partnership with Africa and with African nations. I think we are making good progress. We will continue to do so, I hope.

Senator COONS. Thank you, Ambassador DeLisi. We look forward to working with you and sustaining our effective engagement on this issue.

Senator Isakson.

Senator ISAKSON. Mr. Raynor, I want to sincerely thank you for your prepared statement and your commitment to the Puzey family. I want to make sure that statement gets in the hands of Kate's mom and dad. They will appreciate the fact that you are carrying on where Ambassador Knight began. Senator Coons and I are interested in following that and appreciate any communication along the way you can give to us as the process of that investigation and hopefully ultimately a trail. But I want to thank you for your acknowledgment of the gravity of that situation and your personal commitment to it.

And I might also say, Ms. James, I want to thank you for mentioning Coca-Cola. Any time somebody mentions the biggest business for my home State, I am always grateful.

Also, Senator Coons and I visited in Ghana a Coca-Cola water project. I do not know if you are aware of what Coca-Cola is doing in Africa, but they are investing millions of dollars in clean water projects where they put in purification systems, teach the people how to maintain the system, charge them 7 cents a day for 5 gallons of water, which is the amount of money necessary to maintain and keep the plant in condition. And with clean water being the biggest issue, Africa really has, among many, many issues, I would encourage you to talk with Coca-Cola about that. But thank you for acknowledging them.

And thank you for acknowledging the AIDS problem and the AIDS infection rate. And I would only—I read the governmental organization of the Kingdom of Swaziland, and it is a kingdom. It is not a democracy. I mean, any time the King can dissolve the Parliament, you got one person in charge. And I wish you a lot of luck with the democracy efforts that you make.

But I would ask that you, for a second, comment on the fact. One thing Senator Coons and I are working on, every time we meet with African countries that are in the PEPFAR program, is to get the governments receiving—who are in PEPFAR to take over more of the human responsibility of testing and delivering the retrovirals. The more countries can help—and Tanzania, by the way, is doing a great job of that now. The more they can replace the manpower that we have been using through NGOs and through USAID and through CDC, the more we can put in retrovirals, but the less the total cost. So, I would appreciate your comment on that.

Ms. JAMES. Thank you, Senator Isakson.

First of all, I want to thank you back for your kind words. I look forward to engaging with Coca-Cola. I understand they are a good corporate partner in the country, and I am very much interested to see what more we can do with that partnership.

With respect to PEPFAR, PEPFAR is a very successful story in Swaziland. The program has been active for a while, and it is really a partnership with the government. Specifically, you mentioned antiretrovirals. I am really pleased to report that the Government of Swaziland has basically taken over the distribution of all the antiretrovirals. So, we are not in the business of doing that. We are in the business of capacity-building, working with community organizations, getting more local engagement in solutions for the orphans and vulnerable children. The numbers there are just astronomical, about 10 percent of the population.

We are really working at the grassroots level and the capacity-building level, and the government has taken ownership of the ARV programs. At least since 2010, they have been solely in the business of distributing the ARVs. And from all accounts, it is going well. It is a multifaceted program.

As I said, we also have Peace Corps engaged, and I think Peace Corps has been doing a great job for us in the rural areas, and they are working in partnership, one on one with local leaders in small community centers helping to build life skills and helping to deal with the needs of orphans and vulnerable children. And so, we really have a partnership out in the rural areas through Peace Corps as well as PEPFAR staff that is working in the major areas engaging with the Ministry of Health.

So, I thank you, and I look forward to furthering that.

Senator ISAKSON. Well, I thank you.

Ambassador DeLisi, when you were referring to the north and humanitarian effort, I guess you were talking about Gulu or that region of Uganda, is that correct?

One of the big NGOs in Africa is based out of Atlanta. That is CARE, and their presence, as I understand it, is pretty complete in Northern Uganda. And I am glad to hear we are going from

humanitarian focus to vocational focus in trying to bring that area back, which was so devastated by Kony and his people.

On Joseph Kony, I say the same thing to you I said to Mr. Raynor regarding his passion on the Puzey case. I think it is very important that America's diplomats and America's politicians speak forcefully when we see a human tragedy like what is going on at the hands of Kony. I traveled to Rwanda and saw firsthand how the world looked the other way. And they paid no attention to a genocide that was taking place in that country.

And I think it is important that we as a country be a leader in focusing when we know there is an injustice. And I commend you on your passion for that. And when I go to Uganda later on, I intend to meet both with the military personnel as well as hopefully yourself or the person that you are succeeding, one way or another, to try and help in any way we can in the Congress of the United States to do that.

And one other question on the South Sudan. I have traveled to Sudan and Darfur and South Sudan, or near South Sudan. We are grateful that the Comprehensive Peace Agreement was reached, but we are scared to death that the South Sudan and the North will get into a civil war like what happened in the past.

You refer to Uganda's deployment or Uganda's assistance in South Sudan. Can you elaborate on what they are doing to help stabilize that area?

Ambassador DELISI. Senator, I have looked at this somewhat. I have not looked at it extensively. From what I have seen, though, I know that Uganda has been a longstanding friend of the people of the South to begin with, and has supported them through their struggles, and now supporting them into independence.

The support at this point in time is largely on two fronts. One is to build an effective government, so they are working on establishing the government institutions, the military, the civil service, all of the things that a nation needs to begin to function effectively. And this is a challenge when you are starting from scratch in many ways.

They are also involved very much in the economy of the region. I know that South Sudan is the major trading partner for Uganda, and there is a lot that goes on there. But the nuts and bolts I really cannot speak to at the moment. I would have to look at that a little bit closer. But this is one of the areas that I know is going to be extremely important as we move forward. And, like you, I think we all recognize that this is a volatile region. The potential for problems is always there, and it also means the potential for new refugee flows if problems erupt.

So, it is in our interest and it is in Uganda's interest as well to try to forestall problems, to look at these things, to strengthen their regional partners. And that is one of the things that is so important to us and why our partnership with Uganda has really mattered. It is something that I will work to continue to build if confirmed and when I am in Uganda, and I know that we have to look across the region broadly, not just at Somalia, not just at Sudan, not just at Joseph Kony, but, again, many challenges throughout that part of Africa.

And so far, Uganda has been a very good partner for us in addressing them, and I hope will be able to continue that.

Senator ISAKSON. Well, I really appreciate your mentioning it in your remarks because you are being named Ambassador, and I hope confirmed Ambassador, to Uganda, in fact, South Sudan may be a major part of your role as you are in Uganda. That is a very nasty neighborhood, and to the east of South Sudan you have got Somalia. To the north you have got the North of Sudan, and you have got the rebels that are fighting, the Janjaweed, I think they call them, in the Darfur area. So, there is a lot of potential for an expansion of the bad things that have happened in West Sudan and in Somalia.

And I think engagement by Uganda, which has been a forceful player in that portion of Africa, and our support for their engagement to help the South Sudan go from a fledgling democracy to a functioning democracy, will be critically important because if we fail to do that, we will be confronted with a civil war primarily over petroleum between the north and the south, and that would be a tragedy.

Let me just conclude my remarks by thanking the spouses and the families of each one of these nominees because an ambassador's job is a team effort. Without your support, they could not do their job. Thank you for your support for these nominees.

Senator COONS. I have one more round of questions. Thank you.

If I might, just a few more questions for each of our nominees today because you each will be representing us, if confirmed, in countries I think with great and complex challenges.

Mr. Raynor, if you might, piracy off the coast of Somalia has received a great deal of deserved attention for a number of years now. But piracy off of Benin and across the whole West African region is also a significant and growing challenge.

What could we do to more effectively partner with Benin, with regional allies, in strengthening maritime security?

Mr. RAYNOR. Thank you, Mr. Chairman.

You are absolutely right. Piracy on the West Coast of Africa is certainly growing as a problem and a concern, and Benin has taken actually a leadership role in addressing that. I think it recognizes the potential impact of piracy on, for example, its port, which is a major economic driver in the country.

Therefore, it has taken a lead role in trying to develop a national maritime strategy that the United States has been providing technical assistance toward. In addition, I think the United States can do more to help forge a common strategy between the states of Central and West Africa who share that coastline so that there is a coordinated approach and a pooling of resources.

Senator COONS. Thank you.

Ms. James, AGOA has meant a lot for Swaziland. What can we, should we be doing to make sure that AGOA is reauthorized in an appropriate timeline, and what impact do you think it might have, if, as has sadly often been the case here in the Congress, we wait right up until its expiration to deal legislatively with its reauthorization?

Ms. JAMES. Well, thank you, Senator, for the question.

As I noted, AGOA has been very successful in Swaziland. It is one of the major producers of textiles on the continent exporting to the United States, and it has had an amazing impact on the country.

About 15,000 people are actually employed, but each one of those people supports a very large extended family. So, it has had a broad impact in the country as well. It has been a source of stability, and many of those employees are women, and so we would like to see that kind of a program stay in place. It has a great impact on the health and the productivity of the country.

With respect to the annual reauthorization, we have had some questions and some difficulties with Swaziland's status of governance, its levels of transparency and questions of corruption. And the AGOA reauthorization process has been an entry point for us to engage the government at all levels to talk about addressing those issues.

We have focused heavily on labor rights and practices, and I think we can report today that the recent reeligibility decision to reapprove their AGOA status was a result of the fact that the Kingdom has made some progress, not a lot of progress, but progress nevertheless. And we will just keep hammering away on the areas of concern still to be addressed. The Government of Swaziland has actually begun to have more conversations with labor unions and with the international labor organization. The government has a tripartite standing dialogue that is ongoing on labor issues. So, this conversation that we have around AGOA has actually been helping democracy and labor and human rights across the board.

As you may know, the country depends upon imported fabrics. It has a third-country preference in place, and that has been very important, and that has been a helpful thing for the country. If they were to lose that, it would probably have a very devastating impact on the ability to continue to operate as they have with AGOA. So, it is very important that AGOA remain and that it remains strong with all the elements that are currently in place.

Senator COONS. Well, it is my hope and intention to support proceeding to the AGOA reconsideration as promptly as we can because of concerns that we have already heard from a number of African Ambassadors.

Ms. JAMES. That is very encouraging to hear. Thank you, sir.

Senator COONS. Ambassador DeLisi, there was a tragic murder in Uganda, the killing of a gay activist, David Kato, last year. And I am concerned about the antihomosexuality bill that has been introduced and is proceeding in Uganda. It is one of the more extreme such laws being considered around the world because it includes the death penalty for homosexual acts.

I think the opposition in the United States is clear. What do you think are its prospects of passage, and, if adopted, what are the options you would see in your role as Ambassador?

Ambassador DELISI. Thank you, Senator. I share your concern, and, as you know, our Embassy, our government has been forthright in stating our opposition to the bill.

In terms of its potential for passage, obviously that is a decision that the people and the legislature in Uganda will have to make.

But I think that I find encouraging several signs. First, the Ugandan Human Rights Commission has been very forthright, and has spoken out, and has made it clear that this bill as written, and I think almost in any form, would be contrary to both the Ugandan Constitution and violation of the constitution, and contrary to Uganda's international commitment and obligations on human rights.

Other NGOs and civil society groups have become much more vocal and have spoken out strongly on this. I just saw an article recently in which some of the LGBT organizations said that their dialogue, that the community dialogue in Uganda, has become richer as a result of this. And they have seen not an outpouring of public support, but at least a greater degree of support for their efforts. And those are promising signs.

I am also heartened by the fact that the Ugandan judiciary overall has shown consistent support for the rights of all communities, all the marginalized communities, and that is also promising.

I hope the bill will not pass. I think most in the international community would hope that. I think that there are also many in Uganda who recognize that if the bill passes, that it has—there is significant potential consequences. The impact on Uganda's international reputation and standing, the impact on tourism. They are very proud to have been named as tourist destination of the year for 2012, and it is the pearl of Africa. But this is the sort of thing that does have an impact. And so, they have to look, and I think they are looking, at the realistic—the practical, pragmatic consequences of this also.

For us meanwhile, I think that the Secretary has made it clear that while we are absolutely committed on these issues, we also recognize that it is not always about being punitive or lecturing; it is about engaging constructively. It is about educating civil society groups, supporting them. It is about getting the right sort of debate going, showing people that when the rights of any community within your country are being brought under attack, when you are discriminating against any element within society, all society ends up suffering, and everyone's rights are ultimately at risk.

Those are the sorts of conversations that we have had that we will continue to have, no matter what the outcome of the legislation, even if it is not passed. We need to continue to be affirmative in our engagement and be good partners as we discuss these sometimes very sensitive social issues, but issues that have to be addressed and recognized, and that the fundamental human rights issues involved here are central to any engagement with our partners.

Senator COONS. Thank you, Ambassador.

I, last, would be interested in hearing a little more detail on the regional effort in the hunt for Joseph Kony, how the Central African Republics, how Sudan and, in particular, the DRC, have responded, how engaged they are with allowing Ugandan troops either in their territory or working collaboratively with them, and what you see as the critical next steps in this ongoing pursuit to remove Joseph Kony and his top lieutenants from the battlefield.

Ambassador DELISI. Thank you, Senator.

I think the regional effort is going pretty well overall. I had the chance last week—we had our global chief of missions conference here, and we took advantage of that to sit down with our ambassadors throughout the region and our leadership in the State Department to discuss how we are coordinating our efforts and what we are finding in the respective capitals in the region.

I think we are seeing very strong support for the overall goal of bringing Kony and his commanders to justice, and that is good news because these countries are still being affected. We see the continuing impact of the LRA in the DRC, and the CAR, and, to a degree, in South Sudan.

I think that the militaries in these countries are participating. They are participating actively. Not all of them have as much to bring to the table in terms of resources as the Ugandans have, but they have long military experience. But it is improving. And we are working with those governments in all four instances to make sure that that partnership is right, that we are giving them the logistical and other support that they need to be effective in their efforts to bring Kony to justice.

Overall, the coordination between the four countries is good, but there is that concern about Ugandan forces at this point in time are not entering into the DRC. The DRC asked the Ugandans to refrain from coming into their sovereign territory. This was in part due to the elections that were coming in the DRC; we understand that. I think that is an issue that does need to be addressed, and I know the two governments, the governments involved are talking to each other. I know our Ambassador in Kinshasa is working on these issues as well. I think that with the AU effort, we will also have perhaps greater traction in making this happen.

So, I think that we are moving in the right direction. As I said earlier, if we can find ways to bring the Rewards for Justice Program to apply here, that could be a good thing. We will continue to look at issues of mobility, and sit down and say—figure out what—where we can make the greatest additional value to this effort in the coming months.

Senator COONS. Thank you, Ambassador.

Senator ISAKSON.

Senator ISAKSON. In deference to Senator Udall, who has arrived, I am going to ask one question and then give him a chance, if that is all right, Mr. Chairman, to—

Senator COONS. Absolutely.

Senator ISAKSON [continuing]. Ask a question. But I would—actually it is not a question. It is an observation.

When the chairman and I were in West Africa, and, in particular, in Benin, you have got Nigeria, which had its first “successful”—and I put that in quotes—democratic election with Goodluck Jonathan. And then you have got Benin, and then you have got Togo, and then you have got Ghana, and then you have got Cote d’Ivoire, I think, is the right—if I got my geography right.

And one of the barriers to their growth or some of the trade barriers between the countries and the fact that the roads are not always open, many times are manned by folks who are collecting corruption fees to let you pass. And so many of the goods are perishable—poultry, pineapple in particular, which is so prevalent in

the region and which the chairman and I sat and ate in the middle of a pineapple patch one day, and it is the best pineapple I have ever eaten in my life. But the problem is it is highly perishable, and the roads are not that good. And the barriers to trade are.

Can you share with us some ideas you might have on expanding the trade between countries on the West Coast of Africa so they can benefit from their own assets one to another?

Mr. RAYNOR. Thank you. Thank you, Senator. You are absolutely right. It is one of the great hindrances to development in Africa, the interconnectivity, or lack thereof, between countries. And certainly these are a lot of countries that are very close to each other, and that should have very robust trading relationships, and for infrastructure reasons and other reasons, do not.

Specifically with regards to infrastructure, it is a challenge. It is the sort of thing that one could look at as part of the second phase of the MCC potentially. I think ultimately it is something that requires collective effort, and I think perhaps ECOWAS would be a useful partner in that regard. Certainly President Yayi is very strongly engaged in ECOWAS. I think issues of economic integration within West Africa are central to his concerns and ECOWAS, and I think we would certainly look for opportunities to promote that sort of dialogue and to look for opportunities to build those linkages, and eventually those physical linkages, to improve those trade connections.

Senator ISAKSON. Thank you very much. And I will defer the balance of my time to Senator Udall.

Senator COONS. Senator Udall.

Senator UDALL. Thank you, Mr. Chairman, and I very much appreciate your courtesy, Senator Isakson.

First of all, let me just thank Mr. Raynor for bringing up Kate Puzey and her—Peace Corps volunteer, her service to the country. We know she died in Benin, and we ended up honoring her, I think, in terms of naming a bill after her. And thank you for bringing her up.

You know, Benin recently completed a successful 5-year compact with the Millennium Challenge Corporation. How do you think that Benin and the United States can build off the successes of this partnership and continue to encourage economic development?

Mr. RAYNOR. Thank you, Senator. Yes, indeed, the MCC was quite successful in proving the port and in addressing certain aspects of the business climate that have been deficient—access to credit, access to judicial process.

I think the first and most important thing is to build on those gains and to make sure they are sustained. I think it is also important that we look for ways to engage with the Government of Benin and the people of Benin to boost U.S. commercial engagement in the country. Part of that will be looking for opportunities to diversify the economy of the country, which right now is very heavily dependent on cotton and to the vagaries of the cotton prices and production. So, I think it will be important to work with Benin in looking for ways, both to invite and promote U.S. engagement, and also for ways that Benin can itself expand its economic base.

I think also part of that is building the human capacity of the people of the country. Right now you have got serious challenges

with regards to education, with regards to health, and I think it will be important to continue to build the capacity of the people to be active agents for their own material as well as other gains.

Senator UDALL. Thank you for that answer. You know, experts estimate that Uganda's Albertine Basin holds up to 2.5 million barrels of oil. Accessing this reserve could impact both Uganda's economy and its environment. What steps can Uganda take to ensure that should the decision to access it be made, it is done with respect to this ecologically sensitive area, and should we be worried that Uganda signed a contract with China's CNOOC given China's record of environmental degradation in the region?

Ambassador DELISI. Thank you very much for the question, Senator.

First of all, they are moving forward. They have recently approved the decision to move forward, and you have got three major companies that will be operating in the Albertine Basin. One of them is CNOOC.

One of the things that we are doing, and we recognize the challenges and the potential for this great potential benefit to Uganda could also become a curse. And we all know that this is a challenge that has to be addressed.

We are tackling it in a number of ways. USAID has already engaged on these environmental questions and is working with the government to talk about if they are going to exploit this oil, how do you do this in an ecologically sound way, and how do you protect this tremendous natural resource for Uganda? Those partnerships will continue I hope. If I am confirmed, certainly it would be one of my primary interests to see that they continue.

Equally, USAID, through some of their programs, is working with civil society because civil society's voice and role in the managing of this and in holding the government accountable in looking at these issues will also be important. So, we are working with them, showing them what has happened elsewhere, giving them the skills that they will need to address these questions.

But equally, we are working with the government. And through our new energy governance and capacity initiative, we are helping the government to try to build the legal and the financial framework, the system that they need to manage this resource in an effective way, to tie the resources that they are getting to their longer term development goals, and to do this in a coherent, effective way, to improve communication between ministries, all of this needs to be done.

I am not familiar with CNOOC's record in terms of their environmental protection, but I certainly take you at your word that this is a concern. And no matter who it is, though, any of these oil companies, as I noted at the outset, this is a very sensitive environmental region. So, we are attuned to this, have already been working on this, and will continue to do so, Senator.

Senator UDALL. Thank you. One other question on Uganda. In 2010 and early 2011, Uganda's economy and population suffered from high food prices, high fuel prices, and high inflation. In the past few months, it is my understanding that these indicators have leveled or dropped slightly. Is this a long-term trend, or is Uganda suffering from issues of chronic food instability?

Ambassador DELISI. I think that it—from what I have read, and, again, I am not yet an expert on all of this. But what I am seeing and what I am told is that most economists believe that it will level, that this leveling off will continue, that the degree of economic growth we are going to see in Uganda will continue this past year, that it was still 5.8 percent. Not quite as robust as in earlier years, but still doing well.

The issue of food security, though, is one that we really have to be cognizant of, and this is part of the reason that our Feed the Future Program is looking so closely at where we are going. And it becomes all the more of a concern because of the high population growth rate in Uganda.

At present, we were looking at a population of 33 or 34 million people, but in 20 years it is estimated that that is going to be a population of 60 million, and 20 years after that it will probably be 90 million.

So, food security and the sustainability of agriculture becomes a crucial factor for us, and this is what we are starting to look at very careful, I believe, through our Feed the Future Program. Also increasing agricultural livelihoods, the whole agricultural process, including agro industries. Again, if confirmed, this is an area that I think I will work on because we have to be focusing on this in the days ahead.

Senator UDALL. Great. Thank you.

Mr. Raynor, you mentioned that Benin's economy is dependent on cotton production, and we all know that in some of these areas, cotton production and this crop have been linked to degradation of the soil, in turning areas into deserts. And what I am wondering is, you know, is there a sustainable way to do this? I mean, is this an environmental threat they should be worried about? What, how will the United States work with them in order to bolster their economy, but at the same time make sure it is done in a sustainable way?

Mr. RAYNOR. Thank you, Senator. Yes, in fact, Benin has been seeing cotton yields over time, and that is certainly—desertification is an aspect of the problem they're facing. I think that is why one of the things that Benin really does need to focus on and we need to focus on in our engagement with Benin is ways for them to diversify their agricultural sector.

Right now, cotton accounts for 40 percent of GDP, potentially as high as 80 percent of exports in a given year. So, really a vastly disproportionate bet on one commodity. I think it would be important for us through USAID engagement, Peace Corps engagement, there is a component of our Peace Corps activities that focuses exactly on issues of conservation and good stewardship of the land. I think we can build upon that. We can certainly look for additional ways to bring professional expertise to bear, to help the government understand the consequences of overreliance on one crop, and to explore opportunities for diversification.

Senator UDALL. Great. Thank you very much.

And, Chairman Coons, good to be here with you. And I once again, even though Senator Isakson is not here, thank him for his courtesies on yielding time. And really appreciate all your hard work on chairing the African Subcommittee. I know you are work-

ing hard at that, and spending time in Africa, and also doing a lot of visits here with many of the officials that come through Washington.

Thank you.

Senator COONS. Thank you. And, Senator Udall, I am hoping you will join us in a future visit to Africa. It would be great to have your company.

Senator UDALL. I look forward to it.

Senator COONS. Senator Isakson is well and widely recognized for his graciousness and is a wonderful partner in this work. And our trip to West Africa last year was memorable.

Kate Puzey had Delaware roots. Her father was born in Delaware, and there has been a lot of attention paid to that case in Delaware as well. And I am really grateful for Senator Isakson's focus and leadership on this. And I know it will produce long-term benefits to Peace Corps Volunteers who serve all over the world, and who are an important part of our diplomatic and development presence globally.

If you will forgive me, I need to go preside. We have had a thorough and full hearing. I am, again, impressed with the preparation and the professionalism, the dedication and the willingness to serve of all three of you, as Ambassadors, as nominees to be Ambassadors. It is my hope that the Senate will take up your nominations quickly and confirm you.

I wanted to thank Leah, Louis, Mandela, Kate, Bradley, and Emma, for your patience. And neither Bradley nor Emma fell asleep. I am quite impressed.

I was quite struck when my own children just two weekends ago asked me if I knew anything about the Lord's Resistance Army and Joseph Kony, and whether I was going to do anything about it. And I reminded them that I chair the Africa Subcommittee, the Foreign Relations Committee. They all three expressed quite, you know, they were really rather surprised by that and were unaware that I did things as I got on the train and went to Washington in the morning.

So, one of the things that has been most inspiring to me about the very broad response of tens of millions of Americans and folks around the world is how many young people have been inspired and challenged by the issue of the Lord's Resistance Army and the hunt for Joseph Kony. And it is my hope that working together, we can engage them, and inform, and sustain their concern for African-led solutions to African problems, for an ongoing American engagement in responsible, mutual development, and for the kind of positive role for the United States and the world that all three of you have exemplified in your service, in the Foreign Service.

With that, thank you very much.

The record will be kept open for any members of the committee who had questions but were not able to join us today.

And this hearing is hereby adjourned.

[Whereupon, at 3:35 p.m., the hearing was adjourned.]

## ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF SCOTT DELISI TO QUESTIONS SUBMITTED BY SENATOR JOHN F. KERRY

*Question.* Uganda is the youngest country in the world with approximately 50 percent of the population under the age of 15. If confirmed, what would your strategy be to engage with the youth of Uganda?

*Answer.* I believe it is essential that we continue to engage effectively with the youth of Uganda, and, if confirmed, I would hope to emulate what I have done in Nepal in that regard. In Nepal, I have used social media (principally Facebook) to spark a dialogue with the more than 13,000 young Nepalis who follow that page. We have used it to great effect to discuss both U.S. policy and basic issues of development, governance, and economic growth. In addition, we created a Youth Council that continues to grow and provides us another platform from which to reach the youth of Nepal who, as in Uganda, make up a majority of the population. If confirmed, I would draw on these experiences, including the funding of civil action and democracy, building projects through the Youth Council, to deepen our engagement with the young people of Uganda. I would also build on Embassy Kampala's current activities, including its outreach to a number of Ugandan universities and to a group of 30 Youth Advisors drawn from academia, NGOs, media, and other civil society backgrounds.

*Question.* Section 620M of the Foreign Assistance Act of 1961 imposes restrictions on assistance to any unit of a foreign country's security forces for which there is credible evidence that the unit has committed gross violations of human rights. U.S. Embassies are heavily involved in ensuring compliance with this requirement. If confirmed, what steps will you take to ensure that the Embassy effectively implements section 620M?

*Answer.* Effective implementation of section 620M starts with the selection of host country candidates for security assistance. If confirmed, I will ensure that we carefully select units and individuals for U.S.-sponsored training based on their records and reputations. I will continue to ensure that Embassy Kampala thoroughly vets all individuals and units nominated for training before submitting the vetting requests to Washington for further review. If confirmed, I will make a point to be engaged in, and closely monitor, U.S.-funded security sector assistance and training while also ensuring that the Embassy's vetting of selected candidates continues to occur in a thorough and timely fashion.

*Question.* In particular, what actions will you take to ensure, in a case in which there is credible evidence that a gross violation of human rights has been committed, that assistance will not be provided to units that committed the violation?

*Answer.* The Department of State does not provide training to individuals or units against whom there is credible information of gross human rights violations. Leahy vetting is an important tool not only for ensuring that U.S. funding is not used to train or assist units or individuals who have committed gross human rights violations, but also for engaging host country military and security forces on the need to put in place accountability mechanisms and strengthen respect for human rights. If confirmed, I will ensure that we take advantage of any instances where Ugandan candidates do not pass Leahy vetting requirements to engage the Ugandan Government in a broader discussion of ways that the Ugandan military and police can strengthen respect for human rights and institutionalize accountability at all levels.

*Question.* What steps will you take to ensure that the Embassy has a robust capacity to gather and evaluate evidence regarding possible gross violations of human rights by units of security forces?

*Answer.* If confirmed, I will review the Embassy's vetting process to see if any changes are needed to make it more efficient, streamlined, and coordinated across the various relevant sections of the Embassy. I will ensure open and regular communication between the Defense Attaché Office, Regional Security Office, and Political Section for the purposes of gathering and evaluating information from a range of different sources. I will also ensure that our Ugandan counterparts understand and take into consideration the vetting requirements when proposing candidates for U.S. security assistance, while at the same time encouraging them to institute reform where needed to institutionalize respect for human rights within the military and security sector.

RESPONSES OF MAKILA JAMES TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* Given your previous experience as Director of the Office of Caribbean Affairs and Deputy Director of the Office of Southern African Affairs as well as your other posts in the field, what lessons have most significantly shaped your approach to managing a post like Swaziland?

*Answer.* Throughout my 24 years as a Foreign Service officer, I have served as a Political/Economic Officer in Nigeria, Desk Officer for Sierra Leone and The Gambia, Political Officer in Zimbabwe, Principal Officer in Southern Sudan, as well as International Relations Officer for several Africa-wide positions in the Bureau of International Organizations Affairs and as a Member of the Secretary of State's Policy Planning Staff, where I have engaged extensively in promoting democracy and good governance, respect for human rights and the rule of law, and sustainable economic development. In each of these positions, I served in or worked on countries that have had authoritarian or military regimes, and understand the challenges of engaging with such governments while also maintaining a robust dialogue with opposition groups and civil society to support their efforts to press for greater political rights and freedoms.

One of the most important lessons I have learned in working on these issues is the necessity to engage all parties to underscore the mutual rights and responsibilities of governments and their citizens to promote democracy and development. The United States remains an influential partner for many African governments. Our values are respected by their citizens, who look to us to uphold democratic principles of good governance and universal human rights—critical elements for ensuring development and stability. My experiences have also impressed upon me the importance of promoting strong democratic institutions, particularly parliaments, courts, and independent oversight bodies to ensure transparency and accountability from every branch of government. Similarly, my election observation experiences have underscored the importance of engaging at all levels to help ensure political pluralism, civic education, and a level playing field before and after voting takes place.

If confirmed, I would draw upon these experiences to support all elements of the mission in actively engaging with government and civil society to help identify opportunities for institutional capacity-building, promote greater budget transparency, and strengthen oversight of government activities at every level. A daunting challenge I have worked on in every post, and which is a concern in Swaziland as well, is the need to enhance the status of women and children to address the HIV/AIDS epidemic, alleviate poverty, and protect universal human rights. I would urge the Mission to work closely with civil society organizations to expand their ability to participate in dialogue with their government on these fundamental rights. Each of my assignments has given me the chance to help promote efforts to expand U.S. exports and engage with the local private sector to encourage employment and development. I would draw on my knowledge of the many U.S. Government agencies responsible for trade and business development, along with State Department resources, to support American companies in the United States and the region who are seeking access to the Swaziland market.

My experiences as the Director of the Office of Caribbean Affairs, in which I am responsible for the management, staff and policies of U.S. Government missions serving 14 developing countries, along with my experience as Deputy Director of the Office of Southern African Affairs and Principal Officer at U.S. Consulate Juba, have provided me with strong management skills to support the needs of small posts in difficult environments. I appreciate the importance of using limited resources wisely in a tight budget environment by seeking efficiencies and leveraging all available program funds to pursue our goals, as well as taking advantage of the close proximity of our mission in South Africa to work with their staff to bring activities to Swaziland. Most importantly, in a small mission without a significant U.S. security presence, I have learned to be extremely attentive to the safety of all Americans employees, as well as U.S. citizens in the country, and to ensure high morale within the community. If confirmed, I would bring a positive attitude, broad knowledge of American and African culture, and a commitment to public service to ensure that Embassy Mbabane is a strong diplomatic presence representing U.S. values and interests.

*Question.* Male circumcision programs have encountered difficulties in Swaziland, although in other countries demand has been very high. How would you seek to work with the government and civil society in Swaziland to encourage the uptake of this important HIV prevention tool?

Answer. The low level of male circumcision in Swaziland is one of the main drivers of the HIV/AIDS epidemic, and it is imperative that we do as much as possible to address it. The rapid expansion of male circumcision is a top priority of the President's Emergency Plan for AIDS Relief (PEPFAR) Partnership Framework Plan. Since 2008, PEPFAR has contributed to the circumcision of 36,453 men in Swaziland. In 2011, PEPFAR and the Swazi Government launched the Accelerated Saturation Initiative (ASI), which is a comprehensive package of HIV prevention, care, and treatment services centered on male circumcision. Its target was to reach 80 percent of 15–49-year-old men within a 1-year period with male circumcision services (approximately 152,000 MCs). The initiative, however, has fallen considerably short of that goal, reaching only 11,331 males.

The main challenge facing ASI has been the low demand for male circumcision. Many Swazi men fear the pain of circumcision, lack information about it, or have heard bad stories and myths. To address these challenges, the PEPFAR in Swaziland will restructure the male circumcision program for 2012 based on recommendations from the recent visit by the Office of the U.S. Global AIDS Coordinator (OGAC) and the male circumcision Technical Working Group (TWG). Recommendations focused on augmenting the Government of the Kingdom of Swaziland's ownership of the male circumcision program in Swaziland and increasing national leadership. While there was high-level buy-in for the campaign from the Minister of Health, the Prime Minister, and King Mswati III, there were challenges with buy-in from mid-level officials. More research will be done on the health seeking behaviors of Swazis and exploration of why demand has been low to date, followed by greater dialogue with local leaders and government management on the implementation of the male circumcision program moving forward. Increasing dialogue with civil society would also help the U.S. Government understand cultural barriers and myths that have resulted in low demand for male circumcision in Swaziland.

If confirmed, I will encourage the augmentation of the Government of the Kingdom of Swaziland's ownership and leadership of the male circumcision program, increase dialogue with local leaders on the implementation of the male circumcision program, and increase dialogue with civil society to understand how the program can best overcome cultural barriers and how the local community can encourage men to seek male circumcision services.

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RESPONSES OF MICHAEL RAYNOR TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* Given your experience as Executive Director of the Bureau of African Affairs and as Management Officer in Namibia, Guinea, and Djibouti, among other posts, what lessons have most significantly shaped your approach to managing a post like Benin?

Answer. These experiences have taught me several lessons in building successful teams, eliciting strong performance, fostering high morale, and operating effectively in small, isolated, and hardship posts like Benin.

To maximize operational impact and effectiveness at such a post, it is essential to engage every element of the mission in establishing clear goals within the framework of administration priorities, and to lead employees as an integrated team in pursuit of those goals.

As at my previous posts, many employees in Benin are relatively inexperienced, including some who are new to the Foreign Service and others who are performing their current functions for the first time. In such a context, it is vital that employees receive the guidance, mentoring, feedback, training, and encouragement necessary to promote their professional development and to help them be as successful and happy in their jobs as possible.

From my previous experiences at difficult, remote posts like Benin, I have learned that it is equally important to attend to issues of community morale and cohesion: ensuring that working and living conditions for employees and family members are safe, secure, pleasant, and responsive to the hardships faced; meeting the health, educational, recreational, and spousal employment needs of the community to the fullest extent possible; and promoting opportunities for community members to benefit both professionally and personally from the dynamic host-country environment to which they have been posted.

*Question.* Though Benin is eligible for trade benefits under the African Growth and Opportunity Act, U.S. imports from Benin are typically quite limited. Given your previous experience, in what ways would you seek to increase trade between

the United States and Benin, including efforts to increase U.S. exports to Benin and promote American business interests?

Answer. The African Growth and Opportunity Act (AGOA) is about more than trade preferences for African products. By creating tangible incentives for African countries like Benin to implement the sometimes difficult economic and political reforms needed to improve its investment climate, AGOA contributes to better market opportunities and stronger commercial partners in Africa for U.S. companies. In addition, AGOA advances African regional economic integration efforts and helps promote larger markets and creating trade opportunities for U.S. exports. While Benin alone is a relatively small market that might have difficulty attracting U.S. companies, the West African market as a whole is a very attractive destination for U.S. trade and investment.

Over the last several years, Benin has worked hard to increase trade and investment. If confirmed, I will work with my team at the Embassy to support U.S. business interests in Benin and work with the Government of Benin to promote an open business environment. Benin successfully completed its \$307 million Millennium Challenge Corporation (MCC) Compact in October of 2011 and was selected as eligible to develop a second Compact. Benin's success with the MCC program demonstrates its commitment to providing an open and transparent business climate, protecting both rule of law and sanctity of contract. One major outcome of Benin's MCC Compact is the revitalization of its port in Cotonou. With improved efficiency and infrastructure at the port, we can expect Benin to increase trade regionally and hopefully attract more trade and investment from the United States.

**NOMINATIONS OF PETER WILLIAM BODDE,  
PIPER ANNE WIND CAMPBELL, AND DORO-  
THEA-MARIA ROSEN**

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**WEDNESDAY, MAY 16, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Peter William Bodde, of Maryland, to be Ambassador to the  
Federal Democratic Republic of Nepal  
Piper Anne Wind Campbell, of the District of Columbia, to be  
Ambassador to Mongolia  
Dorothea-Maria Rosen, of California, to be Ambassador to the Fed-  
erated States of Micronesia

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The committee met, pursuant to notice, at 2:30 p.m., in room  
SD-419, Dirksen Senate Office Building, Hon. Jim Webb, pre-  
siding.

Present: Senators Webb and Inhofe.

**OPENING STATEMENT OF HON. JIM WEBB,  
U.S. SENATOR FROM VIRGINIA**

Senator WEBB. Good afternoon. The hearing will come to order.

Let me begin by saying we are graced with the presence of Con-  
gresswoman Hochul here, and she has early votes in the House, so  
I will be as quick as I can with my opening statement to allow the  
Congresswoman to make a statement on behalf of one of our nomi-  
nees and then we will get this hearing in the books.

As everyone here knows, the confirmation process for senatorially  
approved positions is a very intricate and often lengthy process. I  
have gone through it twice myself, first as Assistant Secretary of  
Defense and then as Secretary of the Navy. It begins with the vet-  
ting of people inside the executive branch and then with very  
detailed examinations of all different parts of individuals' experi-  
ences and qualifications by committee staff over here. So this is  
simply the second-to-the-last hurdle to be overcome before people  
who have given great service to our country have the opportunity  
to do that in a different, and I am not going to say more important  
way, but certainly "very important to the country" way.

Today we are hearing the nominations of Ms. Piper Campbell to  
be Ambassador to Mongolia, Ms. Dorothea-Maria Rosen to be U.S.  
Ambassador to the Federated States of Micronesia, the Honorable

Peter Bodde to be Ambassador to the Federal Democratic Republic of Nepal.

Asia is a vast region with more than half the world's population and is of vital importance to the United States. Countries in this region differ economically, culturally, and in their governmental systems. The pursuit of democratic governance faces significant difficulties whether in consolidating a democratic transition or improving public accountability. However, while Asia's democracies may be challenged, they are seeking to thrive. Mongolia, Micronesia, and Nepal are no different.

Mongolia, landlocked between Russia and China on the Asian Continent, has long sought to maintain its independence, officially proclaiming it in 1911 from China. Nearly 80 years later in 1990, Mongolia held its first multiparty elections, a development in sharp contrast to other countries in the region. With a population of less than 3 million, it has continued to pursue a democratic path. This year is President of the Community of Democracies, an intergovernmental coalition of democratic countries.

Consequently, the United States has become an important third neighbor to Mongolia, supporting its democratic development. This year, we celebrate the 25th anniversary of the establishment of our diplomatic relations. Because of its reforms, Mongolia was one of the first countries eligible for the Millennium Challenge Account initiative. The United States and Mongolia signed a compact agreement in 2007, worth \$285 million, to improve property rights, road infrastructure, vocational training, and access to energy by 2013.

These two countries also share an important security relationship. In particular, Mongolia became the 45th nation to contribute troops to the NATO mission in Afghanistan, providing training to Afghan national forces, and last year increased its commitment of troops from 200 to 400. Mongolia has also supported the six-party process to denuclearize the Korean Peninsula and bring stability to Northeast Asia.

The Federated States of Micronesia is another important economic and security partner for the United States. We share a bond, in part based on our collective history following World War II when Micronesia became part of the United States-administered United Nations Trust Territory. In 1979, four districts of this trust territory united to form the Federated States of Micronesia, and in 1986, it entered into a Compact of Free Association with the United States.

The United States and Micronesia share a distinctive relationship through this compact. The United States provides economic assistance and security guarantees. Micronesia provides rights for the United States to operate military bases in the former territories. Micronesian citizens have the right to reside and work in the United States as lawful nonimmigrants, allowing entry into the United States without a visa. I am interested to know more about the mechanics of this process and its impact on Micronesia, with a population of some 100,000 people.

Micronesia's geostrategic position is important to the United States, as well as for the region. The United States is a key balancing force in the region, and it is incumbent upon us to strengthen our relationships and promote security and economic

development in the Pacific. It is also important to note that Micronesia is a democratic partner for the United States in this region. It is in the United States interest to support this role in terms of regional democracy.

Nepal, another landlocked country, located between China and India, is still striving toward a system of democratic governance. Peace only came to this South Asian nation in 2006 following a decade-long insurgency led by Nepal's Maoists-Communist Party. At the time of this committee's last consideration of Nepal, a coalition government had formed and Nepal faced a considerable task in consolidating its newly formed parliamentary system.

Currently Nepal is confronting a May 27 deadline for the completion of its new constitution, and reports of protests around this event are troubling. Nepal sits in a prominent geostrategic position with a population of nearly 30 million. It is in the United States interest to bolster the democratic process in an inclusive manner and to promote stability within the country.

Nepal is a threshold country for a Millennium Challenge Compact and, with further reforms, will become eligible for this assistance. Such a development would not only promote economic growth and democratic governance within Nepal, but would also strengthen the United States-Nepal relationship.

We look forward to discussing these and other issues with our nominees today.

I would like to begin by welcoming Ms. Piper Campbell, the nominee to be the Ambassador to Mongolia. Prior to this assignment, Ms. Campbell was consul general in Basrah, Iraq. She has also served as Chief of Staff to the Deputy Secretary of State for Management, as an advisor on Asian issues at the U.S. mission to the United Nations. Her overseas postings include Geneva, Croatia, Brussels, Cambodia, and Manila. Ms. Campbell speaks French, Cambodian, Serbo-Croatian, and Japanese.

Second, I would like to introduce Ms. Dorothea-Maria Rosen, the nominee to be the U.S. Ambassador to Micronesia. She is currently a Diplomat in Residence at the University of Illinois in Chicago. Her previous overseas assignments include Frankfurt, Berlin, Stuttgart, Bern, Reykjavik, Bucharest, Accra, Manila, and Seoul. Ms. Rosen is a lawyer, a member of the California State Bar, and served in the Army as a JAG Corps captain. She speaks German, French, and Romanian.

And last, I would like to introduce the Honorable Peter Bodde, the nominee to be the U.S. Ambassador to Nepal. Mr. Bodde currently is the assistant chief of mission for assistance transition at the U.S. Embassy in Baghdad. He previously served as the U.S. Ambassador to Malawi and as the deputy chief of mission at the U.S. Embassy in Islamabad. His other overseas postings include Frankfurt, Hamburg, New Delhi, Copenhagen, Sofia, and Guyana. He is no stranger to Nepal where he worked as a budget and fiscal officer as deputy chief of mission at the Embassy. Mr. Bodde speaks German, Bulgarian, and Nepali.

Again, I would welcome all of you here today and encourage all of you to speak English as we go through the hearing. We have a tremendous respect for all of the linguistic skills that are at the table.

And Congresswoman Hochul, I am appreciative of you for waiting for us to finish the opening remarks, and the floor is yours.

**STATEMENT OF HON. KATHY HOCHUL,  
U.S. REPRESENTATIVE FROM NEW YORK**

Ms. HOCHUL. Thank you, Mr. Chairman. I appreciate the courtesy.

On behalf of a very proud western New York community, I am honored to introduce nominee Piper Anne Wind Campbell who was born and raised in Buffalo, NY. I have known Ms. Campbell and her family, her parents in particular, David and Gay Campbell, for decades since she was a little girl. I am confident that her upbringing in Buffalo has prepared her well to handle any adversity, including any weather she might encounter in Mongolia. [Laughter.]

A graduate of Georgetown University's School of Foreign Service, Ms. Campbell focused her undergraduate work on the Asian region and received a certificate in Asian studies. Later she received a master's degree in public administration from Harvard's Kennedy School with a specialization in negotiation and conflict resolution, certainly skills that will serve her well in her new capacity.

Ms. Campbell has outstanding professional and academic qualifications for this post. A senior Foreign Service officer with 22 years of experience, Ms. Campbell currently serves as the consul general in Basrah, southern Iraq, one of our largest and certainly our most trying overseas posts.

She has completed several tours with an Asian focus, as previously stated, including tours as the deputy chief of mission in Cambodia, an expert on Asian issues with the U.S. mission to the United Nations, counselor of humanitarian affairs in Geneva during the Asian tsunami, and a first tour as a consular and management officer at the U.S. Embassy in Manila.

She has demonstrated her skills as a manager in Cambodia and Basrah, as well as her command over complex policy issues as Chief of Staff to the Deputy Secretary of State and, earlier, in war-torn Croatia.

Many years ago as an attorney on the staff of Senator Daniel Patrick Moynihan, I guided Ms. Campbell in applying for an internship with the Senator's office. So I also know she understands the important role the Senate plays in foreign affairs issues.

The Campbells have instilled in her a belief that we should look out for our neighbors, not just here in the United States, but abroad as well. In 2004, her father started All Hands—hands.org—an organization that assists international communities affected by national disasters. Working with her parents, she certainly has a firsthand understanding of the importance of reaching out to and uniting the global community.

Ms. Campbell has the skills, the energy, and aptitude to represent the United States in engaging with an important partner Mongolia. She truly represents all that is good and noble about public service, and I am confident that she will be a phenomenal U.S. Ambassador on behalf of our great country.

Thank you very much, and I have to go vote.

Senator WEBB. Thank you very much for being with us today, Congresswoman Hochul.

Just for the record, Daniel Patrick Moynihan was one of my great political heroes. As you are on your way out the door, I have to say when I was talking to Bob Kerrey about running for the Senate, he knew that I had a previous career as a writer, and he said Senator Moynihan wrote a book every year he was in the Senate. I have not been able to quite keep up with the example that he set.

Senator INHOFE. Let me chime in here, too, if I could, Mr. Chairman.

Senator WEBB. Senator Inhofe.

Senator INHOFE. He was born and raised next door to me in Tulsa, OK. You probably did not know that.

Senator WEBB. I knew he was born in Oklahoma. I did not know that you were in propinquity.

Ms. HOCHUL. Well, thank you very much.

Senator WEBB. Thank you very much, Congresswoman.

I think we will proceed from Ms. Campbell to my left or your right. Welcome.

Let me make a couple of quick points here. First is that your full statement will be entered into the record at the end of your oral statement. Second, please feel free to introduce anyone who has come to share this day with you, family, people who are close to you, whatever. And the floor is yours.

Senator Inhofe, did you want to make any kind of an opening statement before we proceed?

**OPENING STATEMENT OF HON. JAMES M. INHOFE,  
U.S. SENATOR FROM OKLAHOMA**

Senator INHOFE. Well, yes. It will be very brief.

First of all, I had a chance to speak to Mr. Bodde, and I appreciate that very much. We have Africa and airplanes in common. So we had a chance to visit.

And I apologize to you, Ms. Rosen, because we had it set up and you met with staff because we had a vote during the time you were in. And I have had a chance to look at both of you and all three of you and I am very much impressed.

I would only say this. There is one thing that I thought maybe it is something we can look into. But I noticed, Ms. Campbell, I think it is the first time in the 22 years that I have been here that a career person makes political contributions to candidates, and I have never seen that before. And I understand that you have made considerable campaign contributions to candidates. They are checking. I do not think there is anything illegal about it, but I have just never seen it before. And that is something that perhaps you can maybe address during your comments.

That is all.

Senator WEBB. Thank you, Senator Inhofe.

Ms. Campbell, the floor is yours.

**STATEMENT OF PIPER ANNE WIND CAMPBELL, OF THE  
DISTRICT OF COLUMBIA, TO BE AMBASSADOR TO MONGOLIA**

Ms. CAMPBELL. Senator Webb, Senator Inhofe, thank you very much. It is an honor to appear before you as President Obama's nominee to be Ambassador to Mongolia. I am deeply grateful for

the confidence the President and Secretary Clinton have shown in me. If confirmed, I look forward to working closely with this committee to build on the already strong ties between the United States and Mongolia.

I want to thank Congresswoman Hochul for introducing me. Although the Foreign Service has taken me far from Buffalo, my roots there are deep. As the Congresswoman said, she helped arrange my internship with Senator Daniel Patrick Moynihan whose passion for foreign policy was one of the things that shaped my path of service which has taken me from the Philippines to Iraq and many places in between.

The other thing that shaped my path has been the support of my family, and I want particularly, publicly, to express my love and gratitude to my parents, David and Gay Campbell, who are here, along with friends and neighbors from the District who I am pleased to have sitting behind me. My siblings and their spouses, my nieces, nephews, and cousins are not here today but they have actually visited me in every posting that I have had overseas except for Basrah, and I had to insist that Basrah was off limits.

Senator WEBB. To all your family and friends, welcome. I know what a big moment this is.

Ms. CAMPBELL. This is an exciting year for United States-Mongolian relations as we mark the 25th anniversary of the establishment of bilateral relations. Over that time, our partnership has grown stronger so that now this relationship really is about opportunities, particularly on the economic front where Mongolia's resource-rich economy and significant growth potential have propelled it to the top ranks of frontier markets. With large reserves of coal, copper, gold, uranium, and other minerals, Mongolia has the potential to double its GDP over the next decade, making it one of the world's fastest growing economies.

As Mongolia's economy continues to expand, there will be more opportunities for United States firms. Already Mongolia is charting a growth path for United States exports that puts it among the highest of any country in the world. If I am confirmed, our Embassy will actively practice what Secretary Clinton calls "jobs diplomacy": connecting U.S. industry with the best possible information and advocating on their behalf. Current United States programs in Mongolia, the Millennium Challenge Corporation, as well as USAID, Department of Agriculture, and the Trade and Investment Framework Agreement, all are focused on helping Mongolia to diversify its economy, expand its economic growth, and promote trade and investment.

Any successful market-based economy must operate with openness and transparency, as well as good governance and accountability, but these attributes are particularly important in a situation like Mongolia's where you are seeing such rapid growth. And although the physical environments in Iraq and Mongolia are about as different as two countries can be, I think that my experience working on the oil industry in southern Iraq will very much shape what I am able to do in Mongolia.

In the near term, it will be a very important step for the Mongolian Government to sign the proposed United States-Mongolia agreement on transparency in international trade and investment.

If confirmed, that would be one of my first efforts at post, to encourage that.

Last summer, this body passed a resolution recognizing the increasingly prominent role the Government of Mongolia has assumed internationally. And Senator Webb, you mentioned that yourself. Mongolia has dispatched over 5,600 peacekeepers to 15 different peacekeeping operations, has troops now in Afghanistan, and currently chairs the Community of Democracies.

I spent much of my career representing the United States in international fora and focusing on conflict situations. And, if confirmed, I welcome the opportunity to work with Mongolian officials to advance our shared interests in these globally important areas consistent with Mongolia's Third Neighbor Policy—by which it actively engages with the United States and others while also maintaining good relations with its neighbors, China and Russia.

Mongolia's decision for democracy in the 1990s was a truly remarkable development, and the United States has been a consistent and supportive partner on Mongolia's democratic path. While the challenges continue, I believe that Mongolia's tremendous economic potential and increased participation in multilateral fora bring enormous opportunities for further strengthening its democracy.

I know that the rest of my statement has been added in the record, and I thank you very much. I look forward to taking any questions.

[The prepared statement of Ms. Campbell follows:]

PREPARED STATEMENT OF PIPER ANNE WIND CAMPBELL

Mr. Chairman and members of the committee, it is an honor to appear before you as President Obama's nominee to be Ambassador to Mongolia.

I am deeply grateful for the confidence that the President and Secretary Clinton have shown in me, and, if confirmed, I look forward to working closely with this committee to build on the already strong ties between the United States and Mongolia.

I want to thank Congresswoman Hochul for introducing me. Although my 22 years in the Foreign Service have taken me far from Buffalo, NY, my roots there are deep. It seemed fitting for Congresswoman Hochul to be here today as she helped arrange my internship with the great Senator from New York—a former member of this committee—Daniel Patrick Moynihan. Senator Moynihan's passion for foreign policy was one of the things that shaped my path of service, which has taken me from the Philippines to Iraq, and many places in between.

The other thing that shaped my path has been the support of my family. I would like publicly to express my love and gratitude to my parents, David and Gay Campbell; my siblings, Todd, April, and Skip; and my nieces, nephews, and cousins, who are here. They are an intrepid bunch, having visited me at almost every overseas post. Indeed, I am convinced they would have visited me in southern Iraq this past year, if I hadn't consistently told them that Basrah was off limits.

This is an exciting year for United States-Mongolian relations, as we mark the 25th anniversary of the establishment of bilateral relations. Over that time, our partnership has grown stronger. One of the most exciting things about working in Mongolia, if I am confirmed, will be that so much of this relationship is about opportunities. Let me try to explain this better by briefly highlighting some of the key areas on which I plan to work, should I be confirmed as the next Ambassador to Mongolia.

*Creating opportunities for U.S. businesses in a growing economy:* Mongolia's resource-rich economy and significant growth potential have garnered international attention and propelled it to the top ranks of what some call "the frontier markets." With large reserves of coal, copper, gold, uranium, and other minerals, Mongolia has the potential to double its GDP over the next decade—making it one of the world's fastest growing economies. U.S. goods exported to Mongolia increased an astonishing 171 percent in 2010 over 2009 levels, and in 2011 they rose above the \$300

million mark for the first time. Mongolia continues to chart a growth path for U.S. exports that ranks among the highest of any country in the world.

As Mongolia's economy continues to expand, there will be more opportunities for U.S. firms. If I am confirmed, our Embassy will actively practice what Secretary Clinton calls "jobs diplomacy": connecting U.S. industry, small businesses, and state and local governments with the best possible information about opportunities in Mongolia and advocating on their behalf. I would like to see strengthened business ties not only in the mineral sector but also in "downstream" industries as Mongolia's economy becomes larger and more complex and as interest in U.S. consumer goods grows. I think it is important to note that current U.S. programs in Mongolia—the Millennium Challenge Corporation as well as U.S. Agency for International Development and U.S. Department of Agriculture activities and our Trade and Investment Framework Agreement—also are helping Mongolia to diversify its economy, expand economic growth, and promote trade and investment.

Any successful market-based economy must operate with openness and transparency, as well as good governance and accountability—but these attributes are particularly important in a situation of rapid growth, especially when driven by a single sector. Although the physical environments in Iraq and Mongolia are about as different as two countries can be, I believe that my experience working on southern Iraq's oil sector and dealing with a region experiencing rapid economic change provides excellent preparation in better understanding the issues Mongolia will be confronting and the opportunities rapid growth can provide for Mongolia—as well as for our growing trade and investment relationship. Certainly, in the near term, it would be an important step in the right direction for the Mongolian Government to sign the proposed U.S.-Mongolia agreement on transparency in international trade and investment.

*Building already excellent international cooperation to mutual advantage:* Last summer, this august body passed a resolution recognizing the increasingly prominent role the Government of Mongolia has assumed internationally. Mongolia has participated in the International Monetary Fund, the World Bank, the Asian Development Bank, and the European Bank for Reconstruction and Development; it currently chairs the Community of Democracies and will host the next Ministerial Meeting in Ulaanbaatar; and it has been active in international peacekeeping from Afghanistan to Darfur and South Sudan, from the Western Sahara to Chad, in Kosovo, and in Iraq. Mongolia has dispatched over 5,600 peacekeepers to 14 different peacekeeping operations since 2002, and runs a unique Training Center for International Peace Support Operations.

The United States and the Government of Mongolia share a common interest in promoting peace and stability. I have spent much of my career representing the United States in international fora and focusing on conflict situations. If confirmed, I will welcome the opportunity to work with Mongolian officials to advance our shared interests in these globally important areas. As one concrete example: In March of this year, Mongolia's Partnership Plan with NATO was approved, which will allow for greater cooperation and assistance to make Mongolia's military compatible with those of NATO allies. Mongolia already has a history of operating with NATO forces in Afghanistan, a history that demonstrates its commitment to global responsibility and security.

*Mongolia's "decision for democracy" in the 1990s was a truly remarkable development:* Through its competing political parties, transparent and peaceful elections, and respect for human rights, Mongolia can serve as a positive role model for other countries in the region and beyond. A quarter of a century ago, Mongolia's contacts with the outside world were limited. Mongolia's progress over the last 20-plus years provides an important and timely illustration of the value and importance of democratic systems. Mongolia recognizes the value of engagement with the United States and others in a "Third Neighbor Policy," while also acknowledging the importance of maintaining good relations with its two immediate neighbors, Russia and China.

The United States has been a consistent and supportive partner in Mongolia's journey to democracy. While this journey has included a number of difficult challenges, I believe that Mongolia's tremendous economic potential and increased participation in multilateral fora bring enormous opportunities for further strengthening its democracy and ensuring that all of Mongolia's citizens have a role to play in this journey. As Mongolia looks forward to two important elections—parliamentary elections in June 2012 and a Presidential election in 2013—we will continue our robust engagement with Mongolia on advancing its democracy, strengthening the rule of law, combating corruption, and developing its civil society. If confirmed, I will support and increase these efforts.

*U.S.-Mongolian people-to-people engagement:* Our current Ambassador in Mongolia has unearthed documents that seem to show that the first U.S. citizen visited

Mongolia 150 years ago. Although I cannot claim that U.S.-Mongolian people-to-people engagement flourished without interruption from that point, the past decade has seen a tremendous growth in U.S. interest in Mongolia (which was ranked last year by National Geographic as one of the top 20 places to visit), as well as Mongolian interest in the United States. I understand that two-way travel by Mongolians and Americans alike keeps the Embassy's consular section busy. The visa workload has been growing steadily over the last 5 years. We have facilitated educational and cultural exchange travel, giving qualified Mongolians the opportunity to experience the United States and its people. This supports our bilateral relationship and the many areas of mutual interest I already described. I believe that U.S. support, both governmental and private, of Mongolia's cultural heritage sites, media sector, and amazing environment also is linked to increased U.S. interest—and to all the new associations our ever-more interconnected world engenders. If confirmed, I also would be delighted to serve in a country that hosts a vibrant Peace Corps program. Our Peace Corps Volunteers are among the best grassroots ambassadors for the United States and its values, and in Mongolia they are having a major and lasting effect.

Mr. Chairman and members of the committee, it would be the highest honor for me to serve our country as the U.S. Ambassador to Mongolia. I joined the Foreign Service 22 years ago, coming in with a certificate in Asian studies from Georgetown University and a fascination with the region. Secretary Clinton recently predicted that the world's strategic and economic center of gravity in the 21st century will be the Asia-Pacific region. She framed one of the most important tasks of American statecraft over the next decade as locking in a substantially increased investment—diplomatic, economic, strategic, and otherwise—in this region. I welcome the opportunity to be on the front lines of that challenge. If confirmed, I will lead a diplomatic mission of approximately 200 U.S. and Mongolian employees, representing seven agencies. I will do my very best to ensure that all members of that community and their families have the leadership, security, and support they need to get their jobs done and to engage on behalf of the United States to work with, and benefit from, the growth and dynamism so apparent in the Asian region.

Senator WEBB. Thank you very much, and your full written statement will be entered into the record at this point.

Ambassador Bodde, I want to start off by saying I apologize here. I think I made a mistake in diplomatic protocol. As a former Ambassador, is it not true that Foreign Service grade is probably the highest at the table? I should have called on you first, and I apologize. But welcome. I think you, at least from your written testimony, have some pretty important folks in the audience today, important to your personal history.

**STATEMENT OF HON. PETER WILLIAM BODDE, OF MARYLAND,  
TO BE AMBASSADOR TO THE FEDERAL DEMOCRATIC  
REPUBLIC OF NEPAL**

Ambassador BODDE. Thank you, Senator. No apology needed. I am honored to be here with my two colleagues. We joined the Foreign Service together and Piper and I serve in Iraq together. So it is a great honor.

Mr. Chairman, Senator Inhofe, it is an honor and a privilege to appear before you today as the President's nominee to serve as the next United States Ambassador to Nepal. I am grateful for the trust placed in me by President Obama and Secretary Clinton. If confirmed, I look forward to working with the committee and my colleagues in the U.S. Government to further the interests of the United States in Nepal and in the region.

I also want to take this opportunity to express my appreciation for the special efforts the committee has made to schedule these nomination hearings. Out of respect for the committee's valuable time, I will keep my remarks here brief and will submit an expanded statement for the record.

Mr. Chairman, I would like to introduce four generations of my family this morning: my grandson, Andrew, my daughter, Sara—

Senator INHOFE. Have them stand up.

Ambassador BODDE [continuing]. My son-in-law, David, who I note is an Iraq veteran. And Senator Webb, they are all constituents of yours in Woodbridge, VA.

Senator WEBB. We appreciate all of you.

Ambassador BODDE. I would like to also introduce my son, Christopher, who recently started his career at USAID and my father, Ambassador William Bodde, Jr. Mr. Chairman, he and I literally switched seats today. More than 30 years ago, I sat where he is when he appeared before your predecessor, the late Senator Paul Tsongas, during my dad's first confirmation hearing prior to becoming Ambassador to Fiji. Unfortunately, the press of work in Baghdad has precluded my wife, Tanya, from being present today. I am very proud of her, and I note that as a career Foreign Service employee, she has accompanied me on my tours, including Pakistan and in Iraq.

Senator WEBB. Well, Ambassador Bodde, will you please take a stand here, make a bow? And I will do my best to be easier on your son than Senator Tsongas was on you. [Laughter.]

Ambassador BODDE. As you may already be aware, should I be confirmed, this will be my third time representing the United States in Nepal. Among the lessons I have learned during my career is that the success of every U.S. mission abroad depends on a strong interagency effort and a cohesive country team. It also requires clear goals, strict accountability, adequate funding, and trained personnel. These same critical concepts apply to our bilateral engagement and the delivery of significant levels of U.S. assistance at a critical juncture in Nepal's development. You have my full assurances that, should I be confirmed, I will ensure that these concepts are an essential element of all mission programs. While the generosity of the American people is great, all of us involved in the stewardship of this generosity must be accountable for measuring success and failure.

The primary objective of the U.S. mission in Nepal, of course, is to promote and protect the interests of the United States and of U.S. citizens who are either in Nepal or doing business with Nepal. In addition to that fundamental responsibility, we are working with Nepal to promote political and economic development, decrease the country's dependence on humanitarian assistance, and increase its ability to make positive contributions to regional security and the broader global community.

Nepal is one of the poorest countries in the world. It faces the daunting challenges of consolidating peace after a decade of civil conflict, writing a new constitution that will enshrine the values of a new federal democratic republic, developing its economy, expanding access to health and education, and improving its poor infrastructure.

Despite these challenges, the Nepali Government has made significant strides over the last few years. The 10-year civil conflict is over. The Maoists have not only joined mainstream politics, but are heading the current government tasked with completing the peace process. And the government has made a meaningful commitment

to raise living standards and improve the lives of its people. The United States is an important and growing partner in this process. Our assistance programs focus on governance, antitrafficking, private sector development, basic education and health, disaster risk reduction, and human rights training. I am also delighted that Peace Corps Volunteers will be returning to the country in September after an 8-year hiatus.

Mr. Chairman, if confirmed, I will take a special interest in the promotion of Tibetan and Bhutanese refugee rights. This is an issue I dealt with the last time I served in Nepal and it is one that deserves particular attention.

In closing, I want to note that anyone who represents the United States abroad has a unique responsibility. More often than not, we are the only nation that has the will, the values, and the resources to solve problems, help others, and to be a positive force for change in our challenged world. Being nominated to serve as an ambassador representing our Nation is in itself an incredible honor. With the consent of the Senate, I look forward to assuming this responsibility while serving as the next United States Ambassador to Nepal.

Thank you for this opportunity to address you. I look forward to answering your questions.

PREPARED STATEMENT OF HON. PETER WILLIAM BODDE

Mr. Chairman and members of the committee, it is an honor and a privilege to appear before you today as the President's nominee to serve as the next United States Ambassador to Nepal. I am grateful for the trust placed in me by President Obama and Secretary Clinton. If confirmed, I look forward to working with this committee and my colleagues in the U.S. Government to further the interests of the United States in Nepal and in the region. I also want to take this opportunity to express my appreciation for the special efforts the committee has made to schedule these nomination hearings.

Mr. Chairman, I would like to introduce four generations of my family this morning. My grandson, Andrew; my daughter, Sara, who is one of your constituents in Woodbridge; my son, Christopher—who recently started his career at USAID—and my father, Ambassador William Bodde. Mr. Chairman, he and I literally switched seats today. More than 30 years ago, I sat where he is when he appeared before your predecessor, the late Senator Paul Tsongas, during my dad's first confirmation hearing prior to becoming Ambassador to Fiji. Unfortunately, the press of work in Baghdad precluded my wife, Tanya, from being present today. I am very proud of her and I note that as a career Foreign Service employee, she has accompanied me to all of my assignments, including Pakistan and now Iraq.

As you may already be aware, should I be confirmed, this will be my third time representing the United States in Nepal. Among the lessons I have learned during my career is that the success of every United States mission abroad depends on a strong interagency effort and a cohesive Country Team. It also requires clear goals, strict accountability, adequate funding and trained personnel. These same critical concepts apply to our bilateral engagement and the delivery of significant levels of U.S. assistance at a critical juncture in Nepal's development. You have my full assurances that, should I be confirmed, I will provide the necessary leadership to ensure that these concepts are an essential element of all mission programs. While the generosity of the American people is great, all of us involved in the stewardship of this generosity must be accountable for measuring success and failure.

In my current position as assistant chief of mission for assistance transition in Iraq, as well as in my previous positions as Ambassador to Malawi and in Islamabad, Frankfurt, Nepal, and Bulgaria, I have had the opportunity to regularly brief dozens of your colleagues both in the House and Senate. Such regular interaction—whether at post or in Washington—is critical to our continued success. Frank exchanges of accurate information that build trust are essential for the Congress to make difficult resource and policy choices. Should I be confirmed, I will make every effort to interact on a regular basis with the members of the committee and other Members of the Congress and congressional staff. Nepal is one of the

poorest countries in the world; it faces the daunting challenges of consolidating peace after a decade of civil conflict, writing a new constitution that will enshrine the values of a new federal democratic republic, developing its economy, expanding access to health and education, and improving its poor infrastructure. Despite these challenges, the Nepali Government has made significant strides over the last few years: the 10-year civil conflict is over, the one-time insurgent Maoists have not only joined mainstream politics but are heading the current government tasked with completing the peace process, and the Government has made a meaningful commitment to raise living standards and improve the lives of its people. The United States is an important and growing partner in this process.

The primary objective of the U.S. mission in Nepal, of course, is to promote and protect the interests of the United States and of U.S. citizens who are either in Nepal or doing business with Nepal. In addition to that fundamental responsibility, we are working with Nepal to promote political and economic development, decrease the country's dependence on humanitarian assistance, and increase its ability to make positive contributions to regional security and the broader global community. Our USAID program focuses on governance, antitrafficking, private sector development, basic education, and disaster risk reduction. Nepal was recently chosen as a threshold country by the Millennium Challenge Corporation. And in another sign of the progress Nepal has made since the insurgency ended in 2006, Peace Corps Volunteers will also be returning to the country in September after an 8-year hiatus. I have seen firsthand the significant impact a single Peace Corps Volunteer can make. I want to assure you that, should I be confirmed, I will support this inspiring American outreach program.

If confirmed, I will do my utmost to ensure that Nepal finalizes its peace process and establishes a stable democracy. Nepal will soon integrate former Maoist combatants into the Nepal Army, one of the final steps in Nepal's peace process. Department of Defense programs are cultivating a professional force that respects human rights and civilian control. In addition, the Constituent Assembly is working to complete work on a new constitution by the upcoming May 27 deadline, grappling with such issues as how to devolve power to newly created federal states, how to ensure inclusiveness for long-marginalized ethnic minorities and women, and what form of government to establish. If confirmed, my previous experience in helping young or challenged democracies—including, especially, Nepal itself—will serve me well. Success, however, will require U.S. and international support to reinforce Nepal's developing democratic system.

On the economic front, Nepal faces significant challenges in the near term, including energy shortages, poor roads, and a lack of education, especially for girls at the secondary level. Another problem is the lack of adequate and suitable employment for Nepal's burgeoning youth demographic, in which more than 64 percent of the population is under the age of 30. For me personally, this means the vast majority of the population was not even born when I completed my first tour there in 1984! Many villages in the countryside are populated primarily by the elderly and children, as many working-age Nepali citizens now go to the gulf countries, India, or elsewhere in Asia to earn a living, sending back as much as 25 percent of Nepal's GDP in remittances. From a longer-term perspective, however, the end of the conflict in Nepal and political stability means the country's leaders can refocus attention on improving economic opportunities for its citizens—indeed, this will be crucial for the peace process to be considered successful. Nepal has genuine opportunities for U.S. exporters and investors in sectors such as hydropower, agribusiness, tourism, and information technology. To that end, I will seek to improve the environment for foreign direct investment.

Nepal also faces ongoing human rights challenges. If confirmed as Ambassador, I will continue to promote the rights of refugees, including the large Tibetan and Bhutanese refugee communities in Nepal. Reducing trafficking-in-persons will be another top priority, working closely with the government and courageous NGOs such as Maiti Nepal. Finally, the country is also still coming to terms with the gross human rights abuses that took place during the conflict, and we are urging the country's leaders to establish transitional justice mechanisms that are credible and consistent with best practices and address the concerns and ensure the rights of the victims.

Weak health systems and disease, including malaria, tuberculosis, and chronic malnutrition, pose a tremendous obstacle to Nepal's continued growth. The Nepali Government has been a willing partner in addressing the challenges of improving access to health care, but government and public sector capacity remain weak. The United States, through the President's Global Health Initiative, has played a critical role in increasing access to treatment and public awareness and in improving health indicators such as maternal and infant mortality. Although Nepal is now on track

to meet its Millennium Development Goals in reducing maternal and under-5 mortality rates, there is still much work to be done. If confirmed, I will be proud to shepherd the continued growth of these critical programs.

As Nepal continues to develop domestically, it is increasingly able to play a constructive role in advancing important issues throughout the region. One example of such contributions is Nepal's continued deployment of peacekeeping battalions to U.N. missions in Sudan, Iraq, Congo, and other countries. Kathmandu is also host to the South Asian Association of Regional Cooperation (SAARC) Secretariat, to which my predecessor was appointed the lead U.S. Government representative. As an official observer to SAARC, the United States is encouraging the development of the organization's leadership in areas of regional concern such as trade, environment, and disaster risk reduction.

In closing, I want to note that anyone who represents the United States abroad has a unique responsibility. More often than not, we are the only nation that has the will, the values, and the resources to solve problems, help others, and to be a positive force for change in our challenged world. Being nominated to serve as an Ambassador representing our Nation is in itself an incredible honor. With the consent of the Senate, I look forward to assuming this responsibility while serving as the next U.S. Ambassador to Nepal.

Senator WEBB. Thank you very much, Ambassador. And again, welcome to your family and your friends who are here today. Your full written statement will be entered into the record at this point.

Ms. Rosen, welcome.

**STATEMENT OF DOROTHEA-MARIA ROSEN, OF CALIFORNIA,  
TO BE AMBASSADOR TO THE FEDERATED STATES OF  
MICRONESIA**

Ms. ROSEN. Thank you, Mr. Chairman and Senator Inhofe. I am honored to appear before you today as President Obama's nominee to be the Ambassador to the Federated States of Micronesia. I am deeply grateful to President Obama and Secretary Clinton for their trust and confidence in nominating me.

I just wish my parents had lived to see this moment. They would have been as thrilled and as proud as I am.

If confirmed, I look forward to the opportunity to return to the Asia-Pacific region. I have fond memories of my service in Korea and the Philippines.

I am an educator, a lawyer, a veteran, a Foreign Service officer, and a mother. My three children were born while I was serving overseas and grew up as truly global citizens. All have graduate degrees and are gainfully employed in California, and they make me proud every day.

Currently I am the Diplomat in Residence for the Midwest based out of Chicago. My challenge is to recruit future generations of Foreign Service officers and to be a resource and foreign policy expert to students in my region. This position has a strong public diplomacy component and it complements my many years of service as a consular officer and a political officer. Several of my positions, including service as Deputy Principal Officer in Frankfurt, required a great deal of interaction with other U.S. Federal agencies. And Frankfurt, with over 40 regional offices and Federal agencies, is often cited as an example of how interagency coordination and cooperation should work. If confirmed, I will seek to apply my interagency experience, which will be critically important in the FSM, where so many domestic Federal agencies operate side by side with foreign affairs and defense colleagues.

The FSM consists of over 600 mountainous islands and low-lying coral atolls spread over a million square miles of Pacific Ocean. It is one of the least populated countries in the world and one of the most isolated. Today the FSM and the United States enjoy a close relationship based on historical, moral, and security ties.

The United Nations entrusted the United States with the administration of the Trust Territory of the Pacific Islands in 1947. In 1986, the FSM and the United States signed the Compact of Free Association, and the FSM became independent. This compact, which was amended in 2004 to extend economic assistance for an additional 20 years, provides the framework for much of our bilateral relationship. Under the compact, citizens of the FSM can live, study, and work in the United States without a visa. Mutual security of our nations is an underlying element of the special relationship between the United States and the Federated States of Micronesia. The FSM has no military of its own, and under the compact, the United States has committed to defend Micronesia as it would our own territory.

Citizens of Micronesia serve proudly in the United States military and at a far higher per capita rate than United States citizens. Many have made the ultimate sacrifice for freedom in Iraq and Afghanistan, and many have been seriously wounded. I would like to specifically note that President Mori's daughter and one of Vice President Alik's sons are currently serving in the armed forces. If confirmed, I pledge to ensure that these soldiers and their families continue to receive the recognition and support they deserve from a grateful nation.

To help achieve the compact goal of economic self-sufficiency, the United States provides assistance focused on six sectors: health, education, infrastructure, public sector capacity-building, sustainable private sector development, and the environment. And each year, all of the services, programs, and grants—the amount exceeds \$130 million.

If confirmed, I will work with the FSM on compact development goals, including improving the standard of living of citizens and reducing dependence on public sector employment funded by foreign contributions. I will strive to improve the business climate and fiscal policies, focus on the goals of greater accountability and implement this assistance based on well-informed assessments for those on the ground.

If confirmed, I will coordinate closely with the other Departments involved with these efforts, and I will work to ensure that assistance is visible, recognized, and complements efforts in the region.

In closing, I am grateful for the honor and opportunity to lead the United States mission in Micronesia and work with all these colleagues on this effort. It is a time of renewed focus on our role in the Pacific, and I am excited and proud to be a part of it.

If confirmed, I look forward to working with this committee, the Congress, and others in the government to invigorate our relationship with Micronesia. I believe that the executive and legislative branches will be important to this endeavor.

I appreciate the opportunity to appear before you and would be pleased to answer your questions. Thank you.

[The prepared statement of Ms. Rosen follows:]

## PREPARED STATEMENT OF DOROTHEA-MARIA ROSEN

Mr. Chairman and members of the committee, I am honored to appear before you today as President Obama's nominee to be the Ambassador to the Federated States of Micronesia (FSM). I am deeply grateful to President Obama and Secretary Clinton for their trust and confidence in nominating me.

I wish my parents had lived to see this moment; they would have been as thrilled and as proud as I am.

If confirmed, I look forward to the opportunity this assignment will provide to return to the Asia-Pacific region. I have fond memories of my service in Korea and the Philippines.

My early background was in education, and I went on to study law. I remain interested in education and rule of law issues. Upon admission to the New York State Bar, I joined the U.S. Army. As a JAG Corps captain I had the privilege of serving in the International Law Division at Headquarters U.S. Army Europe in Heidelberg, Germany. While in Germany I passed the Foreign Service Exam and have been a member of the Foreign Service since 1981. My three children were born while I was serving overseas and are truly global citizens.

Currently, I am the Diplomat in Residence for the Midwest, based out of Chicago. My challenge is to recruit future generations of Foreign Service officers and to be a resource and foreign policy expert to students in my region. This position has a strong public diplomacy component which complements the many years of service I have had as a consular officer and political officer. Several of my positions, including service as Deputy Principal Officer in Frankfurt, required a great deal of interaction with other United States Government agencies. Frankfurt was often cited as an example of how interagency coordination and cooperation should work. We had the advantage of sharing a building and seeing each other on a daily basis so we developed excellent working relationships. If confirmed, I will seek to apply my interagency experience, which will be critically important in the FSM, where so many domestic federal agencies operate side by side with foreign affairs and defense colleagues.

The FSM consists of over 600 mountainous islands and low-lying coral atolls spread over a million square miles of Pacific Ocean. It is one of the least populated countries in the world. The landscapes are beautiful and the people are friendly. Today, the FSM and the United States enjoy a close and unique relationship.

The United Nations entrusted the United States with the administration of the Trust Territory of the Pacific Islands in 1947. In 1986, the FSM and the United States signed the Compact of Free Association and the FSM became independent. This compact, which was amended in 2004 to extend economic assistance for an additional 20 years, provides the framework for much of our bilateral relationship. Under the compact, citizens of the FSM can live, study, and work in the United States without a visa. Mutual security of our nations is an underlying element of the special relationship between the United States and the Federated States of Micronesia. The FSM has no military of its own. Under the compact the United States has committed to defend Micronesia as if it were part of our own territory. Citizens of Micronesia serve in the U.S. military at a higher per capita rate than citizens of the United States. Many have made the ultimate sacrifice for freedom in Iraq and Afghanistan and others have been wounded, some with life-long injuries. I would like to specifically note that President Mori's daughter and one of Vice President Alik's sons are serving in the U.S. Armed Forces today. If confirmed, I pledge to ensure that these soldiers and their families continue to receive the recognition and support they have earned from a grateful nation.

To help achieve the compact goal of economic self-sufficiency, the United States will provide the Government of the FSM over \$90 million a year in direct economic assistance through FY 2023. This assistance is directed toward six sectors: health, education, infrastructure to support health and education, public sector capacity building, private sector development and the environment. Each year, U.S. assistance to the country—including all federal services, programs, and grants—exceeds \$130 million.

If confirmed, I will work with the FSM to help attain its Compact development goals; these include a significant increase in the standard of living of the citizens of the FSM and a reduction in their economy's dependence on public sector employment funded by foreign contributions. To reach those goals I will seek to improve the business climate, fiscal policies, and capacity to govern, while reducing dependence on foreign assistance. I will also seek to ensure that U.S. assistance programs are implemented consistent with well-informed assessments from those on the ground. I will continue to work with others who are concerned with the economic impact of Compact State migrants on U.S. states and territories.

If confirmed, I will coordinate closely with the Department of the Interior, which has primary responsibility for implementing the compact's economic provisions. I also look forward to working with the Department of Defense's Pacific Command on continued security and humanitarian assistance activities in the FSM. I will also continue our close cooperation with the United States Coast Guard to implement the Shiprider agreement with FSM and other maritime security arrangements. These activities strengthen the bonds of friendship that undergird our entire relationship with the FSM. I will also work to ensure that U.S. assistance is visible and recognized, and complements the efforts of other regional donors. If confirmed, my overarching goal will be to strengthen the positive relationship our two countries have enjoyed for decades and to support the people and government of the FSM as they work toward a more prosperous future.

In closing, I can think of no greater honor or opportunity than to lead the U.S. mission in the Federated States of Micronesia and work with our valued Micronesian friends and allies on these and other important issues. It is a time of renewed focus on our role in the Pacific and I am excited to be part of it. If confirmed by the Senate, I look forward to working with this committee, the Congress, and others in the U.S. Government who seek to invigorate our relationship with Micronesia, across a range of interests relating to security, good governance, economic and budgetary self-reliance, health, education, and environmental protection. I believe that coordination between the executive and legislative branches will be important to this endeavor.

Senator WEBB. Thank you very much. Your full written statement will be entered into the record at this point.

I would also like to point out that the hearing record will be held open until close of business tomorrow in case other members of this committee wish to submit questions in writing or if there are follow-on questions from myself or Senator Inhofe.

Senator Inhofe, I am going to yield to you for your questions, and then I will pick up after you are done.

Senator INHOFE. I appreciate that, Mr. Chairman.

And on the issue that I brought up, Ms. Campbell, maybe for the record you could kind of send me a letter because this is something I had not seen before. And you might have some ideas on it, and I will certainly respect those ideas.

Let me ask you, Ms. Rosen. You served some time in Ghana. Is that correct?

Ms. ROSEN. Yes, sir.

Senator INHOFE. In Accra? When was that?

Ms. ROSEN. 1989 to 1991, quite some time ago.

Senator INHOFE. I have spent quite a bit of time there and gone all the way through the Rawlings machine and John Kufuor and now with the new President. And I see that as a real shining star in west Africa with some great opportunities. It has changed considerably since that time.

Ms. ROSEN. I understand they have highways. The main street actually has high-rise buildings.

Senator INHOFE. They do. But Bukom is the same. Does that mean anything to you? Bukom?

Ms. ROSEN. No. I never made it there.

Senator INHOFE. That is the impoverished district. They are keeping that, I guess, part of their history maybe. I do not know.

But anyway, I just wanted to say, Mr. Chairman, I have had the opportunity, of course, to visit with Mr. Bodde at some length, and I have looked very carefully at all three.

And I have to say this, Ms. Campbell, about the job that you are taking on. I had occasion to—I have been in aviation all my life—fly an airplane around the world. I went right over the area that

you will be representing, and your work is cut out for you. [Laughter.]

Good luck.

But I have looked at the credentials of these people, Mr. Chairman, and I am in full support of their confirmation. I look forward to working with all three of you.

Thank you, Mr. Chairman.

Senator WEBB. Thank you very much, Senator Inhofe. And I share your confidence in the abilities of these nominees to fulfill their responsibilities to our country.

Let me start, Ms. Rosen, with something that you and I had a discussion about yesterday, and it relates to something that I said in my opening statement, that the citizens of this area have the right to reside and work in the United States as lawful, nonimmigrants, allowing entry into the United States without a visa. And when we were discussing this yesterday—let me get the exact numbers—I think what we were talking about was approximately 100,000 citizens in this area. Is that correct? And 30,000 of which are here. Or is that 100,000 presently living in the area and an additional 30,000 in the United States?

Ms. ROSEN. Yes. The figures I have seen are a little over 100,000 in Micronesia and then approximately 30,000 in the United States.

Senator WEBB. So that would be 130,000—30,000 out of 130,000 roughly?

Ms. ROSEN. Roughly.

Senator WEBB. Roughly speaking?

And I also understand that this could serve as something of a pass-through. If you are not from Micronesia and you live in Micronesia for a certain period of time, you can then—how does that work? Can you then come to the United States as a citizen?

Ms. ROSEN. The compact allows Micronesian citizens to come without a visa. And they acquire citizenship by birth to a Micronesian parent. They can also apply for naturalization, but naturalization in Micronesia is quite—it is actually an act of Congress. So it does not happen all that often. The President can naturalize someone based on a bill from Congress, but there are a number of requirements as well. They require knowledge of the government and the history and the culture, one of the four indigenous languages. They have to have resided there legally for 5 years. So it is rather a lengthy and difficult process to do. Our colleagues at the Department of the Interior have indicated that in the past 10 years that it has not occurred. So it does not seem to be a large number.

Senator WEBB. So can you walk us through the mechanics of Micronesian—

Ms. ROSEN. Naturalization?

Senator WEBB. No. How a Micronesian citizen would come to the United States without a visa. Mechanically how does that work?

Ms. ROSEN. They need passports because it is an independent foreign country. So they would book their flights and go down with their passport, and if they are citizens, they do not require a visa. So they could travel to the United States. They are subject to the ineligibilities. So they would be ineligible if they were a felon or public charge, but obviously, DHS does not have the opportunity at port of entry to know all those things.

Senator WEBB. So basically you come back and forth on a Micronesian passport in the same way as, say, we would do in Europe, but you can live—

Ms. ROSEN. But they can stay.

Senator WEBB. They can stay.

Ms. ROSEN. They can work. They do not require a work visa. They do not require any particular visa in order to stay. They can establish a residence in the United States, but it is a nonimmigrant status. They do not establish a residency that leads to citizenship.

Senator WEBB. So it is basically free flow.

Ms. ROSEN. It is free flow, but again it does not lead to citizenship, so they would not acquire U.S. citizenship.

Senator WEBB. But they could remain here permanently under the compact.

Ms. ROSEN. Yes. There is no time limit.

Senator WEBB. What is the principal economic future of the region? How are we looking at that?

Ms. ROSEN. Well, the compact provides funding that is phasing down. So each year they receive less direct funding from the compact funds. And the funding goes into the trust fund, but that is not designed to fully support them in 2023. So we are encouraging increased development, hopefully in things that bring income. They do have tuna reserves that are worth a great deal of money. There is some potential for tourism, but it is a very isolated location, so there are difficulties with that. But there is a focus on greater accountability and focus on the goal of developing sustainable economic, viable possibilities.

Senator WEBB. So right now, in terms of volume of trade, most of the volume in actual commercial product is the United States going into Micronesia. Is that correct?

Ms. ROSEN. The source of income? Yes, in terms of monetary income.

Senator WEBB. And what are they exporting?

Ms. ROSEN. Tuna.

Senator WEBB. I look forward to hearing some thoughts about what—

Ms. ROSEN. What they could export?

Senator WEBB. Yes, as you take your position out there. From what I am reading, there is not a lot of commercial enterprise in Micronesia. Is that fair to say?

Ms. ROSEN. That is fair to say. I think the farming is basically subsistence farming. From my colleagues in Agriculture, I did not learn of a great opportunity for raising cocoa or coffee beans.

Senator WEBB. I know when I was out there many, many years ago, the No. 1 export for a long time was scrap metal left over from all the battles in World War II. Hopefully, if we are going to have this relationship and if it is going to be such an open relationship in terms of the citizens involved, we could put some of our minds together and figure out what economically might benefit the region in the future.

Ms. ROSEN. We do need to try and create opportunity there so there is less of a need to migrate.

Senator WEBB. Ms. Campbell, can you give us your experiences in this region to date that relate to the ambassadorship?

Ms. CAMPBELL. Well, both my studies and the beginning of my professional focus was on East Asia, primarily on Southeast Asia. So I have lived or worked in Japan, the Philippines, Cambodia, worked on Indonesia, worked on East Timor. And so I feel like that combination of experience in East Asia and then my more recent experience in working more in supporting U.S. businesses, as I am doing now as the consul general in Basrah, that that is a good combination, both of a pretty deep understanding of the East Asian region, but also an understanding of some of the economic challenges and opportunities that are going to face Mongolia over the next decade.

Senator WEBB. You have a good bit of experience in the Middle East as well. Mongolia has been involved in Iraq and Afghanistan. I think the number that we were provided is they have gone from 200 to 400 troops, and they also benefit from our international military education training programs—

Ms. CAMPBELL. That is correct.

Senator WEBB [continuing]. And foreign military funds. Can you give us an idea of how those two realities interact?

Ms. CAMPBELL. Well, it was interesting. When I first started to speak with people in Iraq about the fact that I had been nominated for this position, they said, “oh, yes, we remember the Mongolians. We remember when they came and sacked Baghdad.” [Laughter.]

And then they said, “oh, yes, and then they came back about 8 years ago as part of the international effort in Iraq.” And so it has been interesting to have that conversation.

What I understand from my colleagues at the Department of Defense—and I should also say that one of my first exposures to Mongolia was actually when I was deputy chief of mission in Cambodia because we were working with the Cambodian military to have them go and participate in a military exercise that is held each year in Mongolia, which is called Khan Quest. And so we encouraged the Cambodians to go and participate, and when they came back, the Cambodian military interlocutors were so positive about what they had seen on the Mongolian side, including a Mongolian peace training institute which I believe is unique in East Asia. And so the Cambodians then started to try to build a training center for peace support missions similar to what they had seen in Mongolia. So that was one of the things which piqued my interest in Mongolia.

So Mongolia has participated strongly—Mongolian officers have participated in training in the United States. Ten percent of all officers in the Mongolia Army have actually participated in training in the United States. You also have, as I said, the Mongolian military having participated in 14 different peacekeeping operations, primarily in Africa but also in Europe, in Iraq, and currently in Afghanistan. And so they are starting to develop some very specific niche expertise which I think is going to be useful and certainly the assessment of my colleagues from the Department of Defense is that their military capabilities, as well as their interest in participating in these international peacekeeping operations and efforts like in Afghanistan, where they are increasingly shifting—

Senator WEBB. Do you know the level of our funding for these two programs as it goes to Mongolia?

Ms. CAMPBELL. The combination of—it is approximately \$3 million per year, sir.

Senator WEBB. Combined?

Ms. CAMPBELL. That is our FMF. Our IMET is small, and I can provide you the exact figure. I do not remember it offhand.

Senator WEBB. Does that fund their activities in Afghanistan?

Ms. CAMPBELL. Let me please get a full answer to that and provide that to you because I believe that their activities in Afghanistan should be covered under NATO support funds as opposed to our direct IMET and FMF contributions.

[The submitted written information referred to follows:]

In FY 2012, the Department of State allocated \$875,000 IMET to Mongolia. IMET funding in FY2011 was \$997,000.

The U.S. Government reimburses Mongolia for its predeployment expenses related to Afghanistan (training, medical preparation, individual equipment) using Coalition Support Funds (CSF). Mongolia received \$356,118 from CSF in December 2011 (FY 2012 funds) as reimbursement for troop rotation costs incurred in FY 2010. Expenses incurred during deployment, such as for the care and feeding of troops in the field, are borne by the Mongolians themselves.

U.S. FMF assistance totaled \$3 million in FY 2012 and helps Mongolia's Ministry of Defense to train and equip units to participate in international peacekeeping and coalition operations. This includes acquiring equipment, such as radios and medical gear, that will be used by Mongolian troops in Darfur, South Sudan, and other future deployments.

Senator WEBB. It is an additional fund as compared to their national defense budget.

Ms. CAMPBELL. That is correct.

Senator WEBB. That would be correct to say. OK.

Ambassador Bodde, this is, I think, your third trip back to Nepal? Do you have any observations on the differences over the three?

Ambassador BODDE. Well, each trip has been a different trip. When I went back the second time, Senator, it was right after the first restoration of democracy, and I was there for 3 years. I think we had four governments in the 3 years I was there. I was there for the beginning of the civil strife. Obviously, Nepal is a much different place than when I arrived there 30 years ago. Sadly, some of the challenges they face, in terms of the poverty, the health conditions, while we have made tremendous progress, our assistance programs have been of great assistance, there is still a lot of work to be done.

I have to say, having read in preparation for this hearing for my new position, should I be confirmed, that I am very optimistic about where things stand. What I have been seeing is that all of the parties involved now have made a lot of progress. Even today we got good news that they have agreed on 13 states and how it is going to be.

My concern is that this is only the beginning. They have, as you mentioned, up until May 27 to have their new constitution drafted, but once that is done, then comes the hard work of implementation in terms of the new states, what their authorities will be, the whole question of revenues, who is going to have the ability to generate things. There is a lot of work to be done. So I go back with a lot of experience, country experience, knowing the culture, knowing

many of the political players there, but it will be a much different experience than the last two times I was there.

Senator WEBB. More optimistic I assume.

Ambassador BODDE. Yes, I am more optimistic.

Senator WEBB. Well, I would have to—just as a general comment as someone who is privileged to chair the subcommittee and someone who spent a good bit of my life in and out of East and Southeast Asia including, Ms. Rosen, as we discussed, having in and out of Micronesia many, many years ago, I am really impressed by the scope of the language skills that the three of you combined have. It is an amazing comment, I think, about the capabilities of our own Department of State.

Ms. Campbell, you particularly, you seem to pick small countries linguistically, Cambodia, Serbo-Croatian, not that small, and now Mongolia. How long is the Cambodian language program? Was that a Foreign Service Institute program?

Ms. CAMPBELL. It was, sir, and I should also say that my Cambodian is rusty and was never particularly fluent.

Senator WEBB. I do not know many people who can speak Cambodian.

Ms. CAMPBELL. There are so few people who speak Khmer that even just the effort and being able to navigate simple conversations was, in fact, extremely useful. What I found was I had great pronunciation, and so I could work with a teacher and I, for example, was able to be the emcee for our Fourth of July and people could understand enough of what I was saying, could understand me for that. But Cambodian is a unique language.

Serbo-Croatian actually, interestingly, will be more useful for Mongolia because the Serbs use the Cyrillic alphabet as do the Mongolians. So I have got a leg up in at least being able to read Mongolian, even though I do not at this point have the ability to decipher it.

Senator WEBB. I know having learned Vietnamese largely as an act of will, but I began by buying the Foreign Service Institute tapes years ago. One thing that I find is that the people who have taken those courses develop this defined vocabulary where you can actually sit down with each other and speak for hours and nobody around you of that language knows quite what you are talking about. [Laughter.]

And when they break into slang, you are lost. But it is a great start.

Well, I want to echo what Senator Inhofe said. I think these are very strong nominees, not just for the process, but for continuing to serve our country in this region. And I think I am on record about as strongly as I can be about how important this region is to our country and how important we are to the region in terms of long-term stability that allows the economies to grow and governmental systems to evolve. And I am glad we were able to get this hearing in and hopefully to get all three of you on your way as soon as possible.

Again, to all friends and family, thank you for coming and sharing this day with us. I think there is maybe one more hurdle and then we can get you off to do what you are supposed to be doing for our country.

Thank you.  
 This hearing is over.  
 [Whereupon, at 3:20 p.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSE OF HON. PETER WILLIAM BODDE TO QUESTION SUBMITTED BY  
 SENATOR RICHARD G. LUGAR

*Question.* Congress has long expressed an interest in the Tibetan population in Nepal, both those in transit to India and those who reside there. The Government of China is putting political pressure on Nepal regarding Tibetans. Will the U.S. Government continue to urge the Nepali Government to allow the transit of all Tibetan refugees and work with UNHCR to ensure that Nepali officials, including border personnel, are properly briefed on the so-called "Gentlemen's Agreement" and relevant international laws? Will the U.S. Government continue to press for a durable solution to the problem of the long-staying Tibetan residents without status and for a resettlement program for Tibetans modeled after the successfully implemented resettlement program for Bhutanese refugees?

*Answer.* My predecessors have placed both protecting and finding a durable solution for Tibetan refugees at the top of the administration's agenda in Nepal and, if confirmed, it is my firm intention to keep it there. I am very concerned both by reports of deteriorating conditions for the long-staying population and by the drop in the number of new refugees transiting through Nepal to India. If confirmed, advocacy on behalf of the Tibetan refugees, including continued adherence to the Gentlemen's Agreement, will be one of my first and highest priorities.

RESPONSES OF HON. PETER WILLIAM BODDE TO QUESTIONS SUBMITTED BY  
 SENATOR MARCO RUBIO

*Question.* Nepal is not party to the 2000 U.N. Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children. If confirmed, how would you engage the Nepalese Government in a dialogue to join this important human trafficking treaty?

*Answer.* Nepal is just now concluding a more than 5-year long struggle to draft a new constitution and conclude their peace process. If confirmed, I would use this opportunity to press Nepal to join the 2000 U.N. Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children. We are partnering with NGOs and the Government of Nepal to combat trafficking in persons. More needs to be done, however, and I believe that as the new government stands up, we will have an extremely important opportunity to make progress on this issue.

*Question.* According to the State Department's 2011 Trafficking in Persons Report, Nepal is a Tier 2 country for human trafficking. Nepal is mainly a source country for men, women, and children subjected to labor and sex trafficking. If confirmed, what would be your approach to encourage the Nepalese Government to take significant steps toward protecting its own citizens from being trafficked abroad?

*Answer.* Embassy Kathmandu, through State's Trafficking in Persons Office, and through USAID, currently partners with NGOs on programs to combat trafficking in persons in Nepal. These programs, totaling more than \$8.2 million over 3 years, seek to prevent trafficking, assist and protect the victims of trafficking, and help Nepal's Government to investigate and prosecute suspected trafficking offenders more effectively. If confirmed, I will advocate to ensure that this issue remains high on the U.S. Government's assistance agenda. I believe that we also fight the scourge of trafficking in persons through our broader assistance to Nepal. Our initiatives to address food insecurity and other constraints to development also help address the root causes of trafficking in persons.

RESPONSES OF PIPER ANNE WIND CAMPBELL TO QUESTIONS SUBMITTED  
 BY SENATOR MARCO RUBIO

*Question.* According to the State Department's 2011 Trafficking in Persons Report, during the reporting period there were an estimated 525 North Koreans employed in Mongolia as contract laborers despite concerns that North Korean workers overseas do not appear to have rights and receive only a fraction of the money paid to

the North Korean Government for their work. If confirmed, what steps would you take to ensure that the Mongolian Government no longer allows contracted laborers from North Korea who may have been trafficked into Mongolia?

Answer. I am very concerned about the situation you describe. The Department of State and the Embassy in Ulaanbaatar have called on the Government of Mongolia to address well-documented concerns that North Korean workers in Mongolia are not free to leave their employment and receive only a fraction of the money paid to the North Korean Government for their work. If confirmed, I will again raise these concerns with Mongolian officials and urge that the practice cease.

*Question.* The Mongolian Supreme Court's interpretation of Mongolia's antitrafficking laws confuses judicial officials, resulting in trafficking offenders to be prosecuted under the lesser offense of "forced prostitution." If confirmed, how would you engage the Mongolian judicial system to ensure clarity in article 113 of the criminal code, which prohibits all forms of trafficking?

Answer. On January 19, 2012, the Mongolian Parliament passed the Law to Combat Trafficking in Persons (LCTP). Subsequently, the criminal code was also amended to bring certain articles into conformity with the LCTP, including article 113 (The Sale and Purchase of Human Beings), which now broadly criminalizes all forms of trafficking in persons. Our Embassy contributed significantly to Mongolian efforts to pass the LCTP, including by implementing Department of State-funded projects with several NGOs that raised awareness about the lack of judicial clarity, which the LCTP and the subsequent amendments resolved.

Our next priority is to encourage the Government of Mongolia to implement this law so that perpetrators of human trafficking are held accountable with jail time and victims are identified and appropriately protected. If confirmed, I will continue to urge Mongolia to implement its law and to address human trafficking fully and effectively.

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RESPONSE OF DOROTHEA-MARIA ROSEN TO QUESTION SUBMITTED  
BY SENATOR MARCO RUBIO

*Question.* Micronesia is a Tier 3 country according to the 2011 State Department's Trafficking In Persons Report for its failure to fully comply with the minimum standards to eliminate trafficking and is not making any efforts to do so. The Federated States of Micronesia does not have a comprehensive federal antitrafficking law and has never identified any human trafficking victims in the country despite being a source country for women subjected to sex trafficking.

- If confirmed, what is your strategy to engage the Government of the Federated State of Micronesia to enact a strong antitrafficking policy which will address prosecution, protection, and prevention? What specific steps will need to be enacted to ensure comprehensive trafficking legislation is passed?
- If confirmed, what key policies need to be in place to ensure that Micronesia is not listed as a Tier 3 country for trafficking in place in the next Trafficking In Persons Report?

Answer. Combating trafficking in persons remains a problem in the Federated States of Micronesia (FSM). If confirmed, I will pay special attention to and press the FSM to focus on human trafficking issues. On March 5, 2012, the FSM Congress passed the Trafficking in Persons Act of 2011 along with two protocols of the United Nation's Convention on the Rights of the Child. The newly passed legislation allows for the prosecution of cases involving human trafficking of FSM nationals occurring within the FSM. The law is also intended to address the FSM's obligations arising from its accession to the Palermo Protocol and is the first step toward its obligations to criminalize human trafficking. The FSM Government continues to make positive strides on antitrafficking efforts; however much more needs to be done to upgrade FSM from its current Tier 3 ranking. If confirmed, I will work closely with the FSM Government to ensure that the new legislation is implemented quickly and effectively. I will work with the government to encourage the collection and maintenance of crime data on forced labor and prostitution. I will work with appropriate officials to ensure that adequate resources are used for law enforcement training, a critical component in helping to identify and assist trafficking victims. In an effort to reach out to local communities, I will also work with the appropriate NGOs and women's groups to help support and facilitate comprehensive and visible antitrafficking awareness campaigns.



**NOMINATIONS OF EDWARD ALFORD, MARK  
ASQUINO, DOUGLAS GRIFFITHS, AND DAVID  
LANE**

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**THURSDAY, MAY 17, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Edward M. Alford, of Virginia, to be Ambassador to the Republic  
of The Gambia  
Mark L. Asquino, of the District of Columbia, to be Ambassador to  
the Republic of Equatorial Guinea  
Douglas M. Griffiths, of Texas, to be Ambassador to the Republic  
of Mozambique  
David J. Lane, of Florida, to serve as U.S. Representative to the  
United Nations Agencies for Food and Agriculture, with the  
rank of Ambassador

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The committee met, pursuant to notice, at 2:36 p.m., in room  
SD-419, Dirksen Senate Office Building, Hon. Christopher Coons,  
presiding.

Present: Senators Coons and Isakson.

**OPENING STATEMENT OF HON. CHRISTOPHER A. COONS,  
U.S. SENATOR FROM DELAWARE**

Senator COONS. I am pleased to chair this hearing of the Senate Foreign Relations Committee and would like to welcome my good friend, Senator Isakson, as well as Senator Nelson, and our distinguished nominees.

Today we will consider the nominees to be Ambassador to Mozambique, to Equatorial Guinea, and to The Gambia, as well as the U.S. Representative for the U.N. Agencies for Food and Agriculture.

Turning first to the nomination of David Lane as the nominee for the U.N. Agencies for Food and Agriculture in Rome, I want to just briefly highlight the crucial role those agencies play in Africa and throughout the developing world. The World Food Programme provides lifesaving nutrition in countries like Somalia, Sudan, Niger, and many other conflict and famine zones. The U.N. Food and Agricultural Organization is a key complement to our own Government's Feed the Future program.

We will also today consider nominations for Ambassador to three African countries that are all important to our national interests, including security, trade, investment, health, governance, and civil rights.

Douglas Griffiths is the nominee for Mozambique, a country that has recently emerged from a long civil war as a promising democracy with impressive economic growth. Like many African countries, it is rich in natural resources but suffers from high levels of poverty. The next Ambassador will have a number of challenges in working with the Mozambican Government to consolidate democratic gains, use resources wisely, and increase trade with the United States.

Equatorial Guinea where Mark Asquino is the ambassadorial nominee is an important producer of oil and natural gas with a GDP of more than \$14 billion, but the United States has serious concerns about human rights protections, lack of political freedoms, and widespread corruption. President Obiang is Africa's longest serving and most entrenched political leader, and opposition parties regularly complain of oppression issues we will take up today.

Our final nominee, Edward Alford, has been nominated to serve as Ambassador to The Gambia, a West African country almost entirely enveloped by Senegal which has few natural resources and relies on tourism and exporting for its economy. U.S. interests in The Gambia include concerns about drug trafficking, human rights, and governance. A number of Senators, including Senators Durbin and Casey, have repeatedly raised concerns about the lack of press freedom and the disappearance and death of journalists critical of the government. The Gambia is eligible for benefits under AGOA, and I encourage the next Ambassador to work closely with the government to increase trade and investment with the United States.

With that summary, I now turn it over to Senator Isakson for his opening remarks.

**OPENING STATEMENT OF HON. JOHNNY ISAKSON,  
U.S. SENATOR FROM GEORGIA**

Senator ISAKSON. Well, thank you, Mr. Chairman.

Mr. Alford, Mr. Asquino, Mr. Griffiths, and Mr. Lane, congratulations on your nomination. We look forward to your testimony today.

And it is always good to see my dear friend, Bill Nelson, who is always out when there is a hometown boy being nominated for anything. So, Mr. Lane, you are fortunate that he is on your side.

And we welcome the family members of each of the nominees. Thank you for your support of them in their quest and their jobs.

This is an important—all three of the African countries are very important, and they are not the places you get when you are a big donor to the President. They are places you go when you care passionately about your country and about the future of the continent of Africa, and I commend each of you on your willingness to take those posts on.

And I think Senator Coons agrees with me that we look forward to being your conduit back here in America when you are out there on point and think everybody has forgotten about you. Please use us as a resource to try and help you in any way we can.

Mr. Lane, let me just say that food security in Africa is critically important to me. I have traveled to all four of the countries that will be at the G8 this weekend, Benin, Ghana, President Mills from Ghana, Tanzania, all coming in to testify on the issue of food security, which is so critical.

You come very highly recognized by two friends of mine, Beau Cutter and Helene Gale, and if you can pass that test, you ought to be pretty good at anything. But they are obviously delivering on the front through the U.N. Food Programme in Somalia, Dadaab, Darfur, and other places like that. And food security in Africa is a critical issue. In fact, there is a looming potential problem in the Sudan right now, which I am sure you are aware of as a hot bed. So I will be interested in hearing from you about those issues and your experience and hopefully the contribution you want to make to the program.

But I end where I began. Thank you all for your willingness to serve, and I look forward to being a supporter of each and every one of you.

Thank you, Mr. Chairman.

Senator COONS. Thank you, Senator Isakson.

And I, too, would like to thank your families who will support you, have supported you, and whom I hope you will introduce when we get to each of your opening statements.

I would now like to turn it over to Senator Bill Nelson of Florida. I understand Senator Rubio will be introducing some comments for the record.

So, Senator Nelson, if you would please.

**STATEMENT OF HON. BILL NELSON,  
U.S. SENATOR FROM FLORIDA**

Senator NELSON. Thank you, Mr. Chairman.

And, Senator Isakson, you are right. When there is a home Florida person, it is my privilege to be here.

But I am particularly pleased not only that both David Lane and I are Melbourne High School Bulldogs, but all of his family that is here today is as well.

And he comes uniquely qualified for this position. You know, it is not all the time that we get to name an Ambassador who does not come from the ranks of the Foreign Service. This particular ambassadorship in Rome to all of the three U.N. organizations has been people who really have a heart for hunger and the poor.

Our former colleague from the House, Congressman Tony Hall, served with great distinction, and he was the one that came to national prominence when he had the Hunger Committee in the House and suddenly the House decided they were taking the funds away from the Hunger Committee and to highlight that that was the wrong decision in his opinion, he went on a hunger strike. And the House reversed itself after days and days. And of course, Tony became uniquely qualified to be in this position in a previous administration.

So too David is uniquely qualified. He has been coming to this position, if you all confirm—if we confirm in the Senate, which I think we will—he comes from the White House where he has been assistant to the President and counselor to the Chief of Staff.

Before that, he was over at the Bono organization, the ONE Campaign, where he was the CEO. And during that time, ONE managed to grow more than 2 million members in over 100 countries on all seven continents.

I think David's passion for poverty, to fight it, and preventable disease—I think it is remarkable, and I think he comes to you as an exceptionally qualified person. You know all the background, how this is a unique position that relates between the Department of State and those three U.N. humanitarian agencies. And as we project the interest of the United States around the globe, this is one of the areas that we are uniquely capable of distinguishing ourselves because of our big humanitarian heart to try to help people all across the globe. And I think David will be a fitting representative for the United States in leading that effort.

Thank you, Mr. Chairman.

Senator COONS. Thank you, Senator Nelson.

And I understand Senator Rubio, also of Florida, had wanted to join us but is going to submit a statement for the record.

[The prepared statement of Senator Rubio follows:]

PREPARED STATEMENT OF HON. MARCO RUBIO, U.S. SENATOR FROM FLORIDA

Chairman Kerry and Senator Lugar, thank you for the rare opportunity to introduce to the committee a fellow South Floridian, Mr. David Lane, for the position of United States Representative to the United Nations Agencies for Food and Agriculture. I ask that these remarks be included in the record.

David was born at Mercy Hospital, a storied institution in the Miami area. Both his parents, George and Mary Lou, were raised in Coral Gables, a beautiful community of tree-lined streets in the heart of Miami.

David has had the rare opportunity of participating at all levels of the policymaking process, from Senate advisor, to Chief of Staff in a Federal Agency (Commerce Department), to the executive branch as Assistant to the President and Counselor to the Chief of Staff.

Out of government, David served as President & CEO of the ONE Campaign from November 2007 to January 2011. ONE is a world-renown international advocacy organization focused on reforms to public policy to more effectively combat extreme poverty. At the ONE, he oversaw the team that sets strategic policy and main initiatives of the organization.

The combination of these experiences will serve him well as he takes on the challenge to represent U.S. views at the three leading U.N. agencies focusing on food security and agricultural development—the Food and Agriculture Organization, the World Food Programme, and the International Fund for Agricultural Development.

Despite robust U.S. aid in bilateral and multilateral programs, food insecurity is a daily concern for millions of people around the world and a source of instability that impact U.S. interests abroad. As we speak, a severe food crisis is affecting, once again, the countries of the Sahel, with the potential to increase tensions in a region already affected by unrelated political and security challenges.

The U.N. agencies in which he will represent the United States serve as significant force multipliers to American bilateral efforts. It is my greatest hope that he will succeed in achieving consensus to implement the key FAO reforms as highlighted in the September 2011 Government and Accountability Office report on this matter.

In these challenging fiscal years, we all have an obligation to be good stewards of taxpayers' contributions. As president of ONE, David has firsthand experience of the need to strategically allocate precious resources to achieve the greatest results. I wish him every success in working with other U.S. missions at the U.N. and like-minded nations to increase fiscal accountability in U.N. programs and strengthen the agencies' mission with the adoption of free market policies that would reduce the occurrence of nutritional emergencies in vulnerable aid-recipient countries.

I appreciate the opportunity to welcome David to this committee, and I urge the committee to act swiftly on his nomination to be the next the U.S. Representative to United Nations Agencies for Food and Agriculture.

Senator COONS. Mr. Lane, I invite you to begin a series of four opening statements by our different nominees today, and I would encourage you to begin by introducing and recognizing your family.  
Mr. Lane.

**STATEMENT OF DAVID J. LANE, OF FLORIDA, TO SERVE AS  
U.S. REPRESENTATIVE TO THE UNITED NATIONS AGENCIES  
FOR FOOD AND AGRICULTURE, WITH THE RANK OF AMBAS-  
SADOR**

Mr. LANE. Thank you, Senator, and thank you, Mr. Ranking Member.

I should say my four siblings and various nieces and nephews are here: Tom Lane, John Lane, Susan Davies, and Lisa Wright. And I am very grateful that they have been able to join me.

First of all, I should probably say I have a longer statement, a longer presentation, which as you know, has been presented for the record. So I am going to try to keep this as brief as possible.

I do want to thank Senator Nelson for those very kind words. I am very grateful for his generous introduction.

And I am honored to be the President's nominee for the U.S. Representative to the U.N. Agencies for Food and Agriculture. I would like to thank President Obama and Secretary Clinton for the confidence they have shown in me through this nomination.

I just pointed out that my four brothers and sisters are here and a few of my amazing nieces and nephews. In front of them, I would actually like to say a few words about our parents, George and Mary Lou Lane. They are too frail to travel to Washington, but I know they are proud that I am being considered for a position that can help the United States make a difference for millions of poor people around the world. They instilled in all of us a deep love of our country and a strong commitment to serve others. By their example, our parents taught us the true meaning of compassion, the importance of service, and the moral necessity of helping those who are less fortunate than we are. And I want to thank them for their primary role really in preparing me to serve my country in this important position, if confirmed by the Senate.

If you do confirm me, I would consider it a great privilege to serve the American people in pursuit of goals that I know we all hold dear: alleviating hunger and helping the poor lift themselves out of poverty through agricultural development. The United States has many important interests before the U.N. Food Agencies in Rome, and I am eager to help protect and advance those interests.

If confirmed, I am committed to helping the U.S. mission, which has representatives from the Department of State, the Department of Agriculture, USAID, advance our national interests in a whole-of-government approach while helping to make agriculture a major force for poverty alleviation and economic transformation around the world.

The Food and Agriculture Organization, the World Food Programme, and the International Fund for Agricultural Development can and must play a critical role in continuing recent momentum behind food security. I believe now is the perfect time for these three important agencies to sharpen their focus, clarify their roles, and improve their coordination, and I am optimistic that the U.S.

mission in Rome can work with these agencies and align priorities in such a way that U.S. policies and investments can have the galvanizing effect that we all hope to see.

Mr. Chairman and Mr. Ranking Member, I know the fiscal challenge we face, which is why, if confirmed, I would work to ensure that U.S. taxpayer-provided resources are used to their fullest effect and in the most efficient way possible. Americans are the most generous donors in the fight against hunger and they deserve vigilance in making sure their tax dollars are well spent. If confirmed, I will work with the U.N. Food Agencies to ensure that every penny of U.S. taxpayer-provided assistance is well spent and that we are doing our utmost to avoid costly emergencies in the future.

I truly believe that there has never been a more important time for U.S. leadership on food and agriculture issues at the U.N. Agencies in Rome and around the world, and I would be honored to do my part to build on current momentum and help ensure that we make the most out of this historic opportunity.

I thank you for your time, and I look forward to your questions.  
[The prepared statement of Mr. Lane follows:]

PREPARED STATEMENT OF DAVID J. LANE

Thank you, Mr. Chairman and distinguished members of the committee. And thank you, Senators Nelson and Rubio, for your kind introductions.

I am honored to be the President's nominee for the United States Permanent Representative to the United Nations Agencies for Food and Agriculture. I would like to thank President Obama and Secretary Clinton for the confidence they have shown in nominating me for this important post.

If confirmed by the Senate, I would consider it a great privilege to serve the American people in pursuit of goals I know we all hold dear: alleviating hunger and helping the world's poor lift themselves out of poverty through agricultural development. The United States has many important interests before the U.N. food and agriculture agencies in Rome, and I am eager to help protect and advance them. If confirmed, I am committed to helping the U.S. mission, which has representatives from the Department of State, USDA, and USAID, advance our national interest in a whole of government approach while helping to make agriculture a major force for poverty alleviation around the world.

Mr. Chairman and distinguished members of the committee, I believe there has never been a more important time for U.S. leadership on food and agriculture issues within the U.N. agencies in Rome and around the world. This is a time of unprecedented progress in food and nutrition security, and I want to do my part to sustain the momentum and help ensure that we make the most out of our historic opportunity. At the same time, the ongoing lack of food security in regions like the Horn of Africa and the Sahel continues to drive instability and slow progress in the development of these areas. With both the opportunity for accelerated progress and lingering challenges in mind, I appreciate this opportunity to share my views on how I would contribute to the fight against hunger, if confirmed.

I hope you will agree that my experience prepares me well for the responsibilities of the position for which I have been nominated. I have spent most of my career in nonprofit service, and from 2001 until 2011 I worked to help develop and promote public policies focused on enabling the world's poor to lift themselves out of poverty.

At the Bill & Melinda Gates Foundation I established and led the organization's East Coast office in Washington, DC, for 6 years. In this role, I initiated and managed our collaboration with many of the key actors in the global development field. After we concluded that mobilizing public support for smart policies could be as important as making smart programmatic investments, I led the Foundation's senior leadership team in designing and implementing policy advocacy strategies. I believe strongly in the importance of data-driven public policy, and this conviction shaped my approach while leading the Gates Foundation's policy advocacy work. Driven by the strong evidence that improved agricultural productivity can have a transformative impact on rural communities, the Foundation chose to make agriculture

a top priority, and it continues to be a major force helping to improve lives in poor countries through improved agriculture.

From 2007 until 2011, I was president and CEO of ONE, a nonpartisan global organization committed to mobilizing public support for effective development and humanitarian policies. While there, I constantly heard how important the fight against poverty is to people all over the world and from all walks of life. In my experience, Americans from across our society—students, businesspeople, members of diverse faith communities, Republicans, Democrats—strongly support effective efforts—both in terms of cost and impact. Feeding the hungry is perhaps the most powerful charitable impulse of all. In every sector of development, people just want to know—and deserve to know—that the programs they support are making a difference. And they want to know that our focus is on creating long-term transformation and self-reliance, not only addressing short-term suffering.

I frequently traveled to Africa during my tenure at ONE. I saw for myself the critical linkages between agriculture and other aspects of economic and social development. These linkages confirmed my belief that smart policies and public investments from developed countries like ours must build on and work in concert with committed leadership from developing countries themselves. Without the two working in concert, investments will not be as effective or transformative.

I am also proud of other roles I've been given the opportunity to play in my career, especially those in the Federal Government. I believe my experience as a policy analyst, manager, convener, negotiator, and integrator of different perspectives would help me fulfill your expectations for this role.

In addition, I would like to acknowledge the primary importance of my family in preparing me to serve my country in this important position, should the Senate confirm me. My parents, George and Mary Lou Lane, instilled in me a deep love of my country and a strong commitment to serve others. They were unable to travel to Washington, DC, but I know they are proud that I'm being considered for a position that can help the United States make a difference for millions of people. I have four wonderful brothers and sisters and nine amazing nieces and nephews, some of whom are here today, and they will all tell you the same thing: my parents—by their example—taught us the true meaning of compassion, the importance of service, and the moral necessity of helping those who are less fortunate than we are.

I am particularly pleased to join my colleagues today who have been nominated for posts in Africa. Although the U.N. food agencies are based in Rome, the focus of their work must be in the field, especially Africa, which remains both the region of greatest concern and a potential source of long-term solutions. As I'm sure my fellow panelists know better than I, Africa is the only continent where agricultural productivity has remained stagnant for the past 30 years. And yet, there are countries in Africa where agriculture is on the brink of taking off, responding to strong leadership, smart new policies, and increased investment. Many believe that if we apply key lessons learned from recent experience we can dramatically increase agricultural productivity in Africa in the coming decade. This may offer the best chance we have to help lift tens of millions out of poverty and chronic hunger.

In recent years, leaders in both developing and developed countries have, in fact, reaffirmed the importance of agricultural development and prioritized it as an area of policy focus and investment. Recent government-led initiatives—The G8's L'Aquila Food Security Initiative, The Rome Principles for Sustainable Global Food Security, The AU's Comprehensive African Agriculture Development Program, the G20's Global Agriculture and Food Security Program—have given new momentum to the drive to feed the world's hungry and lift millions of smallholder farmers out of poverty, and these efforts are beginning to show results. And civil society/NGO initiatives have long played a critical role addressing food security. In fact, according to one estimate, in 2008 U.S. NGOs that engaged in development work managed \$11.8 billion in private contributions and gifts-in-kind resources.

Seventy-five percent of the world's poor live in rural settings and are dependent on agriculture, and most of these are women tending small plots of land. Studies have shown that growth in agriculture is three-to-six times more effective than growth in other sectors in raising the incomes of the very poor. The stakes are very high for getting this right, and I believe the U.N. food and agriculture agencies can play a vital role supporting and facilitating the transformation of agriculture around the world. At the end of the day, I am confident that the American people will support these efforts if they are having an impact in a cost effective way.

I would like to say a few words about the U.N. food and agriculture agencies—the Food and Agriculture Organization, the World Food Programme, and the International Fund for Agricultural Development. I realize many of you approach these and other large multilateral organizations with a fair amount of skepticism, and I believe past inefficiencies and other shortcomings confirm that we should take a

firm approach to reform and renewal—something that the mission in Rome is pursuing. But I also believe that these organizations are in a better position than they've been in a long time to pursue their missions effectively and efficiently and serve as reliable partners in combating hunger.

These three agencies—with dynamic leadership and a renewed commitment to their important mandates—can and must play a critical role in continuing recent momentum behind food security. I believe now is the perfect time for these three agencies to sharpen their focus, clarify their roles, and improve their coordination, and I am very optimistic that the U.S. mission in Rome can work with these important agencies and align priorities in such a way that U.S. policies and investments have the shaping and even galvanizing influence we all hope to see.

While I am eager for your guidance on how best to advance U.S. policies and priorities in Rome, there are several issues that I believe will be important areas of focus if I am confirmed:

(1) Ensuring that the humanitarian responses of the multilateral agencies are effective and efficient, even in the most challenging circumstances, while fostering resilience so that affected populations emerge less vulnerable after emergencies with the goal of breaking the cycle of disaster and expensive relief.

(2) Building on the progress that has been made on food security in the past few years by ensuring that these agencies promote increased investments—both public and private, with a special emphasis on recruiting new donors—in initiatives and projects that contribute to developing resiliency and transform rural economies while fighting poverty.

(3) Ensuring that efforts to reform the Rome-based U.N. agencies result in modern institutions that reduce redundancies, and are agile and responsive as well as efficient and transparent.

(4) Using all the modern tools of public diplomacy to ensure that the leadership of the United States and great generosity of the American people in support of food and nutrition security and agricultural development is well understood around the world. This message is critical in underscoring our commitment to international peace, security, and development and can contribute to freedom, the development of democracy, and the promotion of good governance and market principles worldwide.

(5) Ensuring that all the important day-do-day work of the U.S. mission I've been nominated to lead—dealing with standards, norms, international agreements, etc.—is responsive to our national interests while generating positive results on the ground.

The work of the U.S. mission to the food and agriculture agencies in Rome is only possible because of the generosity of the American people you represent and we all serve. The United States leadership in this space has been in no small part the result of the continued determination by the branches of the United States Government to promote food security internationally. For instance, the United States contributed approximately \$1.428 billion to the World Food Programme in CY 2011, which alone made up 37 percent of WFP's budget. We were the single largest donor to the FAO in FY 2011, providing an assessed contribution of \$111 million—22 percent of the assessed budget—and an additional \$66.67 million to FAO in extra-budgetary funding, mostly for emergency programs. We are also the largest donor to IFAD, at \$30 million per year.

Distinguished members of the committee, I am filled with pride when I think of the determination of the American people and the ability of the United States Government—the legislative and executive branches alike—to join together to fight hunger worldwide. Since the emergency broke out last year in the Horn of Africa, in which drought affected parts of Ethiopia, Kenya, and Djibouti and famine was declared in five regions of Somalia, the United States has responded with more than \$1.1 billion in life-saving assistance, reaching an estimated 4.5 million people, many of whom would have otherwise died from starvation or related disease. As the specter of crisis rises once again, this time in the Sahel, I am sure the American people will continue to be in the vanguard of fighting it there as well.

As president of the G8 this year and host of the G8 summit taking place this weekend at Camp David, the United States has been working with its partners to focus on food and nutrition security in sub-Saharan Africa. Building on the success of the 2009 G8 L'Aquila Food Security Initiative and the U.S. Feed the Future initiative, the G8 effort will focus on continuing our commitments to the financial pledges made at L'Aquila and to following the Rome principles while also stimulating private investment in agriculture at all scales and across the agriculture value chain.

Working together, the actions taken by African Governments, the AU, international partners, private investors, and civil society will substantially accelerate agricultural growth across the continent and help more than 50 million people emerge from poverty over the next 10 years. We believe that collectively, we can achieve this goal based on strong evidence that investments in agriculture—including CAADP Country Investment Plans and G8 actions—will significantly spur agricultural growth. This will be accomplished by working with African leaders to increase private capital investments in African agriculture, take innovations that can enhance agricultural productivity to scale, and reduce the risk borne by vulnerable economies and communities. We know from history and experience that agriculture-led growth resulting from these types of actions, paying special attention to small-holder women farmers and to nutrition, is a powerful driver of broader economic growth and poverty reduction.

Clearly there is a role for the U.N. Rome-based agencies in G8 food and nutrition security efforts, and, if confirmed, I will work to ensure that the agencies' contribution is effective, complementary, and appropriate to their strengths.

Distinguished members of the committee, I know the fiscal challenges we face, which is why, if confirmed, I would work to ensure that U.S. taxpayer provided resources are used to their fullest and with the greatest possible efficiency.

Senator COONS. Thank you so much, Mr. Lane.  
Mr. Alford.

**STATEMENT OF EDWARD M. ALFORD, OF VIRGINIA, TO BE  
AMBASSADOR TO THE REPUBLIC OF THE GAMBIA**

Mr. ALFORD. Thank you, Senator.

Mr. Chairman, Mr. Ranking Member, and members of the committee, I am honored to appear before you today. I wish to express my gratitude to the President and to the Secretary of State for the trust and confidence they have placed in me as the nominee for Ambassador to the Republic of The Gambia.

I want to recognize my family, represented by my daughter, Sylvia, who is here to support me.

As a U.S. Foreign Service officer for more than 33 years, I enjoyed assignments which provided a variety of experiences in 11 different countries, including three assignments in Africa totaling almost 9 years. I have worked extensively with the interagency community, especially in recent assignments in Frankfurt and Baghdad. I have particularly enjoyed mentoring my younger colleagues and helping them develop their careers. If confirmed, I believe the variety of my experience and my record of leadership and fostering mission effectiveness and morale under often difficult circumstances, will enable me to carry out the duties and responsibilities of a U.S. Ambassador.

The United States has a close and historic relationship with The Gambia which has embraced the role of the Peace Corps in the country since 1967. With 83 Volunteers in-country, the Peace Corps is the central component of our public diplomacy and U.S. development assistance. Last year, President Jammeh showed his gratitude for the Peace Corps by hosting the commemoration of the 50th anniversary of the Peace Corps and their 45 years in The Gambia.

The United States has a small diplomatic footprint in Banjul, but we arguably have more leverage than any other Western country, thanks to our positive bilateral relationship and continuing Peace Corps presence.

The U.S. Embassy closely followed the 2011 and 2012 electoral processes and worked to support credible and independent media and political parties, as well as democratic processes. Despite

shortcomings, the Presidential elections in November 2011 were adjudged free and fair by several international and domestic observation teams. While there was high voter turnout, several organizations expressed concern at the unlevel playing field for candidates in advance of the elections.

Promoting human rights remains the top U.S. priority in The Gambia. The U.S. mission in Banjul maintains a close dialogue with the government and civil society on the human rights situation. Continued engagement with Gambian authorities on press freedom and civil liberties will constitute a central piece of our bilateral relationship.

If confirmed, I will continue our economic and regional security partnership with The Gambia. Through The Gambia's contributions to peacekeeping missions, we have enjoyed a steadfast partnership in efforts to promote regional stability. The Gambia also plays a positive role in counternarcotics in the region, and sustaining these efforts, along with enhancing the country's maritime security capacity, is another focus of our diplomacy.

The U.S. Embassy must continue to work with the government and private sector to facilitate the growth of the tourism industry and the export of several commodities, including apparel and fish to the United States under the African Growth and Opportunity Act.

U.S. staffing in Banjul consists of 13 Embassy officials and two Peace Corps American staff. If confirmed, I would make my top concern the safety and security of the nearly 2,000 U.S. citizens in The Gambia, half of whom at any time are tourists.

Thank you, Mr. Chairman, for the opportunity to appear today. I would be pleased to respond to your questions.

[The prepared statement of Mr. Alford follows:]

PREPARED STATEMENT OF EDWARD M. ALFORD

Mr. Chairman and members of the committee, I am honored to appear before you today. I wish to express my gratitude to the President and Secretary of State for the trust and confidence they have placed in me as their nominee for Ambassador to the Republic of The Gambia. I want to recognize my family, represented by my daughter, Sylvia, who is here to support me.

As a U.S. Foreign Service officer for more than 33 years, I enjoyed assignments which provided a variety of experiences in 11 different countries including three assignments in Africa totaling almost 9 years. I have worked extensively with the interagency community, especially in recent assignments in Frankfurt and Baghdad. I have particularly enjoyed mentoring my younger colleagues and helping them develop their careers. If confirmed, I believe the variety of my experience and my record of leadership in fostering mission effectiveness and morale under often difficult circumstances will enable me to carry out the duties and responsibilities of a U.S. Ambassador.

The United States has a close and historic relationship with Gambians, who have embraced the role of the Peace Corps in their country since 1967. With 83 Volunteers in country, the Peace Corps is the central component of our public diplomacy and U.S. development assistance. Last year, President Jammeh showed his gratitude for the Peace Corps by hosting the Golden Jubilee, which commemorated the 50th anniversary of the Peace Corps and their 45 years in The Gambia. The United States has a small diplomatic footprint in Banjul, but we arguably have more leverage than any other Western country thanks to our positive bilateral relationship and continuing Peace Corps presence.

The U.S. Embassy closely followed the 2011 and 2012 electoral processes and worked to support credible, independent media and political parties, as well as democratic practices. Despite shortcomings, the Presidential elections in November 2011 were judged free and fair by several international and domestic observation teams. While there was high voter turnout, several organizations expressed concern

at the “uneven playing field” for candidates in advance of the elections. The March 2012 parliamentary elections were also deemed generally peaceful and fair, but opposition parties boycotted the election, leaving them with only 5 of the 48 elected seats in Parliament.

Promoting human rights remains the top U.S. priority in The Gambia. The U.S. mission in Banjul maintains a close dialogue with the government and civil society on the human rights situation. The Gambia has taken significant steps to address trafficking in persons through enforcement of legislation and the rescue and rehabilitation of victims. Continued engagement with Gambian authorities on press freedom and civil liberties will constitute a central piece of our bilateral relationship.

If confirmed, I will continue our economic and regional security partnership with the Gambia. Through The Gambia’s contributions to peacekeeping missions, we have enjoyed a steadfast partnership in efforts to promote regional stability. The Gambia also plays a positive role in counter narcotics in the region and sustaining these efforts along with enhancing the country’s maritime security capacity is another important focus of our diplomacy.

The U.S. Embassy must continue to work with the government and private sector to facilitate the growth of the tourism industry and the export of several commodities including apparel and fisheries to the United States under the African Growth and Opportunity Act.

U.S. staffing in Banjul consists of 13 Embassy officials and two Peace Corps American staff. If confirmed, I would make my top concern the safety and security of nearly 2,000 U.S. Citizens in The Gambia, half of whom at any time are tourists.

Senator COONS. Thank you so much, Mr. Alford.

I now turn to Mr. Asquino.

**STATEMENT OF MARK L. ASQUINO, OF THE DISTRICT OF COLUMBIA, TO BE AMBASSADOR TO THE REPUBLIC OF EQUATORIAL GUINEA**

Mr. ASQUINO. Thank you, Chairman Coons, Ranking Member Isakson. It is a great honor for me to appear before you this afternoon as the nominee to be the next U.S. Ambassador to the Republic of Equatorial Guinea. I am grateful for the confidence that President Obama and Secretary Clinton have placed in me, as well as for the support of Assistant Secretary of State Carson. If confirmed by the Senate, I will do my best to uphold this trust.

Mr. Chairman, please allow me to introduce my wife, Jane. She is here today. We met and were married almost 2 decades ago in Bucharest, Romania. Jane has been with me ever since then. I have been incredibly fortunate to have had her accompany, support, and inspire me in often difficult and dangerous postings.

Mr. Chairman, I have spent more than three decades as a Foreign Service officer, serving in Latin America, Europe, Asia, and Africa. Presently I am the Executive Assistant and Chief of Staff in the Office of the Under Secretary for Civilian Security, Democracy, and Human Rights. There I supervise a staff of 18 employees who work on these crucial issues.

I have served in countries including Spain and Romania, which were in transition to democracy, as well as in oil-rich nations such as Kazakhstan and Sudan. The knowledge and experience I have gained in such postings have resulted in my deep commitment to advancing democracy, human rights, and transparency.

Today I would like to speak to you briefly about the three major U.S. foreign policy issues that form the cornerstone of our bilateral relationship with Equatorial Guinea.

The first is good governance and democracy. Although Equatorial Guinea is nominally a multiparty constitutional republic, President Obiang’s party controls all but one seat in the 100-member legisla-

ture. Equatorial Guinea is the third-largest producer of oil in sub-Saharan Africa, and has one of the continent's highest per capita income rates. Despite this, much of the population lives below the poverty level. Official corruption is widespread in a country that needs to spend more on the health and educational needs of its citizens.

Equatorial Guinea was unsuccessful in meeting the requirements to join the Extractive Industries Transparency Initiative, or EITI. However, it is considering applying again, and we support that action. Meeting the conditions to become an EITI candidate would be one positive signal by the Government of the Republic of Equatorial Guinea, or the GREG, that it intends to improve its fiscal transparency through revenue reporting.

The GREG is investing in major public works projects that are improving infrastructure. It is also funding public health programs that have lowered infant mortality and drastically reduced the incidence of malaria. These are encouraging steps, and if confirmed, I will urge the GREG to devote more attention to transparency and governance and continue to invest in its people.

The second issue is the protection of human rights. In 2010 and 2011, following urgings from the United States and the international community, the GREG released a significant number of political prisoners. The GREG in recent years has also made modest progress in prison conditions and in human rights training for security forces.

While Equatorial Guinea has taken measured actions to improve its human rights record, major problems remain. These include arbitrary arrests, restrictions on freedom of the press, assembly, and association. Since the 2008 visit of the U.N. Special Rapporteur for Torture at the invitation of the GREG, Equatorial Guinea has partnered with the International Committee of the Red Cross, or the ICRC, to speak out against torture and call for the prosecution of human rights abusers. One notable advance, the 2011 signing of a residency agreement between the ICRC and the GREG, culminated this year with the opening of the ICRC's fully functioning office in Malabo.

In addition, the GREG recently announced it will revive the Interagency Commission on Trafficking in Persons. The government deserves credit for these actions, but Equatorial Guinea must do more to promote respect for human rights and also for transparency.

The third issue, briefly, is U.S. national security and access to energy resources. With close to \$14 billion invested in Equatorial Guinea, United States oil companies are that country's largest investors, and they have the lead role in oil and gas exploration and extraction. The United States presently imports approximately 12 percent of its oil from African nations in the Gulf of Guinea. For this reason, we have an abiding interest in the security of this zone.

If confirmed, I will focus on these three issues—governance, human rights, and national security—and I will give them my utmost energy and attention. I promise to work closely with you and the members of this committee.

I thank you very much for the opportunity to speak with you this afternoon, and I welcome your questions.

[The prepared statement of Mr. Asquino follows:]

PREPARED STATEMENT OF MARK L. ASQUINO

Chairman Coons, Ranking Member Isakson, members of the committee, it is a great honor for me to appear before you this afternoon as the nominee to be the next United States Ambassador to the Republic of Equatorial Guinea. I am grateful for the confidence that President Obama and Secretary of State Clinton have placed in me as well as for the support of Assistant Secretary of State for African Affairs Carson. If confirmed by the Senate, I will do my best to uphold this trust.

Mr. Chairman, please allow me to introduce my wife, Jane, who is here today. We met and were married almost two decades ago in Bucharest, Romania. Jane was there as a Peace Corps Volunteer, and I was serving at the U.S. Embassy. Since then, I have been incredibly fortunate to have had Jane accompany, support, and inspire me, often in difficult and dangerous postings.

Mr. Chairman, I have spent more than three decades as a career Foreign Service officer, serving in Latin America, Europe, Asia, and Africa. Presently, I am the Executive Assistant and Chief of Staff in the Office of the Under Secretary for Civilian Security, Democracy, and Human Rights. There I supervise a staff of 18 foreign and civil service employees who work on these crucial issues. I have served in countries including Spain and Romania, which were in transition to democracy, as well as in oil rich nations such as Kazakhstan and Sudan. During my most recent overseas assignment as deputy chief of mission in Khartoum, I focused on human rights abuses in Sudan. The knowledge and experience I've gained in such postings have resulted in my deep commitment to advancing democracy, human rights, and transparency.

Today I would like to speak to you briefly about the three major U.S. foreign policy issues that form the cornerstone of our bilateral relationship with Equatorial Guinea.

The first issue is good governance and democracy. Equatorial Guinea, with a population of fewer than 1 million people, is located in west central Africa's Gulf of Guinea. Although the country is nominally a multiparty, constitutional republic, President Obiang Nguema's Democratic Party of Equatorial Guinea controls all but one seat in the 100-member legislature. Equatorial Guinea is the third-largest producer of oil in sub-Saharan Africa, and has one of the highest per capita income rates in Africa. Despite this, much of its population lives below the poverty level; and official corruption is widespread, in a country that needs to spend more on the health and educational needs of its citizens.

Equatorial Guinea was unsuccessful in meeting the requirements to become compliant with the Extractive Industries Transparency Initiative (EITI). However, it is considering applying once again, and we are encouraging this action. Meeting the conditions to become an EITI candidate country would be one positive signal by the Government of the Republic of Equatorial Guinea (or, GREG) that it intends to improve its fiscal transparency through revenue reporting.

In regard to the welfare of its people, the GREG has invested in major public works projects that are improving the country's infrastructure, and it is also funding public health programs that have lowered the infant mortality rate and dramatically reduced the incidence of malaria. These are encouraging steps, and if confirmed, I will urge the GREG to devote more attention to transparency and governance and continue to invest in its people.

The second issue is the protection of human rights. In 2010 and 2011, following calls from the United States and the international community, the GREG released a significant number of its political prisoners. The GREG in recent years has also made modest progress in improving prison conditions and providing human rights training for its security forces.

While Equatorial Guinea has taken measured actions to improve its human rights record, major problems remain. These include arbitrary arrests, and restrictions on freedom of the press, assembly, and association. Since the 2008 visit of the U.N. Special Rapporteur for Torture, at the invitation of the GREG, Equatorial Guinea has partnered with the International Committee of the Red Cross (ICRC) to speak out against torture and call for the prosecution of human rights abusers. One notable advance, the 2011 signing of a residency agreement between the ICRC and the GREG, culminated this year with the opening of ICRC's fully functioning and fully staffed office in Malabo.

In addition, the GREG has announced it will revive the Interagency Commission on Trafficking in Persons created to enforce its 2004 Trafficking in Persons Law. The government has requested Embassy Malabo's technical assistance on how best to structure the commission. This is the first time in recent history that the GREG has taken the initiative to request assistance to prevent human trafficking, which is a major problem in Equatorial Guinea. The government deserves credit for such positive actions, but Equatorial Guinea must do more to promote respect for human rights.

The third issue is U.S. national security, especially access to energy resources. During 2003–2006, I served as deputy chief of mission at the U.S. Embassy in Kazakhstan. There I worked to protect the commercial interests of U.S. oil companies that were major oil consortium partners. With close to \$14 billion invested in Equatorial Guinea, U.S. oil companies are Equatorial Guinea's largest investors, and they have the lead role in oil and gas exploration and extraction. The United States presently imports approximately 12 percent of its oil from African nations in the Gulf of Guinea. For this reason, our country has an abiding interest in the maritime security of this vital, economic zone.

If confirmed, I will focus on this issue, as well as on the security and well-being of the 500 U.S. oil company employees and other American citizens in Equatorial Guinea. I will also be a strong advocate for U.S. commercial interests.

Mr. Chairman, if confirmed, I will give these three issues, governance, human rights, and national security interests, my utmost personal attention and energy. While our dialogue and engagement with Equatorial Guinea needs to respect its sovereignty and traditions, we also must be frank in discussing our concerns in each of these areas. If confirmed, I promise to work closely with you and the members of this committee.

Senator COONS. Thank you.

Mr. Griffiths.

**STATEMENT OF DOUGLAS M. GRIFFITHS, OF TEXAS, TO BE  
AMBASSADOR TO THE REPUBLIC OF MOZAMBIQUE**

Mr. GRIFFITHS. Thank you, Mr. Chairman and Ranking Member Isakson. It is an honor to appear before you today as President Obama's nominee to be Ambassador to the Republic of Mozambique. I am grateful to the President and Secretary Clinton for the confidence they have placed in me as their nominee.

I am also thankful for the enduring support of my wife, Alicia, and our two daughters. Through evacuations, earthquakes, gunfire, and floods, they have been enthusiastic and adventurous partners in public service. It is finals week, so they were not able to travel to be with me, but I expect through the wonders of Internet, they are here virtually with me, and they are represented by our dear friends and the godparents of our children, John and Betty Shippe.

In my 24 years in the Foreign Service, I have served in Canada, Portugal, Mozambique, Morocco, Switzerland, Haiti, and Ecuador, gaining broad geographic exposure and solid experience in management, trade, and the promotion of good governance. While working in the Africa Bureau at the State Department, I covered economic issues across Southern Africa. In Haiti, Ecuador, and Geneva, I had the privilege to serve as chargé d'affaires for extended periods. Mr. Chairman, I believe that my current position as Deputy Permanent Representative at the U.S. mission to the United Nations in Geneva where we engage daily on public health, economic development, and humanitarian relief is excellent preparation to serve as American Ambassador to Mozambique.

Mr. Chairman, if confirmed, I look forward to working with you and the honorable members of this committee to advance American interests in Mozambique. Following three decades of conflict, Mozambique has enjoyed peace and stability since the early 1990s.

We commend Mozambique on its progress over the past two decades and on its more recent steps in addressing governance concerns since the 2009 elections. As development depends on good governance and a strong civil society, if confirmed, my top priority will be to work alongside the Mozambican people to continue to strengthen democracy and governance.

In recent years, Mozambique's economic growth has consistently been among the highest in sub-Saharan Africa, averaging 6 to 8 percent per year. However, despite this sustained growth and the quadrupling of gross domestic product since 1992, the majority of Mozambique's 23 million people still live below the poverty line. Mr. Chairman, if confirmed, I will support growth-oriented policies to foster job creation and poverty reduction, while stimulating broad-based economic growth. I will also aggressively identify and pursue every opportunity for American firms.

Sound economic policies and transparent governance will be increasingly important in Mozambique as the country is poised to experience a boom in natural resource revenue in the coming years from recently discovered natural gas and newly developed coal deposits. For this reason, Mr. Chairman, if confirmed, I will champion U.S. Government efforts that support sustainable economic growth throughout Mozambique with a focus on the poorest areas of the country.

The United States Government is helping Mozambicans boost the productivity of key crops, reform their agricultural policy, and improve maternal and child nutrition, with the ultimate goal of sustainably reducing hunger and poverty. The \$506.9 million Millennium Challenge Corporation Compact is focused on road construction, water projects, and the land tenure system.

The United States directs the bulk of our assistance to improving the health of Mozambicans. The President's Emergency Plan for AIDS Relief, the President's Malaria Initiative, the Global Health Initiative, and the Peace Corps are working jointly toward this goal. If confirmed, I will advance our vision of creating an AIDS-free generation by reducing the transmission of HIV/AIDS, boosting the percentage of HIV-positive Mozambicans on treatment, and encouraging the Mozambican Government to commit more of its own resources to improving the health of its people.

Mozambique and the United States share a strong common interest in promoting regional stability. Mozambique will assume the Presidency of the Southern African Development Community this August, significantly elevating its role in promoting regional stability and economic integration. Securing the country's long land borders and coastline are indispensable to economic development in Mozambique and the region at large. Facilitating the legal flow of goods, services, and people is a major driver for economic growth, but it must be coupled with sustained efforts to curb maritime piracy and illegal trade flows. I will, if confirmed, build upon our partnership with the Mozambican authorities to promote regional maritime and border security.

Mr. Chairman and members of the committee, I want to thank you for the privilege of appearing before you today. If confirmed, I welcome the challenge of protecting and advancing American

interests in Mozambique and accept the corresponding responsibilities of that duty.

I would be happy to answer any questions you might have. Thank you.

[The prepared statement of Mr. Griffiths follows:]

PREPARED STATEMENT OF DOUGLAS M. GRIFFITHS

Mr. Chairman and members of the committee, it is an honor for me to appear before you today as President Obama's nominee to be Ambassador to the Republic of Mozambique. I am grateful to the President and Secretary Clinton for the confidence they have placed in me as their nominee. I am also thankful for the enduring support of my wife, Alicia, and my two daughters. Through evacuations, earthquakes, gunfire and floods they have been enthusiastic and adventurous partners in public service.

In my 24 years in the Foreign Service, I have served in countries of vastly different economic and social circumstances. Through postings in Canada, Portugal, Mozambique, Morocco, Switzerland, Haiti, and Ecuador I have gained broad geographic exposure and solid experience in management, trade, and the promotion of good governance. I also worked in the Office of Southern African Affairs at the State Department, gaining invaluable insight into regional issues. In Haiti, Ecuador, and Geneva, I have had the opportunity to serve as chargé d'affaires, a.i. for extended periods. Mr. Chairman, I believe that my current position as Deputy Permanent Representative at the U.S. Mission to the United Nations and Other International Organizations in Geneva, where we engage daily on public health, economic development, and humanitarian relief, is excellent preparation to serve as American Ambassador to Mozambique.

Mr. Chairman, if confirmed, I look forward to working with you and the honorable members of this committee to advance U.S. interests in Mozambique. Following three decades of conflict, Mozambique has enjoyed peace and stability since the early 1990s. We commend Mozambique on its overall progress over the past two decades and on its more recent steps in addressing governance concerns since the 2009 elections. The upcoming 2014 Presidential and parliamentary elections will be key barometers of democratic freedoms. As development depends on good governance, if confirmed, my top priority will be to work alongside the Mozambican people to continue to strengthen democracy and governance in advance of these elections.

Mozambique's economic growth has consistently been among the highest in sub-Saharan Africa in recent years, averaging 6 to 8 percent. However, despite this sustained growth and the quadrupling of Gross Domestic Product since 1992, the majority of Mozambique's 23 million people live below the poverty line, some well below that line. Mr. Chairman, if confirmed, I will support growth-oriented policies to foster job creation and poverty reduction, while stimulating broad-based economic growth. I will also aggressively identify and pursue every opportunity for American firms.

Sound economic policies and transparent governance will be increasingly important in Mozambique as the country is poised to experience a boom in natural resource revenue in the coming years from recently discovered natural gas and newly developed coal deposits. For this reason, Mr. Chairman, if confirmed, I will champion U.S. Government efforts that support sustainable economic growth throughout Mozambique, including the poorest areas of the country. The U.S. Government is helping Mozambicans to boost the productivity of key crops, improve their agricultural policy, and improve maternal and child nutrition, with the ultimate goal of sustainably reducing hunger and poverty. The \$506.9 million Millennium Challenge Corporation (MCC) Compact is focused on road construction, water systems, and modernization of the land tenure system.

As the largest bilateral donor to Mozambique, the United States directs the bulk of our assistance to improving the health of Mozambicans. The President's Emergency Plan for AIDS Relief, the President's Malaria Initiative, the Global Health Initiative, and the Peace Corps are all working toward this goal. If confirmed, I will advance our vision of creating an AIDS-free generation by reducing the transmission of HIV/AIDS, boosting the percentage of HIV-positive Mozambicans on treatment and encouraging the Mozambican Government to commit more of its own resources to improving the health of its people.

Mozambique and the United States share a strong common interest in promoting regional stability. Mozambique will assume the Presidency of the Southern African Development Community in August 2012, significantly elevating its role in promoting regional stability and economic integration. Securing the country's long land

borders and coastline are indispensable to economic development in Mozambique and the region at large. Facilitating the legal flow of goods, services and people is a major driver for economic growth, but it must be coupled with sustained efforts to curb maritime piracy and illegal trade flows. I will, if confirmed, build upon our partnership with the Mozambican authorities to promote regional maritime and border security.

Mr. Chairman and members of the committee, I want to thank you for the privilege of appearing before you today. If confirmed, I welcome the challenge of protecting and advancing the interests of the United States in Mozambique and accept the corresponding responsibilities of that duty.

Senator COONS. Thank you, Mr. Griffiths, and thank you to our whole panel.

You have attracted, Mr. Lane, interest and support from a wide range of acquaintances of mine from Max Finberg and John Doerr, who both send their best, to Dr. Raj Shah, Administrator of the USAID, who has joined us in the back. There are very exciting developments over the next few days that Dr. Shah and I have been in communication about that I know all of us are eager to hear more about.

So let me begin, if I could, a first round of questioning by focusing on food and agriculture and food security across the whole panel.

First, if I might, Mr. Lane, in a difficult international financial environment and because Dr. Shah is here, how should the United States and other G8 members, given the impending conversations, approach the issue of global food security? And as the largest contributor to the Food and Agricultural Organization, World Food Programme, International Fund for Agricultural Development, what factors should we be seeking as we try and balance building long-term resilience in food security against emergency humanitarian needs?

Mr. LANE. Senator, thank you. And I want to thank Dr. Shah for coming. I am pleasantly surprised that he is here.

It has been estimated that by the year 2050, the world population will be 9 billion people and that agricultural productivity will have to increase by somewhere between 50 to maybe 70 percent in order to meet the world's needs for food. You mentioned the resource constraint that we face, the fiscal constraint. We cannot get there from here in terms of donor country providing the investment that is going to be necessary to achieve those kinds of productivity gains. It is going to be important for especially developing countries themselves to step forward with their own prioritization of agriculture investment but also for the private sector.

And it is not my place to preview the G8 initiatives of the next couple days. I have, as a nominee, been asked to stay out of those things. But perhaps Raj would like to come up and elaborate. [Laughter.]

But I think it is fair to say that the foundation was set at the Locula summit for public investment. There was, I think, a \$22 billion donor, G8 and other wealthy country commitment and a commitment that this Senate and Congress has supported by the United States of \$3.5 billion that I think is starting to show benefits.

But the really, to me, very important part that I saw from my time at the Gates Foundation and from ONE is country-owned plans and country leadership, and that those countries are now

starting to step up. And I think in my role in Rome, it is going to be important for me to work with my counterparts to be sure that they are doing their part to meet their own targets of 10 percent budget for agriculture spending, which is part of the Maputo targets, but even more importantly, the private sector investment that is going to be necessary to transform agriculture. And I have a feeling, a strong sense honestly that in the next few days that we are going to be hearing much more about the private sector side of agricultural development, and I think that is really going to be necessary to get done what we need done.

Senator COONS. Thank you, Mr. Lane.

If we might, the countries of The Gambia and Equatorial Guinea, both relatively small countries, but one is, Equatorial Guinea, resource-rich. In both cases, they need to strengthen the priority of their focus on meeting basic human needs and on agriculture. And Mozambique, a very large country, with a lot of potential in terms of arable land—the targets you referenced were established in Maputo.

If you might each in turn just speak to how AGOA has or has not been used successfully by the country to which you have been nominated to serve as an Ambassador, in what sectors other than natural resources, extractive industries we might see some private sector investment from the United States, and in particular, how we might prioritize food security going forward in each of your respective countries.

Mr. Alford.

Mr. ALFORD. Thank you for the question, Senator.

Food security in The Gambia depends very much year-to-year on the crop. Eighty percent of the people are involved in agriculture, although agriculture is only 38 percent of the GNP. I am pleased to note that our Peace Corps is involved in increasing the productivity there. USAID, working with the University of Rhode Island and with the World Wildlife Foundation, is working to improve fisheries. And the U.S. Department of Agriculture has a project to improve cashew production, and that is a combined project with Senegal and The Gambia.

That being said, since 2008, The Gambia's exports have been limited to clothing and fisheries. And there may be other sectors in the future, primarily agricultural-based sectors where we could increase exports. Industry there is minimal now. Our exports to the country are about \$30 million a year and we import less than \$1 million a year. So the scope for increasing the imports there but primarily agriculture, fisheries, and of course tourism is a big, big industry there, primarily European tourists but a lot of Americans go there too.

Senator COONS. Thank you, Mr. Alford.

Mr. Asquino. Are there sectors other than oil and gas that might be attractive for U.S. investment and how does food security play into the future for Equatorial Guinea?

Mr. ASQUINO. Thank you very much for the question, Senator.

As you noted, Equatorial Guinea is a very small country. It has less than a million people. And yet, it is not independent in terms of food production. Only 2.2 percent of this GDP comes from agricultural production. And yet, if you look at the history of the coun-

try, in 1968 when it became independent from Spain, it was a major producer of cocoa, and it had a thriving agricultural sector.

So I think to answer your question, AGOA is not running a program in Equatorial Guinea and we do not have USAID programs there. But there is great interest, including from U.S. companies, in developing the agricultural sector. The Chinese as well have been involved in various projects. And I really do feel that this is an area where Equatorial Guinea can improve its production. Almost everything right now is imported. Inflation runs at 9 or 10 percent every year. So this makes it very hard for the people of that country, and because of that, you have nutritional issues as well that are raised.

So if I were confirmed, sir, I certainly would focus on agricultural investment. I think it is an area where we can, and we should, be doing more in Equatorial Guinea. Thank you.

Senator COONS. Thank you.

Mr. Griffiths, Mozambique is an enormous country with lots of natural resources. What is the prospect for food security? They are an MCC compact partner. What are the major areas of investment or activity in Feed the Future and in other agricultural sectors?

Mr. GRIFFITHS. Great. Thank you, Senator, for the question.

And I fully agree that for Mozambique, this is one of the most important issues, and if confirmed, it is something that I will devote a lot of attention to.

As in The Gambia, 80 percent of Mozambicans work in the agriculture sector. Yet, it only makes up 29 percent of GDP. So Feed the Future is the centerpiece very much for U.S. Government engagement in this process, and we have already had some successes and I think we will continue to have more.

You were talking about, or Mr. Lane was talking about, private sector investment, and we have an example in Mozambique, an American investor. He is working on agricultural extension products and in helping families with crop rotation and with growing food crops interspersed with cash crops like tobacco that are having an impact. I think we also have to note the importance of Mozambique to regional food security. Transport corridors to landlocked countries pass through Mozambique. So it is important that we focus on these issues.

As to AGOA, they have not made significant use of it. I would like to highlight two areas. One is cashews where USAID has worked for a long time in helping Mozambicans take advantage of processing cashews. They are not sending out raw nuts. And the second is the Embassy has been very engaged in working with Mozambique to get turtle excluder devices into their fisheries so that shrimp can be exported to the United States.

Thank you.

Senator COONS. I will turn it over to my friend, Senator Isakson, and note that both of us come from States with long and broad experience in poultry both in the science of poultry and in the export of poultry. And so if there is any way we could be helpful as to the respective countries you will be serving in, we would be happy to be drawn upon as a resource.

Senator Isakson.

Senator ISAKSON. Well, thank you, Senator Coons.

Each of you made very positive remarks, which I am going to try and refer to and your awareness of some of the important roles that you are going to have in the next couple years.

Starting with you, Mr. Lane, you made an acknowledgment of the American taxpayers need accountability in terms of U.S. funds that go into food programs and U.N. programs. As you probably are aware—I can speak for myself; I cannot speak for Senator Coons—but in our part of the world in the southern United States, there has been a growing resentment for the amount of disproportionate funding of the U.N. that the United States does through its dues. Now, that is not my statement, but that is a statement that I deal with.

In terms of U.N. food programs and the three agencies within the U.N.—I think you said there were three—who deal with food, what percentage of the cost of that food does the U.S. taxpayer pay?

Mr. LANE. Sir, as you have indicated in a very good question, we are the leading funder of all three. In the case of the World Food Programme, which is a voluntary set of contributions as opposed to an assessment, usually based on need, usually based on campaigns for emergency food relief, this year, in the current year, it is estimated that we will be 37 percent of global funding to the WFP. The FAO slightly less, and 22 percent of the assessed amount plus different amounts depending on particular programmatic requirements. It can vary. And in the case of the International Fund for Agricultural Development, it is \$30 million a year which I think is 11 or 12 percent, but still significant and the leading amount. So it is quite significant.

I take it as one of my important responsibilities, if I am confirmed, is to try to leverage our contribution to be sure that other donor countries are doing their part and to be sure that developing countries themselves are starting to take responsibility for their own food assistance.

Senator ISAKSON. I was recently in Uganda, and I was asked the question by an NGO with reference to funding of the foreign affairs budget, what was going to be the top priority. I said, you know, the foreign affairs budget and the United States aid overseas is going to go from a compassion-driven appropriation to a politically driven appropriation. And I do not mean that in a crass way, but I mean it in a way that I think the American people are looking for our programs to do more than just feed the people for a day, but help to teach them to feed themselves for a lifetime.

I am wondering if you had any ideas on taking that concept and making it a part or a contingency of the United States contribution.

Mr. LANE. I do, sir, and I appreciate very much the question. In fact, I feel badly that Senator Coons has left because he mentioned this term “resiliency,” which is a new and emerging concept in food policy which I think is extremely important.

Just if I can take a step back, the WFP provides humanitarian and emergency relief in situations of conflict or emergency disaster. The FAO has a different mission which is more focused on agricultural development, sharing of information, best practices so that countries can develop their agricultural sectors and ultimately transform their economies through economic growth. And I am sure you know, sir, that agricultural productivity is one of the most

effective areas of economic growth as a stimulus for growth across the economy.

While, on the one hand, my mission in many ways is to keep the different agencies sticking to their knitting and responsible to their own areas of responsibility, the blend between emergency response and development is this concept called resiliency, which is becoming much more important. and I think Dr. Shah, Gail Smith from the White House, a number of others, were in East Africa just this spring where they launched a new initiative with other international donors focused on this concept.

So the idea is when we go in, in the case, for instance, of Somalia to help feed people in a dire situation, are we doing everything we can from a joint planning point of view and from a programmatic point of view to prepare for the recovery and averting a disaster and the next disaster. And there are things we can do. There are tools we have in terms of livestock preservation, vaccination, getting livestock to safety, crop insurance, drought resistant seeds, water management that can be much more effective because I think from a cost-effective point of view, as you have indicated, it is the disaster in humanitarian relief which is the most expensive and is giving a man a fish as opposed to helping a man to learn to fish. And I think making this transition will be very important.

Senator ISAKSON. Well, I want you to understand clearly that I am well aware of some of our food security and our food effort go to countries where we have displaced individuals in a host country who have left a place like Somalia or southern Sudan or someplace like that.

But I do think everywhere the American people can be aware that there is a contingency tie—I think Mr. Alford referred to country-owned plans where we can have a part of that be a part of our mission. We want to feed the people that are hungry, but we also want to help the countries to develop agricultural programs where it will lessen the pressure on the American taxpayer and improve the plight of that African country.

So you recognized this in your remarks. I wanted to accentuate the importance of doing that.

And I will go to Mr. Alford for a minute. I think we are going to do a second round anyway.

And I appreciate your mentioning AGOA. For all of your benefit, the chairman and I offered an amendment to the bill we passed earlier this week on the EXIM Bank, which we did not call up, but we did it to send the signal that America needs to renew the AGOA act quick, sooner rather than later, and we think the African Growth and Opportunity Act is an important partnership between the United States and the entire continent of Africa. So I appreciate your mentioning it. I know Mr. Griffiths mentioned it and I appreciate it very much that you did.

Mr. Asquino, we talked about the new Embassy that is being built. Is that right?

Mr. ASQUINO. Yes, sir, that is correct. I would be happy to speak about that if you would like.

Senator ISAKSON. I would mainly because my last trip to Equatorial Guinea, there was a 10-foot hole in the ceiling of the rented U.S. Embassy and it was raining the day I was there. [Laughter.]

And I worked hard to try and get the State Department to raise the priority level of that Embassy. So I would love to have a report on it.

Mr. ASQUINO. Well, first of all, thank you for the question. But I also want to thank you for the support. As you know from that visit, we have been working out of facilities that are woefully inadequate and housing that is really terrible.

We expect that the new Embassy complex, which will include workspace, a chancery, as well as housing, will be completed by the summer of 2013. And that is important for a couple of reasons, sir. In addition to providing people with decent workspace, there were security issues in that Embassy. We had to have certain security waivers from our diplomatic security office in order for us to continue working there. So we will have far better security when we open the new Embassy.

And the other issue that I would like to raise is our provision of American citizen services. We have over 500 American citizens, mostly who are connected with the oil industry, who live and work in Equatorial Guinea. So having a decent consular section where they can come, where we can assist them across the board, is enormously important.

So I will end by thanking you, and I will also end by offering an invitation. We would be deeply honored, sir, if you could come to the inauguration in the summer of 2013. Thank you again.

Senator ISAKSON. Well, I will try and do that, but you should know my interest is more about your lovely wife having a good place to stay than it was you having a nice Embassy. [Laughter.]

Senator COONS. Thank you, Senator Isakson.

It is striking and just a reminder of his dedication to this work that the good Senator can say on my most recent trip to Equatorial Guinea, a sentence I suspect is not one widely said here on this panel. And I agree that keeping your family and your coworkers secure and providing appropriate support for Americans and their activities abroad, whether in the Peace Corps or private sector, is a critical part.

Let me turn, if I could, to some governance and human rights questions. In The Gambia, there is a troubling and long pattern of press harassment. There have been some real challenges in terms of human rights. And current and former members of this committee, most principally Senator Durbin, but also Senators Casey and Feingold who previously was the chair, have been urging the government to allow greater press freedoms and to account for a missing Gambian journalist, Ebrima Manneh. The plight of this journalist is widely seen as symbolic of press harassment there. I did not know if you could comment on this particular case or if you could tell us something about what sorts of messages about human rights and press freedoms you would carry forward as Ambassador.

And then last, it seems to me that Gambia's questionable human rights records and press freedom has raised real issues for them in terms of eligibility for Millennium Challenge Corporation funds. Is there a positive possibility of a positive outcome here or do you think this will be a challenging issue for your new service as Ambassador?

Mr. ALFORD. Thank you for the question, Senator. It will be challenging. If confirmed, I intend to consistently speak for press freedom. I do note that the case of the disappearance of Mr. Manneh—the President Jammeh has agreed to have a U.N. study group look into that, and I would look forward, if confirmed, on cooperating with the U.N. and with NGOs and with the Government of The Gambia to see if we can get clarity in that case. And press freedom is one of our fundamental beliefs. If confirmed as American Ambassador, of course, I would speak consistently and forcefully for press freedom in every case.

Senator COONS. Thank you. We would appreciate your persistent engagement on that and your reporting back to us any progress on that particular case and then whether the MCC provides some positive leverage as well.

If I could to Mr. Asquino, President Obiang is now the world's longest ruling leader after 33 years, and the Government of Equatorial Guinea has recently amended its constitution in ways that many observers believe are designed to pave the way for his son to succeed him as President. In a number of other countries throughout the continent, we have recently seen constitutional changes that similarly led to a lack of full and fair and open elections.

What sorts of messages as Ambassador would you deliver about democracy and rule of law?

And last, their most prominent human rights activist was recently sentenced to 3 years in prison after what seemed to be a politically motivated trial. What role would you play in advancing human rights more broadly?

Mr. ASQUINO. Thank you. You have touched on some very important issues, Senator.

In terms of President Obiang, what we would seek is for him to view as his legacy to his country bringing about democratic reform. This is a country that is faced with some very serious challenges, both economic and political. And as he looks at his long time in office, what we have urged him to do, and what we have offered to partner, is to look at ways to open political space that will leave for his people a better life in terms of provision of services, fairer distribution of resources and also a society in which basic freedoms and liberties are respected.

I would agree with you certainly on the constitutional package. It created the position of Vice President, and there is widespread concern that that referendum was held solely in order to create that position. So certainly as we look to municipal elections, which are the next elections coming up in 2013, if confirmed, I would certainly urge for more openness, giving the one political party there that really is in the opposition, the Convergence for Social Democracy, a true level playing field.

And I will finish by talking about Dr. Wenceslao Mansogo, whom you referred to. He is the Secretary General for Human Rights within the Convergence for Social Democracy Party. He was convicted of malpractice. We had an Embassy observer at that trial. Ambassador Fernandez met with the government and urged that he be treated fairly and humanely. And when that sentence was issued on May 7, shortly after that, the U.S. Embassy and the

State Department issued a statement expressing major concerns about due process for Dr. Mansogo and also for guarantees of his rights under the constitution of Equatorial Guinea, which many observers felt he was not afforded.

So if I were confirmed, sir, I would certainly urge that the President look to his legacy, that he look to ways to leave a country that is more democratic, and one that provides better for its people, and also that the opposition be given a chance to compete in the political sphere.

Thank you, sir.

Senator COONS. Thank you, Mr. Asquino.

If I might, Mr. Griffiths. Former President Chissano was the first recipient of the Mo Ibrahim Prize, as you may know. Dr. Ibrahim recently testified in a hearing that we held on openness, transitions, governance, democracy. And to what extent has Chissano's legacy helped shape a more positive political environment for Mozambique and how durable do you think is the path forward toward multiparty democracy in Mozambique?

Mr. GRIFFITHS. Thank you very much for the question, Senator.

That is correct. And sort of in terms of legacy, he was succeeded by President Guebuza who as finishing his second mandate and recently there were reports in the press that President Guebuza had confirmed that he would not seek another term. I think that is an excellent sign for not only Mozambique's democracy and stability but also is a symbol to the region where we have seen Presidents extend their mandates.

I underscored that this would be, if confirmed, my top priority, and that is not only because of the importance we put toward governance, but I think as Senator Isakson was pointing out, the importance of ensuring that people know how to fish. Institutions matter which is why the Embassy has been focusing a lot on building up civil society, having a plethora of voices, people who can express pressure on the executive so that there are various sources of power. And I think it is very important to continue working as we have been with decentralized governments—some of the mayors now are from opposition powers—to continue working with business groups so that they too can articulate different points of views.

And civil society has been key in Mozambique in pushing forward a recently passed series of anticorruption legislation, which I think puts the country in the right direction. They have whistleblower protection, which is very important not only for government but also for trafficking in persons protection. And there was recent legislation where civil servants have to declare their revenue.

Thank you.

Senator COONS. Well, thank you.

Nelson Mandela to South Africa, George Washington to our own country, having founding executives, Presidents, Prime Ministers who voluntarily relinquish their elected role is a critical piece in most countries' transition to democracy. And I hope that you will be able to build regionally on Chissano's contributions.

Senator Isakson.

Senator ISAKSON. Thank you, Mr. Chairman.

Mr. Griffiths, I mentioned that each of you made comments that impressed me, and the one that you made in your presentation about the PEPFAR program was the need for the countries to use more of their own resources in the delivery of that program.

You know, PEPFAR is a program a lot of people do not understand why we are making the investment we are making in it. But I am reminded of the fact that AIDS came to America through a flight attendant on a flight from Africa. And if we had had the type of CDC-type attention in Africa at the time, maybe that would not have happened, and think of the dollars it would have saved the American taxpayer and the world. So I think it is important that we do what we are doing through the PEPFAR program, but it is essential, as I said to Mr. Lane, that I can say to the American taxpayer in Georgia that that program is paying a dividend to the United States of America and that the countries in Africa are taking more ownership of it.

I was in Tanzania a few years ago in 2009. They then—now, this may have changed, but then they were a pretty shining example. Ambassador Green had been there for a couple of years. They had taken over most all of the testing, most all of the delivery, and what we were really doing was providing the retrovirals, but they were delivering the manpower and everything else.

I would like for you to comment on your vision of that as far as your country is going to be.

Mr. GRIFFITHS. Thank you very much for the question, Senator.

And indeed, I think that is exactly the vision we have for Mozambique, and I will talk a bit about the program, but if I may just make a point on the transition. I spoke about the resource boom that is coming Mozambique's way, and I think it is essential that we do have these strong institutions in place so that we can see this transition, as you pointed out, when the government has more of its own resources that it can put it to benefit its own people.

We do have a number of very impressive successes in our PEPFAR program in Mozambique. If I may just cite a few statistics. In 2003, fewer than 5,000 patients were on antiretroviral treatment. In 2011, we had 273,000. One other of those numbers, people on treatment increased 89 percent between September 2009 and March 2012.

And what our Embassy is focusing on through the interagency work of the PEPFAR program is really building up the health care system which was destroyed during the civil war, and that is going to have a huge impact on rural societies.

We talked a bit about the importance of agriculture, and if you have a rural health care system that can address the needs of the population, they can be vectors of growth within the community as well. And I think our partnerships with faith-based organizations which have a great deal of credibility in their communities, our partnership with the Peace Corps, our partnership with the Department of Defense in helping to ensure that the military is ready to fulfill its mandate to protect the long land and sea borders, all of this comes together and the aim is very much what you signaled, Senator, that we will be able to transition the responsibility and the funding to the host government.

Senator ISAKSON. Well, one thing a lot of people do not understand is because of PEPFAR, we have gone from a situation where we were supplying retrovirals to try and prevent to where now people are living a lifetime of relatively normal and productive lifetimes on those retrovirals. And so you are going to have a continuum of care, not just taking care of a pregnant mother for a few years and having a child born to that pregnant mother passing away in a few months. That continuum of care is going to have to be hosted by the countries in which those people reside because the United States, in a macrosense and in a longitudinal way, cannot continue to fund all of that. But if we have turned that paradigm and those countries are taking more of the ownership of the continuum of care, then it would be a great legacy for our entire country and what we did for mankind.

Mr. Asquino, just do me one favor. The next time you see Mr. Obiang—we had a conversation when I was over there about the—you know, Marathon Oil helped develop the—I forgot the wildcatter who found the gas in the Gulf of Guinea, but Marathon helped do the liquefaction plant. Am I not right?

Mr. ASQUINO. That is correct, sir. There is a \$1.5 billion gas liquefaction plant that Marathon funded.

Senator ISAKSON. Is the son that everybody suspects is the one the constitution was amended for, the good son that does the gas and oil or the one that is Malibu on the beach?

Mr. ASQUINO. Malibu on the beach, sir. [Laughter.]

The other son's name is Gabriel.

Senator ISAKSON. I have met him. He is a pretty competent guy, seemed to be anyway.

Mr. ASQUINO. Yes. That is what everyone says.

Senator ISAKSON. But I talked to President Obiang about the fear of the Dutch disease infecting Equatorial Guinea because they were the poorest. But prior to the discovery of that gas and oil, they were, I think, the poorest country on the face of this earth, now as the chairman said, one of the richest growing economies. But if they are just investing that money in things and not investing it in their people, then they are going to have the same thing happen that has happened in most of the Middle East where they suffer from the Dutch disease and they do not develop their infrastructure themselves. So tell him I have not forgotten that conversation, and I encourage him to invest in his people.

Mr. ASQUINO. Sir, if confirmed, I certainly will do so. Thank you.

Senator ISAKSON. Thank you.

Thank you, Mr. Chairman.

Senator COONS. Thank you, Senator.

If I might, just a last question or two. I am interested in and concerned about across all three countries—there were in the background materials concerns about piracy, about maritime security, about regional cooperation. And we have varying degrees of partnership or relationship both military and diplomatic, relatively modest relations, in one case relatively broad and strong.

What will you be doing and what do you see as our role in addressing what is an increasingly regional challenge, all the way down from Somalia in the case of Mozambique, all the way across the Gulf of Guinea, in your case in Equatorial Guinea, and then

regionally with narcotrafficking into Europe with The Gambia? What role can we as a country constructively play in improving maritime security and in contributing to regional security across the continent? If you might, Mr. Alford, first.

Mr. ALFORD. Thank you for the question, Senator.

The Gambia is a relatively poor and resource-poor country. However, they have been engaged militarily in peacekeeping operations in Liberia and Sierra Leone, and they have over 400 troops in Darfur now. I think building on this perhaps through IMET and through training—we are sending the first trainees down to Botswana for some INL-funded training. I think we can enhance their capabilities by using our expertise, by working with them on this. I do note that they are a committed regional player. They are very active in ECOWAS. I think with a little more training, maybe a little more resources down the road, I think they can play an even more constructive role on this.

I would note that they recently seized, within the past 2 years, \$1 billion in cocaine with the assistance of the British, and I think that was the largest cocaine seizure ever in West Africa. So that is something else we can build on.

Senator COONS. Thank you, Mr. Alford.

Mr. Asquino.

Mr. ASQUINO. Mr. Chairman, thank you for the question.

Certainly piracy and the rise of militancy in the Gulf of Guinea are of major concerns to the United States. I had mentioned in my testimony that some 12 percent of our oil imports now come from the Gulf of Guinea.

In terms of what the United States is doing in the Gulf of Guinea, we are working very closely with regional countries, specifically Cameroon, Gabon, and Nigeria through the Africa Partnership Station. And this provides training to those countries, helps them to develop the capacity, but also helps them to coordinate in terms of their response to those sorts of threats.

Given the fact, as I said in my testimony, that human rights really is a top priority in Equatorial Guinea, we do not have military assistance programs with Equatorial Guinea. But Equatorial Guinea has worked with us, and we do guide them in terms of these issues. They themselves started a regional naval academy in 2009, which is the first regional naval academy for training on the African Continent. And so they themselves have been addressing these issues.

Although we do not have programs with them, we have encouraged them to look to contractors who can help them, and in recent years, they have improved their own capacity for naval security.

Senator COONS. Thank you.

Mr. Griffiths, I was struck to see that Somali pirates seemed to be an issue in Mozambique, and certainly regional integration and security collaboration, something you referred to in your opening statement—what role can we possibly play to strengthen that security regionally?

Mr. GRIFFITHS. Thank you, Senator. Mozambique has the fourth-largest coastline in Africa. So it is a very important issue, and not only on the issue of piracy but also in its capacity to interdict illegal trafficking both of people and of drugs and other contraband,

but also in protecting their fisheries and protecting the offshore gas exploration that will be continuing in the northern part of the country. So we have been working with the Mozambican Navy and we have given 17 rigid hull inflatable boats, providing training, and other equipment to help them be able to patrol more and have a higher surveillance of the Mozambican channel. As you mentioned, helpfully they are working with Tanzania and South Africa so that the three countries can jointly assist in controlling the waters off the coast. If confirmed, I would certainly focus on these issues and see how we could further deepen our relationships with the Mozambican Government.

Senator COONS. Terrific. Thank you.

Senator Isakson, no further questions?

Senator ISAKSON. No.

Senator COONS. I just want to thank all four of you for appearing before us today. I want to thank your families for supporting you across what has collectively been more than a century of public service across quite difficult postings all over the world. I am confident that you will represent the United States well and that you will advocate for our interest as a nation and help move forward the values that I think are our greatest resource in our engagement with the world.

There may be members of the committee who were not able to join us today who would like to submit questions for the record. I will keep the record open through next Friday, but in the absence of any further questions, thank you very much for your appearance before this committee.

And this hearing is hereby adjourned.

[Whereupon, at 3:39 p.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

##### RESPONSES OF EDWARD M. ALFORD TO QUESTIONS SUBMITTED BY SENATOR JOHN F. KERRY

*Question.* Given your previous experience as a management officer in multiple posts around the world, what lessons have most significantly shaped your approach to managing a post like The Gambia?

*Answer.* Many years of supervising and leading large and diverse staffs have prepared me well to lead this small Embassy in a hardship environment. I have learned the importance of mentoring younger employees and fostering their career development and the importance of treating the locally employed staff with respect. I believe in the importance of integrating State Department Direct Hire employees, local employees, family member employees, and other agency employees into a team focused on our mission objectives and that the morale and well-being of family members is a vital component to managing any mission, but especially so in a hardship post. On the programmatic side, my experience in prioritizing finite resources to meet the most critical mission objectives will serve me well as we focus on democracy, human rights, and development agendas in tough budgetary times.

*Question.* According to the State Department Country Report on Human Rights, Gambia's challenges include restrictions on freedom of speech and press. Are there ways to utilize new media as a way of increasing outreach to advance U.S. goals? In your past experience, have you seen examples of effective uses of new media to support U.S. priorities?

*Answer.* The State Department is adapting our statecraft by reshaping our development and diplomatic processes to meet old challenges in new ways. New media complements traditional foreign policy tools by using new technology to reach more people and reach them in a more direct and targeted way. In response to the challenges outlined in the State Department Human Rights Report for The Gambia, we

are using new media as a means of bolstering freedom of speech and press while also increasing outreach to The Gambian youth, who constitute over 60 percent of the population.

Embassy Banjul's Facebook Page is an excellent example of an effective use of new media to support U.S. priorities. According to the page statistics, the page is most popular with 25–34 year olds with broad participation including civil society organizations, universities, local musicians, even The Gambian talk shows.

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RESPONSES OF MARK L. ASQUINO TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* Given your most recent position as Executive Assistant in the Office of the Under Secretary for Civilian Security, Democracy, and Human Rights, and your previous experience, what lessons have most significantly shaped your approach to managing a post like Equatorial Guinea?

*Answer.* My present position as Executive Assistant in the Office of the Under Secretary for Civilian Security, Democracy, and Human Rights has provided me with comprehensive knowledge of the various programs, resources, and tools the State Department has at its disposal to promote democracy and address human rights abuses. This knowledge, plus my overseas experience in engaging constructively on such issues with tough, nondemocratic governments, would form the basis of the firm, honest, and goal-oriented approach I would use to direct Embassy Malabo's interactions with the Government of the Republic of Equatorial Guinea (GREG) if I were confirmed.

In Kazakhstan, I emphasized to the government the importance the United States places on transparency in reporting earnings from extractive industries, especially oil and gas. During my tenure as deputy chief of mission and Chargé d'Affaires, a.i., in Almaty, Kazakhstan applied to be a candidate for membership in the Extractive Industries Transparency Initiative (EITI). My productive experience in working on this key issue with Government of Kazakhstan officials would shape how I envision leading Embassy Malabo's efforts to encourage the GREG to create the conditions that would make a reapplication for EITI membership possible.

*Question.* In your testimony, you noted that during your most recent overseas assignment as deputy chief of mission in Khartoum, you focused on human rights abuses in Sudan. Though State Department human rights reports have noted some human rights improvements in Equatorial Guinea in recent years, serious issues continue to exist. Given your previous experience, and considering the very limited U.S. aid to Equatorial Guinea, are there ways to engage the government to support greater improvements and how would you characterize your approach?

*Answer.* In Khartoum, I was a forceful advocate with the Government of Sudan (GOS) on the need for it to allow nongovernmental organizations (NGOs) and other civil society organizations to expand their humanitarian assistance to internally displaced persons in Darfur. If confirmed, I would draw on this experience and provide the Equatoguinean Government (GREG) with specific areas in which it needed improvement in its respect for human rights. I would advocate that the government ease restrictions on international and domestic organizations to allow them, with government cooperation, to continue to improve prison conditions, denounce human rights abuses, and ensure that Equatoguinean citizens are accorded their basic rights, including due process.

Equatorial Guinea is ranked Tier 3 in the Trafficking in Persons Report. But on a positive note, the GREG has recently asked for the United States technical assistance in restructuring the country's dormant Interagency Commission on the Trafficking in Persons. If I am confirmed, I would like to further the GREG's restructuring of the Commission. As noted above, I would raise specific areas for improvement and inform the GREG what it needs to accomplish to improve its TIP ranking.

Just as was the case in Sudan, my approach on such issues would be one of respectful, but firm and deliberate, engagement with Equatorial Guinea.

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RESPONSES OF DOUGLAS M. GRIFFITHS TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* Mozambique is home to a wide array of natural resources, but over half its population lives on less than 50 cents a day. Based on your experience in other posts, how can a government most effectively try to bridge those gaps rather than falling victim to the so-called resource curse that has plagued so many other coun-

tries? How can the U.S. Government most effectively assist that sort of genuinely democratic economic development?

Answer. Strengthening democracy and governance is one of the highest priorities for the U.S. Embassy in Mozambique. If confirmed, I will continue to focus on U.S. Government efforts in this area to include the development of civil society and implementation of anticorruption legislation. Building strong local institutions and host government administrative capacity are crucial to Mozambique's long-term stability and economic growth. Specific to natural resources, I will continue to encourage Mozambique in its ongoing application process to the Extractive Industries Transparency Initiative (EITI). Moving beyond transparency, I will encourage the Mozambican Government to adopt a fiscal regime that will govern the responsible management of natural resource revenues.

Making progress toward more broad-based growth will be a significant challenge during my tenure, if confirmed. Broad-based economic growth and poverty reduction are also top priorities of the U.S. Embassy in Mozambique and U.S. Government initiatives are already working toward this goal. Through Feed the Future, the U.S. Government and Mozambique are working to sustainably reduce poverty by improving key agricultural value chains and supporting the policy enabling environment for agricultural development. Mozambique will soon take part in the "New Alliance to Increase Food Security and Nutrition," launched at the Camp David G8 summit in May, which aims to increase responsible private investments in agriculture. Promoting a more dynamic private sector is an integral aspect of Feed the Future and the "New Alliance," and will create new jobs and improve livelihoods across Mozambique.

Additionally, the Millennium Challenge Corporation is working in the less developed northern provinces of Mozambique—where many of the natural resources are found—to improve the road and water supply infrastructure, support farmers, and formalize land tenure administration. These improvements will create an environment more conducive to growth across all socioeconomic levels.

*Question.* Given your previous experience, what management lessons will shape your approach if confirmed as chief of mission of the U.S. Embassy in Mozambique?

Answer. My previous postings in places such as Haiti and Geneva have taught me the true value of the "whole of government" approach. While these postings starkly contrasted in many ways, the teamwork required to tackle complex crises across U.S. agencies remained at the core. If confirmed, I plan to harness all of the U.S. Government resources available at post and in Washington to achieve our mission goals.

The U.S. Embassy in Mozambique is a fast-growing mission with employees from seven U.S. agencies spread out across the city in a number of annexes. If confirmed, I will lead by example in fostering interagency cooperation by encouraging cross-cutting projects and activities across the mission.

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RESPONSES OF EDWARD M. ALFORD TO QUESTIONS SUBMITTED  
BY SENATOR MARCO RUBIO

*Question.* According to the State Department's 2011 Trafficking In Persons Report, The Gambia is a Tier 2 Watch List country for human trafficking for its failure to demonstrate increasing its efforts to address human trafficking over the previous year.

- If confirmed, what would be your strategy to encourage the Government of The Gambia to institute stronger human trafficking policies?

Answer. Gambia is a "Tier 2 Watchlist" source, transit, and destination country for children and women subjected to trafficking in persons, specifically forced labor and forced prostitution. If confirmed, I will encourage the Government of The Gambia to increase efforts to investigate and prosecute trafficking offenses and convict trafficking offenders. I will also urge the government to develop an educational module for police and government officials to distinguish smuggling from trafficking as well as encourage the government to train its law enforcement to improve victim identification efforts. In addition, I will work to support the development of the newly created National Agency Against Trafficking in Persons to become a strong partner in combating trafficking in persons in The Gambia. I will also urge it to complete the promised database that tracks the government's antitrafficking efforts.

*Question.* The 2007 Trafficking in Persons Act mandated the formation of the National Agency Against Trafficking In Persons. This agency has not entered into formal existence and has not received its allocated funds from the government.

- If confirmed, what steps will you take to ensure that the government fulfills its obligation for the creation of this agency?

Answer. Despite limited resources, the Government of The Gambia is making significant efforts to meet the minimum standards for the elimination of trafficking in persons (TIP). In December 2011, the Ministry of Justice launched the National Agency Against Trafficking. This was in direct response to the 2011 Trafficking In Persons Report, which expressed concerns about the delayed formation of a national agency as mandated in the 2007 Trafficking in Persons Act. The new agency has the lead role in coordinating anti-TIP efforts and its boards of directors includes representatives from most of the government agencies that cover TIP-related issues as well as from local nongovernmental organizations (NGOs) that are active in antitrafficking efforts. The agency itself has staff and budget assigned to it. If confirmed, I will work to support the development of this nascent agency to become a strong partner in combating trafficking in persons in The Gambia.

RESPONSES OF MARK L. ASQUINO TO QUESTIONS SUBMITTED  
BY SENATOR MARCO RUBIO

*Question.* According to the State Department's 2011 Trafficking In Persons Report, Equatorial Guinea is a Tier 3 county for human trafficking for its failure to make significant efforts to combat trafficking, despite the government's substantial financial resources.

- If confirmed, what is your strategy to engage the Government of Equatorial Guinea to enact a strong antitrafficking policy which will address prosecution, protection and prevention?

Answer. Our Embassy in Malabo is working with the Equatoguinean Government to strengthen Equatorial Guinea's efforts to combat and prevent trafficking in persons and to assist trafficking victims. Our mission regularly engages with the Ministries of Social Affairs, Interior, National Security, Defense and Foreign Affairs, and has raised the importance of combating human trafficking directly with Equatorial Guinea (EG) President Obiang. In part due to our intervention, EG's Director General for Immigration has recently informed our Embassy that EG will revive its Interagency Commission for Trafficking in Persons, which was formed when EG passed its trafficking in persons law in 2004, but which has not met in over 2 years. The Director General also intends to update EG's National Plan to Fight Human Trafficking and to begin steps to implement it. He has asked for U.S. advice on how to revive and structure the Commission. The State Department's Office to Monitor and Combat Trafficking in Persons is actively working with the Embassy on the request. Last week the Equatoguinean Government cohosted a seminar on trafficking in persons with the United Nations Development Programme (UNDP). While these first steps indicate a renewed commitment to trafficking issues, I believe that we must remain engaged with the Equatoguinean Government and continue to urge the government to take a holistic approach to combat trafficking. The Under Secretary for Civilian Security, Democracy, and Human Rights (J) is responsible for overseeing the work of the Office to Monitor and Combat the Trafficking in Persons (J/TIP). As Chief of Staff in this Under Secretariat, I am directly involved in discussions of TIP issues on a day-to-day basis. If confirmed, I will coordinate closely with J/TIP and continue the Embassy's dialogue with the Equatoguinean Government to encourage it to take concrete steps to combat human trafficking. I will strongly urge it to adopt a robust antitrafficking policy that addresses prosecution, protection, and prevention.

*Question.* Public officials are often engaged in human trafficking and smuggling operations in Equatorial Guinea, which is principally a destination for children subjected to forced labor.

- If confirmed, how would you engage the Equatoguinean Government in a dialogue on the sensitive subject of government officials engaging in trafficking?

Answer. The U.S. Embassy in Malabo has maintained a frank dialogue with the Equatoguinean Government on a range of sensitive issues, including human rights and trafficking in persons. Our candid relationship extends to the highest levels, and previous ambassadors have been able to deliver tough human rights messages to President Obiang; if confirmed, I will continue this practice. When faced with credible accusations of official complicity in human trafficking, I will draw on my extensive experience in combating trafficking in persons in Uzbekistan, Kazakhstan, and Sudan to raise the issue at the highest levels of government. I understand that the Equatoguinean Government has generally been receptive to U.S. messages on

the trafficking issue, and has some interest in ending official complicity in human smuggling and trafficking. In June 2010, an Equatoguinean court convicted an army officer and two others guilty of human trafficking and sentenced them to 15 years in prison in connection with the deaths of several foreign nationals who died of asphyxiation while being smuggled into Equatorial Guinea.

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RESPONSES OF DOUGLAS M. GRIFFITHS TO QUESTIONS SUBMITTED  
BY SENATOR MARCO RUBIO

*Question.* According to the State Department's 2011 Trafficking in Persons Report, Mozambique is a Tier 2 country for human trafficking. There are loose Mozambican and South African trafficking networks and also larger Chinese and Nigerian trafficking syndicates active in Mozambique.

- If confirmed, how would you encourage the Mozambican Government to investigate the transnational organization crime element of human trafficking?

*Answer.* In the 2011 Trafficking in Persons (TIP) Report, the Government of Mozambique received an upgrade to Tier 2 from Tier 2 Watch List following progress made through its efforts to combat TIP in 2010. Continuing its strong efforts, in 2011 the Mozambican Government initiated 15 new investigations of trafficking-in-persons cases, and 11 new prosecutions. Eight cases were completed, seven of those resulting in convictions. These law enforcement efforts occurred under its strong 2008 antitrafficking act and demonstrate the capacity of the Mozambican Government to address transnational crime.

The Mozambican Government has implemented TIP training programs for border guards, customs officials, and police officers to help them recognize and prevent trafficking. If confirmed, I will continue to encourage U.S. support for this type of training, as well as for other programs that combat these illegal activities. I will also continue to encourage progress, specifically to finalize Mozambique's implementing regulations for the 2008 legislation, develop a formal system to refer victims to care, and continue to build the capacity of the antitrafficking police unit.

The Mozambican Government recently began to compile data on trafficking cases nationwide, a first and significant step toward understanding TIP crime networks and trends. Parallel to this effort, Mozambique began drafting a national antitrafficking action plan. The U.S. Embassy in Mozambique has been assisting in these ongoing efforts. If confirmed, I will continue to make our assistance in these areas a priority.

Our International Narcotics Control and Law Enforcement (INCLE) assistance to Mozambique has historically focused on border security. State is coordinating with USAID to expand the scope of our assistance to the Attorney General's office with a focus on strengthening prosecutorial capacity. We also are planning to target assistance to strengthening the enforcement of customs, antimoney laundering laws, and detecting and deterring drug trafficking—all initiatives with direct links to combating human trafficking networks.

*Question.* The Mozambican Government deports foreign trafficking victims without screening them for possible victimization.

- If confirmed, what steps will you take to ensure that foreign trafficking victim cases are investigated and that the victims are treated as victims instead of criminals?

*Answer.* There are increasing numbers of migrants arriving in Mozambique from a number of other countries in Africa, particularly Ethiopia and Somalia, as well as from South Asian nations. The overwhelming majority of these are economic migrants voluntarily transiting Mozambique on their way to South Africa.

The government has a national system of Women and Children's Victim Assistance Units, operating in over 200 police stations throughout the country, and these Units assist trafficking victims as well as victims of domestic violence. If confirmed, I will encourage the Mozambican Government to meet its responsibilities under international conventions to erect comprehensive screening procedures at its borders, as well as to increase the capacity of the Victims Assistance Units for the benefit of foreign trafficking victims.

The Mozambican Parliament recently passed a comprehensive Witness and Victims Protection Act, which will offer a broad range of protective measures, including physical protection and foreign and domestic relocation. This law will have direct application to Trafficking in Persons (TIP) cases. If confirmed, I will encourage the Mozambican Government to devote adequate resources to this new act.

**NOMINATIONS OF MICHELE SISON, BRETT  
McGURK, AND SUSAN ELLIOTT**

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**WEDNESDAY, JUNE 6, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Michele Jeanne Sison, of Maryland, to be Ambassador to the Democratic Socialist Republic of Sri Lanka and to serve concurrently as Ambassador to the Republic of Maldives  
Brett H. McGurk, of Connecticut, to be Ambassador to the Republic of Iraq  
Susan Marsh Elliott, of Florida, to be Ambassador to the Republic of Tajikistan

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The committee met, pursuant to notice, at 10 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Robert P. Casey, Jr., presiding.

Present: Senators Casey, Udall, Lugar, and Risch.

**OPENING STATEMENT OF HON. ROBERT P. CASEY, JR.,  
U.S. SENATOR FROM PENNSYLVANIA**

Senator CASEY. Good morning. Today the Senate Foreign Relations Committee meets to consider the President's nominees to serve as Ambassador to the following countries: Iraq, Sri Lanka, the Maldives, and Tajikistan. I want to thank all of the witnesses and others who are here with us today for appearing to discuss challenges in these countries and obviously to discuss each nominee's work, as well as their work upon confirmation, and of course, U.S. policy in each of the countries.

Let me just go through a little bit about each place first and then we will get to our witnesses, our nominees.

In Iraq, the picture, of course, is mixed nearly 6 months after the redeployment of United States troops from the country. We know that political and ethnic divisions remain sharp as Iraq recovers from years and years of war. The current government took months to establish in 2010 and a high degree of mistrust still exists among key political factions. Iraqis and Americans have sacrificed mightily to support the democratic process in Iraq. At this critical time, we should continue to support the political reconciliation among key players in the country as they work to further deepen the democratic process.

This unsettled political environment exists within a very precarious security situation where extremist groups are still capable of and have launched significant attacks in the country. Just last week, six bomb blasts across Baghdad killed at least 17 people mostly in Shia neighborhoods. On Monday, a suicide bomber killed at least 26 people in Baghdad and wounded more than 190 in an attack on the government-run body that manages Shiite religious and cultural sites. While security is certainly a significant challenge in Iraq and all loss of life is a tragedy, violence has, in fact, decreased substantially since the height of the conflict.

With the end of the U.S. military presence in the country at the end of 2011, Iraq has sought to deepen the roots of its sovereignty and play a leadership role in the region. Iraq recently hosted a meeting of the Arab League in Baghdad, a symbol that it is once again a key player in the region after years of isolation under Saddam Hussein. With this enhanced standing in the region, there are serious questions about Iraq's position on, for example, Syria. While I understand Iraq's concerns about Syria's stability in a post-Assad era, the violence over the past year perpetrated by Assad's forces is inexcusable. Iraq should join with others in the international community and use its position in the Arab League to bring increased diplomatic pressure to bear on Mr. Assad.

I also continue to have significant concerns about Iran's efforts to exert influence in Iraq. I look forward to hearing the nominee's thoughts on this seminal issue and an assessment of the United States ability to diplomatically mitigate the negative effects of Iranian influence in Iraq.

Despite these continuing challenges, there is positive news in Iraq that we can build upon. This was reflected in a recent public opinion survey fielded by the National Democratic Institute, known as NDI. NDI found that 48 percent of Iraqis believed that Iraq was headed in the right direction. Oil exports have increased by 20 percent this year to nearly 2.5 million barrels a day. American companies have increased their presence in Iraq. And, as mentioned, violence levels have, in fact, decreased. We are seeing signs of progress, but this progress is delicate and fragile.

In October of last year, the State Department became the lead U.S. agency in the country. The U.S. Embassy in Baghdad is the biggest U.S. presence in the world with approximately 16,000 staff and contractors. Questions remain about the State Department's ability to operate in this still precarious security environment and handle the significant workload associated with the processing of billions of dollars' worth of arms sales to the Iraqi Government. A diplomatic presence of this size requires sustained oversight from Congress. And I look forward to continued engagement with our nominee, upon confirmation, to ensure our footprint in Iraq is the right size and that we have the right amount of resources to pursue our interests.

The President has nominated Brett McGurk to represent our interests amid the myriad significant challenges in Iraq. Mr. McGurk, perhaps due to his great upbringing in Pittsburgh, PA, is eminently capable to assume this position. Of course, there are other reasons for his preparation, but it does not hurt that you have roots in Pittsburgh. He has been engaged in U.S. policy in

Iraq since 2004, advising every U.S. Ambassador at post in Iraq. He has an intimate understanding of the political players and history of Iraq, as well as the role of the United States in the country since 2004. His unique experience across two administrations is very good preparation to establish a leadership vision for the Embassy that reflects U.S. diplomatic, security, and economic interests. Mr. McGurk is the right choice at the right time in United States-Iraq diplomatic relations.

Mr. McGurk, welcome. We will hear from you in a moment.

In Sri Lanka, 3 years after the end of more than a quarter century of devastating civil war, we also see a mixed picture. On the one hand, the end of the conflict has led to strong economic growth, driven by large-scale reconstruction and development projects, increasing commodity exports, and a growing tourist industry. However, the war left Sri Lanka with a legacy of internal displacement, mistrust among ethnic groups, and of course, insufficient protection for human rights that have yet to be adequately addressed. According to the Internal Displacement Monitoring Center, nearly 100,000 people remain displaced and even more have been unable to repossess their homes. The military's significant presence in the north and east of the country poses an obstacle to returning internally displaced people, as well as to the delivery of humanitarian aid. Some observers have expressed concern about the ongoing Sinhalization of ethnic Tamil areas.

Perhaps most importantly, the Sri Lankan Government has failed to meet expectations with regard to investigating alleged human rights violations and holding culpable individuals accountable. International experts have found credible allegations of serious human rights violations committed by both sides in the last stages of the war, but the perpetrators have not been called to account yet for their crimes. The recommendations of the Lessons Learnt and Reconciliation Commission, the so-called LLRC, released more than 6 months ago have yet to be implemented.

I and others remain very concerned about the lack of accountability for actions taken during the final days of the war, as well as about reports of ongoing human rights violations in the country. In March 2011, I led a resolution in the Senate calling for greater accountability in Sri Lanka, and in November of that year, I wrote a letter to Secretary Clinton, along with Senators Leahy and Cardin, calling for an independent international investigation into the human rights situation in Sri Lanka. Recent reports by the Department of State, the U.N., and international human rights groups cite forced disappearances, arbitrary detention and torture, and repression of media and political opposition all as ongoing problems. The United States should continue to work with the international community to push for greater accountability and protection for human rights in Sri Lanka.

The Maldives is certainly an important ally of the United States and we enjoy a productive relationship. In 2008, the Maldives experienced historic elections which heralded a new democratic beginning for this small island, and we know that this year's political unrest has unfortunately threatened to derail the progress that has been made. The United States should continue to press for elec-

tions as soon as possible to ensure that the seeds of the democratic process, planted in 2008, are able to flourish.

I welcome Ambassador Sison, and I met the Ambassador during my visit to the Middle East in 2010 where she was in charge of our Embassy in Lebanon. I was impressed with her ability to navigate a complicated and at times, indeed, treacherous political environment in Beirut. She has also served as Ambassador in the United Arab Emirates and in a variety of diplomatic positions in Iraq, Pakistan, India, the Ivory Coast, Cameroon, Benin, Togo, and Haiti. She will be well prepared for what I know will be a very challenging assignment in Sri Lanka and the Maldives.

Ambassador, I know that your two daughters, Alexandra and Jessica, are in Arizona today. But as they have accompanied you to seven overseas posts over the years, they deserve special recognition for their unwavering support for you and for the country. And we want to recognize that today.

And finally, Tajikistan. Tajikistan's strategic location and internal instability pose important challenges for United States policymakers. While the United States operations in Afghanistan continue, we must rely upon close cooperation with Tajikistan in order to manage the flow of goods and people into and out of Afghanistan. This includes bringing materials and equipment into Afghanistan that are critical to progress there, disrupting the dangerous flow of narcotics across the border, and preventing militants from seeking safe haven and causing instability in Tajikistan.

However, we must balance these strategic priorities with the need to address serious human rights concerns in the country. The U.N. Human Rights Council in March 2012 reported on Tajikistan and revealed worrying trends in human rights, including reports of repression of media freedom and political opposition and the use of torture by law enforcement officials. I am particularly concerned about the reported restrictions on the rights of women and ethnic and religious minorities, and I appreciate the work that our dedicated Foreign Service and USAID personnel are doing in Tajikistan and look forward to hearing more about how we will advance this work going forward.

The President has nominated Susan Marsh Elliott to be the new U.S. Ambassador to Tajikistan. Susan, I note that you were born in Doylestown, PA. I cannot say that that will guarantee your confirmation, but it will not hurt. [Laughter.]

It certainly will not hurt.

She is currently the Deputy Assistant Secretary of State for South and Central Asian Affairs. She has served in Russia, Northern Ireland, Greece, Peru, and Honduras. She also has the distinction of having been born in Pennsylvania, but I do not want to put too much weight on that.

I would also like to welcome her son who has joined her today, Kurt Mitman, for being with her today, and I would also like to acknowledge Deputy Assistant Secretary Elliot's husband, Matthias Mitman, who could not be with us today because he is currently serving as the deputy chief of mission in our Embassy in Honduras. And please wish him well for us.

Again, I want to thank all of our witnesses for being here. Madam Ambassador, we will start with you and maybe go from my

right to the left. If you could try to keep your opening remarks to 5 minutes. If you have a longer statement, that will certainly be made part of the record, and then we will get to questions.

**STATEMENT OF HON. MICHELE JEANNE SISON, OF MARYLAND, TO BE AMBASSADOR TO THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA AND TO SERVE CONCURRENTLY AS AMBASSADOR TO THE REPUBLIC OF MALDIVES**

Ambassador SISON. Thank you. Mr. Chairman, Senator, it is an honor to appear before you as President Obama's nominee to be the U.S. Ambassador to Sri Lanka and U.S. Ambassador to Maldives. I am deeply grateful to the President and to Secretary Clinton for their confidence in my abilities. If confirmed, I look forward to working with the committee and interested Members of Congress to represent the American people and to advance U.S. goals in Sri Lanka and Maldives.

In my 30 years in the U.S. Foreign Service, I have been posted as U.S. Ambassador to the United Arab Emirates and as U.S. Ambassador to Lebanon, as you noted, Mr. Chairman. I also have considerable experience in South Asia, having served in India and Pakistan and as Principal Deputy Assistant Secretary for the South Asia region.

The United States has important interests in both Sri Lanka and Maldives. Sri Lanka is located along the busiest shipping lanes in the Indian Ocean, a region emerging as a strategic arena in which America's enduring interests are increasingly at play. Sri Lanka has also been a contributor to U.N. peacekeeping operations. The United States thus recognizes the importance of maintaining a broad range of partnerships with Sri Lanka as we encourage a lasting democratic peace in the country after nearly 3 decades of devastating conflict.

The United States and other international partners have encouraged the Government of Sri Lanka to pursue the steps needed to foster genuine reconciliation and accountability. Although the Government of Sri Lanka defeated the terrorist organization, Liberation Tigers of Tamil Eelam, serious allegations of violations of human rights law and international humanitarian law committed by both sides at the end of the war remain to be investigated and have slowed reconciliation.

In March, the U.N. Human Rights Council adopted a U.S.-sponsored resolution calling on the Government of Sri Lanka to implement the recommendations of Sri Lanka's own government-appointed Lessons Learnt and Reconciliation Commission. In April, the State Department issued its third report to Congress on accountability in Sri Lanka since the end of Sri Lanka's conflict in 2009. Achieving genuine reconciliation will require Sri Lanka to take credible steps to ensure equality and justice for all Sri Lankans, particularly for those living in the former conflict areas. Such steps include demilitarization of the former conflict zones, establishment of a mechanism to address cases of the missing and detained, and setting a date for provincial elections in the north. Also critical will be the achievement of an agreement between the Sri Lankan Government and the elected representatives of the Tamil community on devolution of power to provincial institutions.

During a May 18 meeting with the Sri Lankan Foreign Minister, Secretary Clinton underscored that an enduring peace is unsustainable without adequate measures to address reconciliation and accountability. She encouraged a transparent and public process with regard to reconciliation and accountability to strengthen confidence inside and outside of Sri Lanka and to speed the healing of the country. If confirmed, I stand ready to lead our efforts to support Sri Lanka as it moves forward and to use U.S. assistance strategically to promote reconciliation, strengthen democratic institutions and practices, and foster economic growth particularly in the north and east, the former conflict zones.

The U.S. Ambassador in Colombo is also accredited to the Republic of Maldives. In February, following a series of controversial events and protests, the former Vice President took office after the resignation of the President. The United States continues to encourage Maldives to work within existing democratic institutions to resolve political challenges peacefully and transparently. The U.S. Government now has a window of opportunity to step up its engagement in Maldives, and USAID recently committed funding to assist Maldives in ensuring that the next round of Presidential elections is free and fair.

The United States also recognizes the importance of promoting security in the Indian Ocean. To that end, the U.S. Coast Guard has provided training to the Maldivian Coast Guard to improve its ability to respond to threats of piracy, as well as to combat transshipment of illicit commodities. U.S. assistance to the Maldives also promotes the development of a robust “climate resilient islands” model.

If confirmed, I plan to consult with Sri Lankans and Maldivians from all walks of life on how the United States can best support local initiatives to promote civil society, protect freedom of expression, and encourage youth exchanges. It would also be my goal, if confirmed, to engage in vigorous commercial advocacy in Sri Lanka and Maldives on behalf of U.S. companies, in support of President Obama’s National Export Initiative.

I would welcome your insights and views, as well as any questions you might have for me today. Thank you.

[The prepared statement of Ambassador Sison follows:]

PREPARED STATEMENT OF AMBASSADOR MICHELE JEANNE SISON

Mr. Chairman and members of the committee, it is an honor to appear before you as President Obama’s nominee to be the United States Ambassador to Sri Lanka and United States Ambassador to Maldives. I am deeply grateful to the President and to Secretary Clinton for their confidence in my abilities. If confirmed, I look forward to working with this committee and interested Members of Congress to represent the American people and to advance U.S. goals in Sri Lanka and Maldives.

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I would welcome your insights and views, as well as any questions you might have for me today. Thank you.

Senator CASEY. Thank you, Madam Ambassador.  
Mr. McGurk.

**STATEMENT OF BRETT H. MCGURK, OF CONNECTICUT,  
TO BE AMBASSADOR TO THE REPUBLIC OF IRAQ**

Mr. MCGURK. Thank you, Mr. Chairman, Ranking Member Risch, Senator Lugar. It is a tremendous honor to appear before you today as President Obama's nominee to become U.S. Ambassador to Iraq. I am deeply grateful to the President and to Secretary Clinton for the confidence they have placed in me with this nomination. If confirmed, I look forward to working closely with you to advance America's many important and vital interests in Iraq.

I have had the distinct privilege of serving alongside each of the last five U.S. Ambassadors to Iraq. I was with Ambassador John

Negroponte in July 2004 when he raised the American flag to open a U.S. Embassy in Baghdad for the first time since 1991. Nearly 8 years later, I was with Ambassador Jim Jeffrey as he led the challenging transition from military to civilian lead for the first time since the toppling of Saddam Hussein.

I have also served alongside our heroic military commanders, including Generals Petraeus, Odierno, and Austin. The opportunities that are now before us in Iraq exist only because of the leadership of these individuals and the more than 1 million Americans who have served there, including the nearly 4,500 who have paid the ultimate price.

Like too many Americans, I have lost friends in Iraq. If confirmed, I will do everything in my power, drawing on all the tools of our foreign policy, to build a lasting partnership with Iraq that is worthy of their memory and sacrifice.

I believe such a partnership is possible. I also believe, however, that we are not there yet. There is so much the United States must do to mitigate risks of backsliding and increase prospects for consolidating the many gains that we have seen since the worst periods of the war.

Iraq today is slowly emerging from decades of war, isolation, and dictatorship. More recently, it faced down, with American help, a sectarian war that left tens of thousands of Iraqis dead and millions displaced. The violence threatened to collapse the Iraqi state and reduced many citizens to their most basic ethnic and sectarian identities.

This legacy is felt most acutely in the political process. For the first time in Iraq's modern history, politics is now the primary arena for engagement among all of Iraq's many different sects and ethnicities. That is the good news. The bad news is that their vast differences still threaten to overwhelm the nascent institutional framework that was established under the Iraqi Constitution. I am deeply concerned about this situation.

Iraq's Constitution envisions a united, federal, democratic, and pluralistic state in which all citizens enjoy fair representation in local and national institutions. This vision, however, remains an aspiration. Fear, mistrust, and score-settling still dominate political discourse. As a result, Iraqis have sought to supplement the constitutional design with additional political agreements and accommodations.

I have often been one of the few Americans in the room when such agreements were being developed. If confirmed, I pledge my utmost efforts to work with leaders from all political blocs, to encourage respect for prior agreements, durable compromise, and constitutional arrangements that help guarantee meaningful power-sharing and partnership.

These efforts would be guided by the 2008 Strategic Framework Agreement, which is now the cornerstone of U.S. policy in Iraq. The SFA is unique in that it structures a long-term partnership across the fields of defense, energy, economics, diplomacy, education, and justice. With respect to the political process, it calls on the United States to help strengthen Iraq's democracy and its democratic institutions as established in the Iraqi Constitution.

If confirmed, my mission is clear: to establish an enduring partnership with a united, federal, and democratic Iraq under the SFA. As one of the lead negotiators of the SFA, I would be honored to carry out that charge, together with Iraqi leaders and close colleagues from across the U.S. Government, many of whom I have worked with over a number of years.

Going forward, if confirmed, I will seek to organize the mission around four mutually reinforcing lines of operation: defense and security, political and diplomatic, energy and economics, rule of law and human rights.

In the defense and security area, if confirmed, I look forward to working with our Office of Security Cooperation and CENTCOM to ensure that we are doing everything possible to deepen our military defense partnership in Iraq.

In the diplomatic area, if confirmed, I look forward to working with our Ambassadors in regional capitals, most of whom I have worked with and admired for many years, to ensure close coordination of U.S. policies in Iraq and throughout the region.

In the political area, Iraq is scheduled to hold elections: provincial elections in 2013 and national elections in 2014. If confirmed, it will be a central focus of our mission to work in coordination with the U.N. to ensure that these elections are held freely, fairly, and on time.

Energy and economics are now foremost priorities. If confirmed, it will be among my highest priorities to connect U.S. businesses with emerging opportunities in Iraq and to refocus Iraqi leaders on the urgent necessity of diversifying their economy and grappling with national hydrocarbons legislation.

As the United States pursues its interests in Iraq, we must never lose sight of our values, including promotion of human rights, women, and protection of vulnerable minorities.

This is an ambitious agenda, but it should not require an unsustainable resource base. If confirmed, I pledge to work with the Congress to establish a diplomatic presence in Iraq that is secure, strategic, effective, and sustainable. A focused U.S. mission with prioritized lines of operation organized around the SFA can enhance our influence and ensure the agility we will need to advance U.S. interests in a constantly changing and dynamic environment.

I will also ensure, if confirmed, that precious taxpayer resources are applied effectively, transparently, and with an eye toward long-term sustainability.

I have tried to touch upon a number of the issues that I will soon confront, if confirmed, as the next U.S. Ambassador to Iraq. For me, there is no more important mission in the world. I have served across two administrations over 8 years developing U.S. policy in Washington or executing U.S. policy in Iraq.

I was with President Bush when we planned a surge of 30,000 U.S. troops under a new strategy to turn around a losing war. I was with General Petraeus and Ambassador Ryan Crocker when we worked to implement that strategy against tremendous odds. I later helped manage the transition of our Iraq policy to the Obama administration under two binding international agreements. Over

the past 2 years, I have answered repeated calls to return to Iraq and public service at times of crisis.

My eyes are wide open to the risks and challenges ahead. But I close from where I started. For every challenge, there is also opportunity and obligation: to honor those lost in this war or forever changed by it, we must do everything in our power to build a partnership with Iraq and its people that can endure and advance United States interests in this most vital region. If confirmed, that is what I will seek to do.

Thank you and I look forward to answering your questions.

[The prepared statement of Mr. McGurk follows:]

PREPARED STATEMENT OF BRETT H. MCGURK

Mr. Chairman, Ranking Member Risch, members of the committee, it is a tremendous honor to appear before you today as President Obama's nominee to become United States Ambassador to Iraq. I am deeply grateful to the President and to Secretary Clinton for the confidence that they have placed in me with this nomination. If confirmed, I look forward to working closely with this committee and your colleagues in Congress to advance America's many important and vital interests in Iraq.

I have had the distinct privilege of serving alongside each of the last five U.S. Ambassadors to Iraq. I was with Ambassador John Negroponte in July 2004 when he raised the American flag to open a U.S. Embassy in Baghdad for the first time since 1991. Nearly 8 years later I was with Ambassador Jim Jeffrey as he led the challenging transition from military to civilian lead for the first time since the toppling of Saddam Hussein.

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Like too many Americans, I have lost friends in Iraq. If confirmed, I will do everything in my power—drawing on all the tools of our foreign policy—to build a lasting partnership with Iraq that is worthy of their memory and sacrifice.

I believe such a partnership is possible. I also believe, however, that we are not there yet. There is still much the United States must do to mitigate risks of backsliding and increase prospects for consolidating the many gains that we have seen since the worst periods of the war.

The situation in Iraq today is much different from what I encountered after first landing in Baghdad in January 2004. Back then, the road from the airport was known as the highway of death. American troops offered the only visible security presence. Sovereign authority was vested in an American administrator. Iraqi ministries were looted and abandoned shells.

Today, Iraqis are securing their own country. Sovereign authority is vested in an elected Iraqi Government that serves under a popularly ratified constitution. And many key indicators are positive: Iraq's GDP is forecast to increase by double digits over each of the next 3 years. Its oil production recently surpassed levels not seen in three decades. Its Parliament recently passed a \$100 billion budget, which was praised by the IMF for its fiscal prudence. The security situation has remained generally stable.

Such indicators might point the way to a globally integrated Iraq that is more secure and prosperous than at any time in its history. This future is now possible, but not inevitable.

The positive indicators I just cited should not obscure the sobering situation that now confronts Iraq. The country is slowly emerging from decades of war, isolation, sanctions, and dictatorship. More recently, it faced down—with American help—a sectarian war that left tens of thousands of Iraqis dead and millions displaced. The violence threatened to collapse the Iraqi state and reduced many citizens to their most basic ethnic and sectarian identities.

This legacy is felt most acutely in the political process. For the first time in Iraq's modern history, politics is now the primary arena for engagement among all of Iraq's many different sects and ethnicities. That is the good news. The bad news is that their vast differences still threaten to overwhelm the nascent institutional

framework that was established under the Iraqi Constitution. I am deeply concerned about this situation.

Iraq's Constitution envisions a united, federal, democratic, and pluralistic state, in which all citizens enjoy fair representation in local and national institutions. This vision, however, remains an aspiration. Fear, mistrust, and score-settling still dominate political discourse. As a result, Iraqis have sought to supplement the constitutional design with additional political accommodations. An example of these included the Erbil agreements, which were negotiated over the course of 5 months in 2010 to serve as a roadmap for a new government.

I have often been one of the few Americans in the room when such agreements were being developed. If confirmed, I pledge my utmost efforts to work with leaders from all political blocs to encourage respect for prior agreements, durable compromise, and arrangements that help guarantee meaningful power-sharing and partnership under the Iraqi Constitution.

This is not simply a policy desire of the United States. It is a central commitment under the 2008 Strategic Framework Agreement (SFA), which President Obama has established as the cornerstone of U.S. policy toward Iraq. The SFA is unique in that it structures a long-term partnership across the fields of defense, energy, economics, diplomacy, education, and justice. With respect to the political process, it calls on the United States to help "strengthen [Iraq's] democracy and its democratic institutions as defined and established in the Iraqi Constitution."

For Iraqis concerned that the United States might lose interest in supporting the political process, they need only look to the SFA and our commitment to its execution. As Secretary Clinton has said, "The SFA commits our countries to work together on a range of issues, from governance and rule of law, to economics, education, energy, and the environment. And we're committed to following through." Such follow-through will require active and sustained U.S. diplomacy.

If confirmed, my mission is clear: to establish an enduring partnership with a united, federal, and democratic Iraq—under the SFA. As one of the lead negotiators of the SFA, I will be honored, if confirmed, to carry out that charge together with Iraqi leaders and close colleagues from across the U.S. Government, many of whom I have worked with over a number of years.

Going forward, we should have no illusions. Building an enduring partnership with a country that since 1958 defined itself in hostility to the West will be exceedingly hard. But it is no harder than what we have done before—and we now have a roadmap.

The SFA provides a common point of reference with the Iraqis and lends coherence to the U.S. mission in two important ways. First, it prioritizes U.S. objectives and thus helps ensure that taxpayer resources are targeted to advance U.S. interests. Second, it institutionalizes state-to-state relations and thus forces long-term thinking across U.S. and Iraqi administrations.

I would like to discuss each of these points in turn, as they will frame my tenure as Ambassador, if confirmed.

#### PRIORITIZING LINES OF OPERATION

In her introduction to the Quadrennial Diplomacy and Development Review, Secretary Clinton stated: "We will eliminate overlap, set priorities, and fund only the work that supports those priorities." In Iraq, that means immediately directing our precious resources—including time and personnel—toward four priority lines of operation.

##### *1. Defense and Security Cooperation*

The first line of operation is defense and security cooperation. It would be a mistake to view the withdrawal of U.S. military forces as foreclosing a military partnership with Iraq. The SFA—which is a permanent agreement—provides the foundation for enduring defense ties.

Iraq already has the fourth-largest Foreign Military Sales (FMS) program in the region and ninth-largest in the world. Through FMS, the Iraqi Government has chosen U.S. suppliers to build the backbone of its security forces—supporting tens of thousands of American jobs. The program is now valued above \$10 billion and includes over 400 separate cases that are designed to help build Iraqi self-defense capabilities through ground power (tanks and radars), air power (pilot training, helicopters, F-16s, and air defense), and sea power (patrol boats, support vessels, and threat detection). Importantly, Iraq is now funding its defense and security needs. Its most recent budget included \$15 billion in defense and security spending—twice the amount Iraq spent 5 years ago. It is in our mutual interest to ensure that these funds are spent wherever possible on U.S. manufactured equipment through our FMS program.

Indeed, FMS sales have been the bedrock for U.S. strategic partnerships in the region and they can do the same for Iraq. As a staff report from this committee noted: "The sale of military equipment gives us an edge in diplomacy, builds relationships, and fosters interoperability. But perhaps most importantly, it fills a void that other countries, including Iran, are more than willing to step into if left empty." FMS cases also ensure appropriate congressional scrutiny and end-use monitoring to deter and prevent misuse. Of course, this committee will be called upon to provide critical oversight of foreign military sales to Iraq. If confirmed, I look forward to working closely with you to protect and advance U.S. interests through our FMS program.

The Office of Security Cooperation (OSC-I) is the primary implementer of U.S. security assistance in Iraq. I have worked closely with the leadership of OSC-I, Lieutenant General Bob Caslen and Rear Admiral Ed Winters. If confirmed, I look forward to working with them to build a streamlined and innovative OSC-I to advance our defense partnership with Iraq.

This partnership will go beyond arms sales. It might also include joint exercises, strategic training and doctrinal development, support for critical infrastructure protection, NATO exchanges, professional military education, and other programs consistent with an enduring defense relationship. Iraq's regional integration through military-to-military partnerships is also an important priority for CENTCOM. This will remain a challenge, particularly with some GCC states, but as Iraq's military grows and matures, technical mil-to-mil relationships may precede—and help set conditions for—diplomatic progress between Baghdad and GCC capitals.

Additionally, the United States must work with the Iraqi Government to ensure that al-Qaeda never again secures a foothold in Iraq. While Iraq's Special Forces are among the most capable in the region, their effectiveness can be enhanced through cooperation with U.S. technical experts and advisors. If confirmed, I will work closely with Iraqi leaders to ensure that we are doing all we can to help Iraqi forces eliminate al-Qaeda's leadership and uproot its networks from Iraqi soil.

## *2. Diplomatic and Political Cooperation*

The second line of operation is diplomatic and political cooperation. Iraq has made diplomatic strides in recent months. It began to settle a series of long-outstanding disputes with Kuwait arising from the 1990 invasion. Saudi Arabia named its first ambassador to Iraq since 1990. Jordan has begun discussions to enhance energy and economic ties. The Arab League summit in Baghdad signaled Iraq's gradual reemergence on the regional stage.

But the challenges are immense and growing due to the crisis in Syria. Syria was one of the main topics of conversation during my recent assignments in Baghdad. Prime Minister Maliki and other Iraqi leaders know that U.S. policy is firm: Bashar al-Assad must go. The longer he remains, the greater the danger to the Syrian people, to the region, and to Iraq. We have sought to encourage Iraq to support the Arab League consensus on Syria and demanded full adherence to relevant U.N. Security Council resolutions. In recent months, the record on these points has improved; but this matter will require constant vigilance and resolve.

Iran has tremendous influence in Iraq, sharing a 3,000-kilometer border, as well as interwoven religious, cultural, and economic ties. But Iraqis have also resisted Iranian designs. Millions of Iraqis still bear deep scars—visible and invisible—from a bitter war with its eastern neighbor. Grand Ayatollah Sistani and the Marjaniya in Najaf profess a vision of Shia Islam that undercuts the very legitimacy of the Iranian regime. Iraqis complain about a flood of shoddy Iranian goods flooding their markets. The vast majority of Iraqis seek to live in a globally integrated nation, whereas Iran seeks to further isolate Iraq from the world.

It is between these competing visions—an Iraq that is globally connected versus an Iraq that is isolated and dependent on Iran—that the United States retains substantial advantage and influence. Indeed, our vision for Iraq is one most Iraqis share, and it is codified throughout the SFA. To be sure, Iraqi leaders now in power have relationships with the Iranian regime. But they also have relationships with us. If confirmed, I will seek to enhance a broad range of relationships across government and civil society that can help Iraqis resist undue Iranian influence, increase U.S. influence, and advance our own mutual interests as defined in the SFA.

The relationship with Turkey is increasingly complex. Turkey and Iraq enjoy booming economic ties and cooperate on counterterror policies. But recent months have seen rising tension between Ankara and Baghdad in line with rising tensions in the region. Ankara has also established unprecedented relations with Iraq's Kurdish leadership in Erbil, further raising the ire and suspicions of some in Baghdad. In 2007, I was involved in developing a policy to initiate Ankara-Erbil ties after a series of devastating PKK attacks on Turkish territory. At the time, these ties

were dormant; progress since then shows how rapidly dynamics can change. Going forward, the United States must continue to play a mediating role between Ankara, Baghdad, and Erbil.

The greatest threat to Iraq's regional position comes from within. The divisions among Iraq's political blocs—and increasingly within the blocs themselves—have led to a perpetual state of political crisis. Some of this is inevitable. The governing coalition that formed in 2010 includes 98 percent of the elected Parliament—nearly the entirety of Iraq's political spectrum—and naturally gives rise to rivalry, inefficiency, and intrigue. But escalating accusations in recent months present a heightened image of internal discord and open the door to meddling by outside actors. The withdrawal of U.S. forces—while increasing Iraq's sense of sovereignty and ownership over its internal affairs—may have also increased short-term risks of miscalculation and raised the stakes of lingering power-struggles.

An underlying problem is that Iraq still suffers from a political system driven as much by individual personalities as institutions. Our aim, therefore, is to support and strengthen Iraq's democratic institutions wherever possible. There are some encouraging signs. The Parliament has at times asserted its independence and reined in the authority of the Prime Minister, most recently by removing from the budget a \$15 billion investment fund that some believed left too much discretion to the Executive. Current debates in Parliament include deliberations over laws to devolve powers to provincial capitals, impose term limits on the Speaker and Prime Minister posts, and stand up a new Supreme Court. These are the types of quiet but important “issues-based” debates that focus needed attention on what remains an unfinished constitutional design.

It will also be essential over the next 24 months to help ensure that Iraq holds scheduled elections—provincial elections in 2013 and national elections in 2014. Elections may require new laws to allocate seats in provincial councils and Parliament as well as a new mandate and membership for Iraq's electoral commission. These matters will be politically charged and we must do everything possible—working in close coordination with the United Nations—to help Iraqis prepare for elections that are free, fair, internationally monitored, and on time.

In the meantime, we must encourage Iraqi leaders to forge solutions consistent with the Iraqi Constitution. This includes achievement of a durable solution to Iraq's disputed internal boundaries in accordance with article 140 of the constitution, and a legal framework for the development, management, and distribution of Iraq's hydrocarbon resources.

The United States cannot dictate outcomes. But we can nurture processes that open channels of dialogue and narrow areas of disagreement. If confirmed, I will engage national, provincial, and regional leaders every day—including regular visits to the Kurdistan region—to do just that.

### *3. Energy and Economic Cooperation*

The third line of operation is economics and energy cooperation. Secretary Clinton has placed “economic statecraft” at the heart of our foreign policy with an emphasis on harnessing economic forces to increase our influence abroad and strengthen our economy at home. I believe Iraq can be a centerpiece of this agenda. As a staff report from this committee found: “Given that Iraq's fate will be decided in large part by the economic growth trajectory it realizes, the top priority for the U.S. Embassy should be helping American companies do business in Iraq.”

Some U.S. companies are doing well in Iraq—including Boeing, Ford, General Motors, and General Electric. U.S. exports to Iraq rose 48 percent in 2011 (to nearly \$2.5 billion) and Iraqi consumers have demonstrated a preference for American goods, including American cars, which now account for nearly one-third of all vehicles sold in Iraq. But U.S. exports lag behind China (\$4 billion) and the European Union (\$5 billion). Given all that we have invested, we must do all we can to connect Iraq's fast-growing market with U.S. businesses. The Commerce Department now offers Gold Key services for business-to-business matchmaking. State and Treasury offer advice and workshops for U.S. companies. The U.S. Business Council in Iraq seeks to promote private sector investment. If confirmed, I will endeavor to make such programs central to the Embassy agenda with a focus on driving investment into Iraq and supporting American jobs.

The Iraqis must do their part. Iraq's macroeconomic picture is sound with low inflation and sustainable growth projected over the next 3–5 years. But the country faces dire economic challenges—including overdependence on oil, weak financial institutions, corruption, and a dated regulatory structure. Its cumbersome legal environment, excessive subsidies, and barriers to entry further discourage growth and foreign investment. By helping the Iraqis address these challenges, the United States can gain leverage and influence while pursuing mutual goals.

For example, the SFA envisions joint cooperation to help integrate Iraq into the global economy, including through accession to the World Trade Organization. WTO accession is a long-term process but it can help standardize import and export requirements, protect investors, and signal to the world that Iraq is ready to play by international rules. Iraq is also a candidate country for the Extractive Industries Transparency Initiative (EITI), which applies international standards of accounting and independent audits to deter corruption and boost confidence in a country's economic standing. Iraq would be the sole Middle Eastern member of the EITI and it has asked for U.S. assistance to meet its requirements.

Iraq must also diversify its economy. While there is growth potential in nonhydrocarbon sectors—including agriculture, housing, fisheries, tourism, and telecommunications—Iraq is one of the most oil-dependent economies in the world. Sixty percent of its GDP and ninety percent of government revenues depend on the oil industry. Absent diversification, Iraq risks onset of the oil curse with a bloated state crowding out private investment and ingenuity. On the positive side, Iraq recently enacted a 5-year \$186 billion development plan with projects for roads, hospitals, housing, sewage, and electricity plants. USAID and Commerce are working with Iraqi ministries to reform Saddam-era legal codes. But serious reform will require a sustained focus by Iraqi leaders with assistance from the United States, World Bank, UNDP, and the IMF.

The oil sector is booming. Iraq today is one of the few potential swing producers in the world and has helped stabilize global markets. In 2011, Iraq produced an average of 2.7 million barrels per day—a 30-year high—and this year production has increased by another 300,000 barrels per day thanks to improvements in offshore infrastructure. Under contracts with international oil companies, including Occidental and Exxon-Mobil, Iraq has set a production target of 10 million barrels per day by 2020. Key obstacles, however—poor infrastructure, bottlenecks, bureaucracy, political infighting, and legal uncertainty—may limit production to half that amount. It is in our mutual interest to help Iraq overcome these obstacles, and we have begun to do so by linking U.S. and Iraqi expertise to systematically analyze immediate problems and think jointly about long-term solutions. If confirmed, this will be a core Embassy focus.

#### *4. Rule of Law and Human Rights*

The fourth line of operation is rule of law and human rights. I have seen Iraqi judges welcome U.S. assistance as they seek to build an independent judiciary free from political interference. This is extremely hard to do, as it was in the early years of our own constitutional experiment. But it is also important, and, as pressure on the Iraqi judiciary grows, we must work to deepen and enhance these relationships. Standing up a new Supreme Court—a requirement of the constitution that has never been acted upon—can also help further define legal boundaries that are intended to check and balance power horizontally (between branches of the federal government) and vertically (between the federal government, provinces, and regions).

As the United States pursues its interests in Iraq, we must never lose sight of our values, including the promotion of human rights, women, and protection of vulnerable minorities. Iraq recently stood up an independent Human Rights Commission with authority to receive and investigate complaints from any Iraqi citizen. The U.S. Embassy is now working with the United Nations and interested Iraqi leaders to help ensure this commission lives up to its potential.

The protection of vulnerable minorities also requires urgent attention. We must continue to work with the Iraqi Government and international partners to maintain a dialogue with these groups and address their concerns. In particular, the Embassy maintains an open dialogue with Iraqi officials and Christian leaders to discuss protection for Christian facilities. This dialogue should continue in earnest and become institutionalized over the coming months and years.

Programs that promote women in Iraq—including assistance through Iraqi ministries to widows and training for emerging women leaders—are low cost and high impact. Secretary Clinton has placed these programs at the top of our human rights agenda in Iraq.

Refugee assistance rounds out that agenda. This includes the nearly 1.3 million internally displaced (IDPs) since 2006. Iraq has boosted resources to IDPs, including a fivefold increase in direct grants. U.S. support includes humanitarian assistance and processing refugees who wish to enter the United States. Recent changes in the intake criteria should ease processing of these cases—including through the Special Immigration Visa program. Iraqis who risked their lives to work with us should feel welcomed, even as we uphold essential security checks.

## INSTITUTIONALIZING RELATIONS

In Iraq today we confront a newly sovereign and assertive nation. The SFA is designed to account for this inevitability by establishing an organized partnership centered on high-level Joint Coordinating Committees (JCCs). Standing up these committees can establish regular patterns of engagement to widen avenues of cooperation and narrow areas of disagreement.

Much of this is now underway. In April, the Energy JCC held its inaugural meeting to discuss how best to increase Iraq's supply of oil to global markets as well as its emerging electricity and natural gas sectors. Two weeks ago, the Defense and Security JCC began a structured dialogue over the contours of a long-term defense partnership. The Education and Culture JCC now oversees the largest Fulbright program in the Middle East and the largest International Visitors Leadership Program in the world.

These JCCs help interconnect our governments, militaries, economies, cultures, and educational institutions. They are the institutional foundation for a long-term partnership.

The SFA does not foreclose additional linkages between the United States and Iraq. For instance, given the increasingly important role of Parliament as an independent institution, it would be beneficial to develop linkages between the U.S. Congress and Iraqi parliamentarians.

Additionally, America's close and historic relationship with Kurdistan and the Kurdish people must be sustained and enhanced. The U.S. consulate in Erbil is building deep and long-term relationships with Kurdish officials and civil society leaders. If confirmed, I look forward to continuing a dialogue with Kurdish officials on issues of mutual interest, including easing visa processing for travel to the United States, strengthening economic and educational connections, and supporting the region's emerging role as a gateway to the broader Iraqi marketplace.

## INSTITUTIONALIZING OUR PRESENCE

If confirmed, I pledge to work with the Congress to establish a diplomatic presence in Iraq that is secure, strategic, effective, and sustainable. I will welcome your guidance and continue a discussion with the Congress on the most appropriate U.S. footprint in light of U.S. priorities and conditions on the ground. I will also ensure that the use of precious U.S. taxpayer resources is transparent, effective, and targeted to advance U.S. interests.

In Iraq today, our size often bears little proportion to our influence. In my experience, the opposite can be true. Our large size and contract tail can lead to friction with the Iraqi Government and misunderstanding among the Iraqi people, thereby depleting diplomatic leverage and capital. A focused U.S. mission with prioritized lines of operation—organized around the SFA—can help enhance our influence over the long term and ensure the agility we will need to advance U.S. interests in a dynamic and constantly changing environment.

I have tried to touch upon a number of the issues that I would soon confront if confirmed as U.S. Ambassador to Iraq. For me, there is no more important mission in the world. I have served across two administrations over 8 years developing and implementing U.S. policy in Iraq.

I was with President Bush when we planned a surge of 30,000 U.S. troops under a new strategy to turn around a losing war. I was with General Petraeus and Ambassador Ryan Crocker when we worked to implement that strategy against tremendous odds. I later helped manage the transition of Iraq policy to the Obama administration under two binding international agreements with the Iraqi Government. Over the past 2 years I have answered calls to return to Iraq and public service at times of crisis.

I have always sought to take an empirical and pragmatic approach to the many complexities we confront in Iraq; and I have based my assessments on measurable risks to U.S. interests. If confirmed, I pledge to do the same with you.

Mr. Chairman and members of the committee, my eyes are wide open to the risks and challenges ahead in Iraq. But I close from where I started. For every challenge, there is also opportunity and obligation: to honor those lost in this war, or forever changed by it, we must do everything in our power to build a partnership with Iraq and its people that can endure and advance U.S. interests in this most vital region.

Senator CASEY. Thank you, Mr. McGurk.  
Ms. Elliott.

**STATEMENT OF SUSAN MARSH ELLIOTT, OF FLORIDA, TO BE  
AMBASSADOR TO THE REPUBLIC OF TAJIKISTAN**

Ms. ELLIOTT. Thank you, Mr. Chairman, Ranking Member Risch, and Senator Lugar. As the chairman pointed out, I do have strong ties to the State of Pennsylvania, having been born there, and my son is a student at the University of Pennsylvania. But I also have strong ties to Indiana, having been a graduate of Indiana University and lived in Muncie, IN. So it is an honor for me to be here in front of you today.

Senator RISCH. How about Idaho? [Laughter.]

Ms. ELLIOTT. I do not have any to Idaho.

Senator RISCH. But you do eat the potatoes. [Laughter.]

Ms. ELLIOTT. Yes, I do and I love them.

I am very honored to be President Obama's nominee to become the U.S. Ambassador to the Republic of Tajikistan. I am grateful for the trust and confidence that the President and Secretary Clinton have placed in me with this nomination. If confirmed, I will work closely with you, the committee, and the entire Congress to advance America's goals and interests in Tajikistan.

I would also like to thank my wonderful colleagues, friends, and family who have supported me over my 22-year career at the State Department.

Since recognizing Tajikistan's independence and establishing diplomatic relations 20 years ago, the United States has supported Tajikistan's sovereignty and encouraged its development as a more prosperous, tolerant, and democratic society. Shortly after its independence, when I first began working on Central Asia policy, Tajikistan was in the midst of a civil war. Today, the people of Tajikistan enjoy peace and stability. As Deputy Assistant Secretary of State for Central Asia over the last 2 years, I often traveled to Tajikistan and developed a deeper understanding and appreciation for the importance of Tajikistan to U.S. foreign policy interests.

Tajikistan shares a long border with Afghanistan. Although the terrain is mountainous and the infrastructure is not well developed, Tajikistan plays an important role in the Northern Distribution Network that brings vital supplies to U.S. and coalition forces in Afghanistan. Tajikistan also provides vital air transit routes for U.S. and coalition cargo and military personnel.

The Government of Tajikistan recently cohosted with the Government of Afghanistan a successful regional economic cooperation conference on Afghanistan. The conference achieved consensus on a concrete set of achievable projects and reform initiatives that can advance regional integration and provide new opportunities for private investment in the region. If confirmed, I will encourage Tajikistan to maintain and expand where possible this important support.

Narcotics trafficking and terrorism plague Tajikistan's neighborhood. Over the years, U.S. cooperation with Tajikistan has grown in addressing this and other transnational challenges through engagement, assistance, and training. Currently we are working with the Government of Tajikistan to develop expanded counternarcotics cooperation with the goal of targeting organized traffickers, bringing them to justice, and reducing the flow of narcotics through Tajikistan. If confirmed, I will work to further strengthen our part-

nership with Tajikistan to combat the flow of narcotics and other illicit goods.

Tajikistan is also the poorest country in Central Asia. The people and the government, though, are working to improve their economy and aspire to become members of the World Trade Organization. If confirmed, I will work with Tajikistan to develop its agricultural sector and to improve the regulatory environment for foreign investment and trade. If confirmed, I will also continue encouraging Tajikistan to take steps necessary to attract U.S. companies to help develop and diversify its economy with American goods, expertise, and services.

Secretary Clinton visited Tajikistan in October 2011. During her visit, she met with the citizens of Tajikistan from all spectrums of society, from human rights activists to religious leaders to members of the media. The Secretary stressed the importance for governments and leaders to provide space necessary for citizens to have a voice in their governments, to pursue their aspirations, and promote their ideas. She also emphasized the belief that an open, democratic, tolerant society provides a firm foundation for a stable, secure, and prosperous nation. If confirmed, I will work with the Tajik Government to take concrete steps toward continuing the development of this kind of society.

If confirmed, I will also engage the government and people of Tajikistan to increase not only our bilateral security and economic engagement, but also continue our dialogue on human rights, civil society issues, such as allowing freedom of the press and freedom of religion or belief.

I know that success in all aspects of our engagement depends on my taking a leadership role in encouraging and supporting a strong, dedicated Embassy staff that coordinates closely with the administration, Members of Congress, and if confirmed, I look forward to continuing this active dialogue with you as we seek to advance America's interests with the government and people of Tajikistan.

Thank you and I look forward to your questions.  
[The prepared statement of Ms. Elliott follows:]

PREPARED STATEMENT OF SUSAN MARSH ELLIOTT

Mr. Chairman, members of the committee, thank you for the opportunity to appear before you today. I am honored to appear before you today as President Obama's nominee to be U.S. Ambassador to the Republic of Tajikistan. I am grateful for the trust and confidence that the President and Secretary Clinton have placed in me with this nomination. If confirmed, I will work closely with you, the committee, and the entire U.S. Congress to advance America's goals and interests in Tajikistan.

I would like to thank all of my wonderful colleagues, friends, and family who have supported me over my 22-year career at the State Department. My son, Kurt Mitman, is here today. My husband, Matthias Mitman, is unable to be here because he is a career Foreign Service officer serving as the deputy chief of mission at the U.S. Embassy in Tegucigalpa, Honduras. He encouraged me to join the Foreign Service and has been my strongest advocate. I would not be here today without his love and support.

Since recognizing Tajikistan's independence and establishing diplomatic relations 20 years ago, the United States has supported Tajikistan's sovereignty and encouraged its development as a more prosperous, tolerant, and democratic society. Shortly after its independence, when I first began working on Central Asia policy, Tajikistan was in the midst of a civil war. Today, the people of Tajikistan enjoy peace and stability. As Deputy Assistant Secretary of State for Central Asia for the last 2 years,

I often traveled to Tajikistan and developed a deeper understanding and appreciation for the importance of Tajikistan to U.S. foreign policy interests.

Tajikistan shares a long border with Afghanistan and has provided assistance to its neighbor to the south and to U.S. and coalition efforts to stabilize the security situation there. Although the terrain is mountainous and the infrastructure is not well developed, Tajikistan plays an important role in the Northern Distribution Network that brings supplies to U.S. and coalition forces in Afghanistan. It also provides vital air transit routes for U.S. and coalition cargo and military personnel. A stable future for Afghanistan depends on continued progress to develop the road, rail, and energy linkages with its Central Asian and other neighbors. Tajikistan cohosted, with the Government of Afghanistan in late March, the fifth and most substantive and successful Regional Economic Cooperation Conference on Afghanistan to date. The conference achieved consensus on a concrete set of achievable projects and reform initiatives that can advance regional integration and provide new opportunities for private investment in this region. Likewise, greater peace, stability, and prosperity in Afghanistan will contribute to stability and prosperity in Tajikistan and the other countries of Central Asia. If confirmed, I will encourage Tajikistan to maintain and expand, where possible, this important support.

Narcotics trafficking and terrorism plague Tajikistan's neighborhood. Over the years, U.S. cooperation with Tajikistan has grown in addressing these and other transnational challenges through engagement, assistance, and training. Currently we are working with the Government of Tajikistan to develop expanded counter-narcotics cooperation with the goal of targeting organized traffickers, bringing them to justice and reducing the flow of narcotics through Tajikistan. If confirmed, I will work to further strengthen our partnership with Tajikistan to combat this flow of narcotics, and other illicit goods.

Tajikistan is the poorest country in Central Asia. The people and the government are working to improve their economy and aspire to be members of the World Trade Organization. If confirmed, I will encourage Tajikistan to develop its agriculture sector and improve the regulatory environment for foreign investment and trade. If confirmed, I will also continue encouraging Tajikistan to take the necessary steps to attract U.S. companies to help develop and diversify its economy with American expertise, goods, and services.

My experience in the Foreign Service has taught me that long-term peace and stability are only possible when accompanied by respect for human rights, the rule of law, the fostering of transparent and democratic governmental and civic institutions, and an open and free media environment. If confirmed, I will engage the government and people of Tajikistan to increase not only our bilateral security and economic engagement, but also continue our dialogue on human rights and civil society issues such as allowing freedom of the press and freedom of religion or belief.

The Obama administration has established conditions for constructive dialogue and trust with the government and people of Tajikistan. Secretary Clinton visited Tajikistan in October 2011. During her visit, she met with citizens of Tajikistan from all spectrums of society—from human rights activists to religious leaders to members of the media, women leaders, students, and educators. While there, the Secretary noted that Tajikistan is home to courageous, dedicated, and talented people who want to help improve the prospects for Tajikistan's future. The Secretary stressed the importance for governments and leaders to provide the space necessary for citizens to have a voice in their governments, to pursue their aspirations, and promote their ideas. It is also important to ensure fundamental freedoms, including religious and media freedoms for all people—men, women, young, and old. We believe that an open, democratic, tolerant society provides a firm foundation for a secure, stable, and prosperous nation. If confirmed, I will encourage the Tajik Government to take concrete steps toward continuing the development of that kind of society.

I recently participated in the third Annual Bilateral Consultations with Tajikistan's Minister of Foreign Affairs, hosted in Washington, DC, by the State Department's Bureau of South and Central Asian Affairs Assistant Secretary, Robert Blake. In these consultations we discussed openly and comprehensively a wide range of bilateral and multilateral interests, including counternarcotics cooperation, regional security, development assistance, economic development cooperation and human rights. If confirmed, I will continue working with the Government of Tajikistan to achieve positive results on these issues and others.

Finally, I know success in all aspects of our engagement depends on my taking a leadership role in encouraging and supporting a strong, dedicated embassy staff that coordinates closely with the administration and Members of Congress. If confirmed, I look forward to continuing an active dialogue with you as we seek to advance America's interests with the government and people of Tajikistan.

Senator CASEY. Thank you, Ms. Elliott.

Before I get to my questions, we are joined by two ranking members: the ranking member of our Foreign Relations Committee, Senator Lugar; and the ranking member of our subcommittee, Senator Risch. And I think Senator Risch has a statement.

Senator RISCH. Why do you not go ahead on the questions? I will do it later.

Senator CASEY. OK. Thanks very much.

Let me start with Iraq, Mr. McGurk. I just have a couple of questions on this first round. And we will do as many 5-minute rounds as we can.

I wanted to ask you about leadership, which is a central concern in any confirmation process, but maybe especially so for the position that you have been nominated for. There will be those who say—and I want to have you respond to this—that you have, based upon your record, broad experience in Iraq, several time periods within which you have served and you have been called back for service, as I indicated, under two administrations. But they will also say that you have not had the leadership position that would lend itself to the kind of experience that would prepare you for such a substantial assignment. And I want you to answer that question because I think it is an important one in terms of demonstrating your ability to lead not just an embassy but an embassy and a mission of this size and consequence.

Mr. MCGURK. Thank you, Senator. Thank you for allowing me to address that, and I would like to do it in really three ways.

First, leadership of the embassy starts at home at the embassy. As you noted in your opening statement, I have served with all five of our prior Ambassadors to Iraq and I have seen every permutation of the Embassy from the very beginning to where it is today.

Throughout that process, I have learned and seen and been involved in what it takes to lead in Iraq, and to lead in Iraq, you need a really fingertip understanding of the operational tempo in Iraq, of what it is like day to day, of knowing when something is a crisis and when it is not, managing morale and keeping people focused on the goals.

It also takes a team, and if I am fortunate enough to be confirmed, I would be inheriting a team of extraordinary talent and depth at the embassy. I have been fortunate to have worked with every member of the country team in Iraq, one of whom happens to be sitting to my left, Ambassador Sison. That team incorporates individuals from across the U.S. Government, just a whole-of-government approach from Commerce to Transportation to Treasury to State to the defense community to the intelligence community. I have been fortunate and also gratified to learn that key members of that team have volunteered to stay on for another year and, if I am confirmed, would serve with me.

As Ambassador, the buck would stop with me. And as I think I said in the opening statement, I have a very clear vision, in coordination with the President and the Secretary, of where we need to take this mission. But I would be working with a very strong team. Ambassador Steve Becroft, the DCM—I have worked with him for a number of years. I think we would make a very unique leadership team in the front office. The Regional Security Officer, Mark

Hunter, has done an extraordinary job under difficult circumstances. He would be staying on. I have worked with him for a number of years. It would be my honor to lead them.

Leadership also in this context—you have to look at interagency experience because you are leading a whole-of-government approach. As the senior director for President Bush in the NSC, particularly at one of the most intense periods of the war, from the time of planning and implementing the surge and through the end of his administration, I was at point for organizing a whole-of-government effort to implement the surge. Throughout that process, I developed extremely strong relationships across the entire U.S. Government. I was involved in setting goals such as negotiating the Strategic Framework Agreement—that started in March 2007—organizing the U.S. Government, getting the right team in place, getting the right people in place, the right inputs in place, and then having an operational plan leading it through to fruition. That is just one of many examples of my interagency experience.

And finally, I think one of the most important criterion for the Ambassador is the relationship with the Iraqis. And one of the reasons I have been called back into public service to come back to Iraq a number of times over the last 2 years I think is due to my unique relationships with the Iraqis. I have worked with these individuals since I first got to Iraq in January 2004. I was involved in those early days in the negotiation of Iraq's interim constitution called the Transitional Administrative Law, and I dealt with a lot of the same issues we are dealing with now and a lot of the same individuals we are dealing with now. I have deep and strong relationships across the board in the Iraqi Government.

And I was just talking to Ambassador Jim Jeffrey, who just returned from Iraq, and we were talking about the leadership question. He said, you know, a lot of it is politics and personal, and one of the key jobs for the Ambassador is making sure that the Iraqis—we are working in a seamless way with the Iraqis so that we can run an effective mission, and that requires daily interaction and contact at the highest levels of the Iraqi Government. And that is something that I have done in Iraq for a number of years.

Senator CASEY. Thanks very much. I am almost out of time in this round, but Madam Ambassador, I will come back to you in a couple of minutes to ask especially about what I would assert is a lack of progress in Sri Lanka after the LLRC work that was done. I will pick up with that.

Senator Risch.

Senator RISCH. Thank you, Mr. Chairman.

First of all, let me say that, Mr. McGurk, I do not think anyone can question your knowledge and understanding of what has happened in Iraq. You have had an incredible amount of experience there. In fact, I would be hard-pressed, I would think, to find someone who would have a resume like you would as far as dealing with that is concerned.

Having said that, Iraq of course is in a volatile, post-conflict situation, and it is in, probably arguably, the most unstable region in the world. It is the largest Embassy that we have anywhere in the world. Last year, the United States spent about \$6.5 billion there and this year it will be about \$4 billion there, very substantial

amounts, more than my State had when I was Governor as an entire annual budget.

Also, given the lack of representation that we do not have today in both Tehran and Damascus, the Ambassador in Baghdad is going to be responsible for, and have the responsibility for, the much larger regional context. And the ability to navigate all of these issues with the right balance and the right leadership and the right management will certainly be critical to the success of our Ambassador there. And again, recognizing the experience that you have had in Iraq, I appreciate that. I will have to say you are going to be challenged, I think, inasmuch as the size and the complexity of this operation confronts you, never having been an Ambassador before. And I wish you well in that. Certainly the administration recognized your understanding and abilities to pick you for the Ambassador there, but as Ambassador, obviously, your responsibilities will be substantially larger and much broader than what you have done there before. So I wish you well.

Ms. Elliott, I want to talk briefly about Tajikistan. And one of the things you did not mention is the relationship Tajikistan has with Iran, and I think that is a concern to all of us, particularly when it comes to the purchase of crude oil from Iran. What are your thoughts in that regard?

Ms. ELLIOTT. Thank you, Mr. Senator. That is actually a very important question.

The people of Tajikistan have close cultural ties with the people of Iran, and of course, they are in the same neighborhood.

I will say, in terms of sanctions, that we have been working very closely with the Government of Tajikistan on the recent Iran Sanctions Act. We have discussed with them at high levels and we have had an interagency approach. Not only the State Department but the Treasury Department has visited Dushanbe to talk with the Government of Tajikistan about this. We feel that from our discussions that they are very supportive and will be in compliance with the sanctions, and we look forward to continuing that discussion with them.

Senator RISCH. They are not in compliance with the sanctions now. Did they give you any timeframe as to when they would comply with the sanctions?

Ms. ELLIOTT. Well, we have been talking with them and they are, especially through their banking structure, working on improving those. And that will be a priority of mine to work with them to make sure that they do stay and become in compliance with them.

Senator RISCH. Have they given you a timetable?

Ms. ELLIOTT. I have not received a timetable.

Senator RISCH. Have you requested a timetable of that?

Ms. ELLIOTT. I believe that we have, but I can get back to you on that on the specifics of the timetable.

Senator RISCH. I will take that for the record.

[The written reply for the record follows:]

Despite misleading reports by Iran-based media, we can confirm that Tajikistan does not import crude oil from Iran. Relevant Ministries confirmed to our Embassy that Tajikistan is not purchasing, and has no plans to purchase, crude oil from Iran and that media reporting was incorrect. I would also note that, contrary to the Iran-based media report, there is no rail link to Afghanistan to transport the oil to Tajikistan nor does Tajikistan have sufficient capacity to refine significant volumes

of crude oil in Tajikistan. Tajikistan also does not have any pipelines connecting it with Iran.

Though we can confirm that Tajikistan is in compliance with Iran Sanctions with respect to crude oil, we continue to monitor and engage with the Government of Tajikistan on other potentially sanctionable activity. The Government of Tajikistan has responded swiftly when we have raised activities of concern, including in the financial sector, and has taken immediate steps to preclude any re-occurrence.

Senator RISCH. I am going to yield to Senator Lugar at this time.

Senator CASEY. Thank you, Senator Risch.

Senator Lugar.

Senator LUGAR. Thanks, Mr. Chairman.

Mr. McGurk, there was considerable discussion in this committee, as well as in our Government as a whole, about the size and the scope of our Embassy in Baghdad after the nature of our post-withdrawal presence there was made clear. Iraq was very insecure, and we apparently had ambitions that the Embassy might be a fulcrum for activities throughout the area, almost a headquarters for the United States ambitions for democracy and human rights and so forth throughout the Middle East. However, we still have that Embassy. It is still huge and it has been suggested, in addition to the diplomatic employees of the United States, maybe as many as 16,000 people are affiliated with it, in a situation where our troops are no longer providing security on the ground there in the numbers they were.

I am just simply wondering about your reflections, having served in all of these capacities through five Ambassadors, just physically how do you plan to administer this building, quite apart from the people? I appreciate that this is a several-chapter answer. But in light of the security predicaments and increased hostility on the part of the Iraqis regarding our participation, how do you plan to manage this?

Mr. MCGURK. Senator, thank you very much. I have given a great deal of thought to this. On my last assignments in Iraq, I participated in almost every internal conversation, both inter-agency and in Baghdad, about how not only to plan the transition after our troops were withdrawing but also how to get the size down. Quite frankly, our presence in Iraq right now is too large. There is no proportionality also between our size and our influence. In fact, we spend a lot of diplomatic capital simply to sustain our presence. So there is a process underway now, as you may know, to cut our presence by about 25 percent by next fall. I fully agree with that approach, and I think we can do more.

It is important to keep in mind the reason we are so big now is that the transition was planned—it was all contingency planning. The Department was not quite sure what we would face in the early months of this year. And so we planned for every possible contingency. But where we are now I think we need to really focus, and that is why I had this four-part test. It will be a test for every program in Iraq. Are we secure? Are our people safe? Is it strategic? And that means is it a core priority to advance our national interests. We need to ask that very directly because we are institutionalizing our long-term presence now. Is it effective? Are our programs getting results? That means do they have adequate buy-in from the Iraqis? And is it sustainable, something we can do for the

long term? If I am confirmed as the next Ambassador, I will put everything to that test.

In terms of managing the day-to-day operations of the Embassy, I have also been involved in this because what often happens is it is not just the internal management. We need to go discuss something with the Iraqi National Security Advisor, with the Prime Minister, and I am often doing that shuttling.

As I mentioned in my earlier answer to Senator Casey, I have a very strong team in Iraq. Steve Becroft, who would be the DCM and the COO of the shop, I have worked with for a number of years. We would sit right next to each other. Offices would be right next to each other. The buck would stop with me for every single decision, but Steve is a terrific day-to-day manager of the operation, and I think we would make a very strong team. But I cannot discount the challenges ahead.

Senator LUGAR. Well, I appreciate that answer very much and the very specific though that you will examine each and every program, that we probably are overrepresented, and that the expense of this is enormous. This impact our whole State Department budget, as you know. So I appreciate that managerial idea.

Let me ask how you are going to advise Prime Minister Maliki under the current circumstances in which he is not getting along well with the opposition, to say the least, and the Kurds are drifting off by themselves. What are the challenges for our diplomacy here?

Mr. MCGURK. Thank you, Senator. It is a really critically, critically important point.

I have worked with Prime Minister Maliki for a number of years and all the Iraqi leaders. And I have worked with him in his capacity as the Prime Minister. I said in my written statement I would try to focus now on dealing with the Iraqis in an institutional way, so dealing with Maliki as a Prime Minister now. If there was a new Prime Minister tomorrow, I would have the same, I hope, close working relationship with him. I have worked with four speakers of Parliament, for example, to focus on the institutions.

When you are in Iraq and dealing with all sides, there are different narratives to the political process. The government, though, was put in place in 2010, as you know. It took 8 months to put in place. When it finally came together, it represents—98 percent of the Council of Representatives are represented in the cabinet. That naturally leads to a lot of inefficiency, a lot of rivalries, a lot of intrigue, and that is certainly going on now. Maliki will say that his opposition figures who are in his Cabinet will not share responsibility for governing. The opposition figures say Maliki is consolidating power. They are all right. And we need to work with all of them to live up to their prior agreements and to work within the constitutional system to change the process.

You mentioned the Kurds, and this is critically important. I would plan to visit the Kurdistan region as much as possible. I would like to be up there, if I am confirmed, at least once a week because it is the personal interaction between the Iraqi leaders and the U.S. Ambassador that is so important for keeping everything stable and for bridging areas of disagreements. The Kurds are having some difficulties with the Baghdad Government right now.

The Baghdad Government is having difficulties with the Kurds. The real rivalry is Massoud Barzani and Prime Minister Maliki. We have to play an important role in mediating that effort.

I would just leave it at there is a constitutional system in place now. This is the third Iraqi Government. This is the second Parliament. The Iraqis are going to fight through their politics under the constitutional rules that they themselves have devised. We cannot direct outcomes through that process. When you try to do that, the unintended consequences are quite enormous. But we can help bridge differences. We can mediate back and forth and be constantly actively engaged. And that is what I would intend to do if I am confirmed.

Senator LUGAR. Well, thank you for very comprehensive and thoughtful answers. I appreciate it.

Senator CASEY. Thank you, Senator Lugar.

Senator Udall.

Senator UDALL. Thank you, Chairman Casey and ranking members that are here. Good to see you.

And thank you for the panel being here. I very much appreciate all of your service to our country.

In April 2012, the Special Inspector General for Iraq Reconstruction found in his report that there was a record low amount of casualties for the month of March and a drop in violence overall in the last few months and specifically reported that 112 Iraqis died as a result of violent attacks in the month of March, the lowest toll since the United States invaded in 2003.

Based on such improvements, do you think that the Iraqi Government is on the right track to secure its government, and how has the fact that Iraq is accountable for its own security changed the security calculus in the country and the U.S. relationship with Iraq?

Mr. MCGURK. Thank you, Senator.

At the very top of my mind is the safety of all Americans serving in Iraq. I track this extremely closely. Over the course of this year, we have had, on average, zero to three attacks a week on the overall U.S. presence, almost entirely 107 millimeter rockets from the Naqshbandi group which is remnants from the Baathist Party in the north. Fortunately, we have had no casualties from those attacks. Zero to three attacks on our presence compared to about 1,000 a week, which I can remember very well, 5 or 6 years ago. So that is positive. We want to make sure that that trend continues.

The reason for that trend is there are really five militant groups in Iraq right now.

First, there is Al Qaeda in Iraq. Al Qaeda in Iraq remains active. Their operating tempo—they are able to strike every 30 to 40 days. Sometimes those attacks are quite spectacular. Senator Casey mentioned recent attacks just this past week. Al Qaeda in Iraq is now striking at a level that is about the same as it was over the course of last year. The Iraqi Government has not been able to degrade Al Qaeda in Iraq. That is a serious concern and we need to work with them on that.

The second group, as I mentioned, is the Naqshbandi group. They operate in the north around Nineva and Kirkuk, and they primarily only target us.

Then there are three militant Shia groups. There is Asaib al-Haq. There is Kataib Hezbollah and the Promise Day Brigades. The Jaish al-Mahdi, which you might remember, Sadr's army, has pretty much—is now part of the political process.

Those three Shia militant groups since January 1 have really gone to ground. And I was just discussing this with General Mattis, and it is interesting. We are watching it very closely. Our withdrawal seems to have taken them—their ability to recruit and sustain operations has really been depleted. They have almost stopped attacking us.

However, I would not bank on that. I remember very well when the Iraqi Army went into Basra and we took hundreds of rockets on the compound from groups that were lying in wait to strike us. And I watch this very carefully with all of our assets within the U.S. Government.

In terms of internal security and the Iraqis and being able to secure their country, they are not doing a bad job. They secured the capital to host an Arab League summit. They secured the capital to host the P5+1 talks. That would have been unheard of 3 to 5 years ago. So they are doing very good internal security. They remain weak in external security, and that is where the Office of Security Cooperation under the Embassy is working very closely with the Iraqis to try to close some of their capability gaps.

Senator UDALL. Thank you. I have another couple of questions, but I think it will run over if I pursue those right now.

Senator CASEY. Senator, we allow an extra minute.

Senator UDALL. OK, well, that is good.

I am changing direction here a little bit. I want to ask you about the future stability of Iraq and its ability to have a sustainable water supply in the Tigris and Euphrates River Basin. This area is considered one of the birthplaces, as you know, of human agriculture, and their ability to sustain the ecology of the area has been threatened by increased water use upstream. And we are seeing this, I think, in rivers across the region.

How will you work with Iraq's neighbors to develop sustainable use of water, and how can the United States work to leverage its scientific and engineering talents, especially those at the national labs, to find a long-term solution to the problem?

Mr. MCGURK. Senator, it is a really great and overlooked point. The water situation in Iraq and the region is very serious. If you look at Iraq's agriculture, it used to be the bread basket of the world. Today agriculture is approximately, at best, 20 percent of GDP. But agriculture in Iraq uses 90 percent of Iraq's water. That is not sustainable. And it is to the point where if we get their agriculture going again, they are going to have a serious water problem.

Maliki and the Iraqi Government recently hosted a conference to discuss this with some of the regional neighbors in Baghdad, and Maliki said we face a real crisis. So the Iraqis are now seized of it.

We have a common way forward within the Strategic Framework Agreement because it calls on cooperation between the United States and Iraq to address issues like this to call on the expertise—I know there is some of it in New Mexico—from within our country to help the Iraqis think in a systematized way. Do they need dams? Do they need to redirect some water supplies? And to work with Turkey in particular to address this problem over the long term.

All I will say is it has been overlooked. It has been overlooked because Iraq has been involved in a fierce sectarian war. Now that we are coming out of that phase, these very important issues need to rise to the highest priority within our Embassy.

Senator UDALL. Thank you.

Thank you for your courtesies, Mr. Chairman.

Senator CASEY. Thank you, Senator Udall.

Ambassador Sison, I wanted to ask you about the so-called LLRC in Sri Lanka, the Lessons Learnt and Reconciliation Commission. I have a two-part question. For part one, you heard me assert that I do not think they have made anywhere near substantial progress. How do you assess where Sri Lanka is as it relates to the LLRC, the implementation of the results or maybe more pointedly the imposition of accountability on individuals for their actions especially at the end of the civil war? No. 2, Why have the United States and other countries in the international community not insisted upon an independent investigation, and will they?

Ambassador SISON. Thank you, Senator.

The Lessons Learnt and Reconciliation Commission recommendations were, of course, front and center as a topic when the Sri Lankan Foreign Minister met with Secretary Clinton last month here in Washington. We have asked the Government of Sri Lanka to provide regular and public updates on the implementation of what is the government's own commission, particularly with regard to demilitarization of the north, to setting a date for provincial elections in the north, focus on human rights protections, including increased space for civil society to operate, increased focus on media freedom.

I agree we do need to see in more specific terms benchmarks met on the recommendations of the action plan set out by the LLRC.

Senator CASEY. As a result of that meeting, were we enlightened by it or were there any indications that there is progress, momentum, results, deadlines? Because it has been 6 months and the concern here is obvious. It is about human nature when you have that kind of internal conflict and a winner, in this case the Sinhalese side of the debate. They have power and they have set up their commission. The question is, Will they ever be able to implement recommendations, and should we, in fact, have an international independent investigation?

Ambassador SISON. Senator, not just the United States but many international partners, of course, voted in March in Geneva at the Human Rights Council on a U.S.-sponsored resolution on reconciliation and accountability. There has been an international call for progress on both reconciliation and accountability because one cannot have true reconciliation, genuine reconciliation without that accountability. There are credible, serious allegations, I completely agree, of crimes committed by both sides in terms of violations, I

should say, of international human rights law and international humanitarian law.

So we do look for near-term progress, benchmarks to be met, particularly on setting a date for the provincial elections in the north, specifically demilitarization in the north. And if confirmed, Senator, I can absolutely commit to you and to your colleagues that human rights issues, protection of the ability of civil society and the media to do their job, will be on the top of my agenda. I do believe that we can have constructive engagement and at the same time principled engagement that keeps human rights protections, rule of law at the forefront.

Senator CASEY. Look, I know this has been a priority, but when people see almost no progress on the implementation of recommendations, this question of an international investigation is going to present itself continually. And I realize it is sensitive. It is a difficult question for the administration.

But I would say two things. No. 1, it is not going to go away until the world sees results. So the question will not go away. And No. 2, I would urge you, upon confirmation, to use every bit of energy and persuasion and cajoling and anything else you can bring to bear on the leadership in Sri Lanka to get results because in the end people are not going to be satisfied until we see those results, meaning progress on the recommendations.

Senator Risch.

Senator RISCH. Thank you, Mr. Chairman.

Mr. McGurk, you commented about the Kurds, and I am interested in that and I would like to pursue that a little bit further.

It seems to me, as an outsider looking at this, the Kurds seem to be doing very well on their own. The construction that is going on there far outstrips what is being done in Baghdad and other parts of Iraq. They just seem to be progressing.

Having said that, it would seem to me that they are being left alone to a degree because of the—for lack of a better word—chaos down south. What is your view as to what is going to happen as this thing—the rub right now you blamed on personalities I think I picked up from your statement. But I think it is going to go deeper than that. Once Baghdad gets its act together and they see what is happening with the Kurds and the Kurds—as is pointed out, they are moving away and are happy to move away and seem to be doing very well moving away. I do not think that is going to set very well with Baghdad as time moves on. Can I get your thoughts on that?

Mr. MCGURK. Thank you, Senator. And it is far deeper than personalities, so I do not want to leave that impression. These issues are—some of them are centuries in the making and it could take centuries to really resolve for good.

Between the Kurds and the Arabs, there is obviously an issue on what they call the disputed internal boundaries. That still remains unresolved. You have my commitment, if confirmed, to work through the process that is designed through article 140 of the constitution—and the U.N. will play a role in that—to get the sides together to begin discussing in a serious way an equitable resolution to the disputed internal boundaries.

Also, nothing could go further to stem these centrifugal forces that you are discussing than agreement on national hydrocarbons legislation. That is agreement on the management, the distribution of their national patrimony. We have made a go at that over the years, made some progress in 2007, and had a package of laws that were pretty close.

On my last trip in Baghdad, even in the midst of a political crisis, I found a new urgency among some of the key players to return to the table on the issue of national hydrocarbons. If I am confirmed, that will be one of my central priorities to do everything we possibly can. Again, we cannot dictate the outcome but we can do shuttling and figure out where are the areas of agreement that we can build on and where can we narrow areas of disagreement because without consensus on how to manage the national hydrocarbon resources, centrifugal forces can accelerate, and I am deeply concerned about that. And I think focusing on the 140 process and on the hydrocarbons legislation will be very important.

Senator RISCH. Do you think the parties are amenable to that resolution?

Mr. MCGURK. Some of them are and some of the are not. There is a lot of division within the Kurdish region and there is division in Baghdad among all of the many parties. And one of the key things to do is to try to find the leaders who are in a compromising frame of mind to work sometimes behind closed doors to build compromise, and it can be very difficult. I cannot underestimate the challenges of this issue. The Kurds want to develop their resources in their region, and under the constitution, they have a right to. In Baghdad, they want to develop the resources in a national way in which the Baghdad Government has a say, and under the constitution, as they read it, they have a right to. What we need to do is find a compromise within the constitutional framework.

My hope is that as Iraq's oil production is increasing—and it is one of the good news stories in Iraq right now. They are producing around 3 million barrels a day for the first time really in 30 years. Iraq's own estimates—they want to get up to about 10 million barrels a day by 2017. As I said in my written statement, we do not think that they will meet that. Probably it may plateau at about five. But still as these resources are being developed, there is a new sense that something has to be done with a consensus for how these resources are going to be managed and the profits and the revenues shared. It is one of the most central issues on the domestic political agenda.

Senator RISCH. Thank you.

Thank you, Mr. Chairman.

Senator CASEY. Senator Udall.

Senator UDALL. Thank you.

You, with Senator Risch, discussed this whole issue of hydrocarbons. It has been reported that Iraq has the goal of doubling its oil output over the next 3 years. And I think in the long term they want to reach a total of 12 million barrels per day, which, as you know, Mr. McGurk, would be pretty incredible in that region. That would put them up there with Saudi Arabia. Do you believe Iraq is on track to achieve this goal, and what has helped Iraq improve its successful increase of petroleum output over the last year?

And in particular, I am interested in while we were there, there were lots of reports that the security was not good enough for oil companies from around the world to move in and do the job and get the oil back online. But apparently now, I mean, they are going up dramatically. I think they are up past what it was from the invasion, and they look like they are very aggressive. I know you are not an oil expert, but I mean, you are over there talking to them and you have been over there a while. Do you have a sense of where they are headed on oil output?

Mr. MCGURK. Thank you, Senator. We addressed this briefly in your office, and I am fortunate for the chance to develop it further here.

There were two key events in 2007 and 2009 that have really led to this major increase in oil. In 2007, during the surge period, we really convinced the Iraqis that they have a single point of failure and a national security problem in how their oil is exported. It is really exported through the Basra oil terminal called the ABOT, and if you go out there, it is kind of like the movie "Water World" or a Mad Max movie. It is very vulnerable and it is old and rusting. And were that terminal to fail, Iraq would not be able to export oil other than through the north in the Ceyhan pipeline, but about 80 percent goes through the south.

So a plan was put in place. And General Petraeus was part of this and Ryan Crocker was part of really urging the Iraqis to do this with the Oil Minister at the time, Sharastani, to develop new offshore infrastructure. And these are called single-point moorings. Foster Wheeler had a big role in the engineering feat in actually pulling this off.

The first single-point mooring started delivering oil in February and it immediately increased Iraq's oil by 200,000 barrels a day. Other single-point moorings in the gulf are scheduled to open over the course of this year. It is a major engineering feat. There will be setbacks, but it could increase Iraq's oil—just those single-point moorings—by 2.5 million barrels a day. It is a tremendous story from 2007 and getting the Iraqis to where they are now.

The second piece were the bidding rounds in 2009 where Iraq, for the first time, invited international companies in to bid for their fields. It was a success. And it was very difficult because I used to hear from Iraqis in 2004, 2005, 2006 and say you really got to get international companies in here. There was this fear of a kind of nationalist backlash if they got companies in to drill and to help the Iraqis produce their oil. But it happened in 2009. They drove a very hard bargain. But because of those contracts, there is now international companies. BP, Exxon Mobil, Occidental, the Chinese Lukoil are drilling and helping the Iraqis develop their resources.

So very briefly, where do we go from here? The Iraqis still are not thinking in terms of a system and how to really get their oil going. Sometimes they do not have the right pumps in place. They do not have the right water pressure to come in and get the oil out of some of their older fields. And we have been working closely with the Iraqis. And Ambassador Jim Jeffrey has really raised this to the top of our embassy priority. He has done an incredible job with it through the Joint Coordinating Committee, the SFA. We now have very deep ties with the Iraqis. They recently had their

inaugural meeting here in Washington with our Department of Energy with Carlos Pasqual at the State Department and showing the Iraqis how to think in terms of a systematized way to develop the oil resources. A number of do-outs came from that meeting, and we are now following up.

But it is an important way how under the SFA we can talk to the Iraqis about high-level strategic issues and how we can cooperate both whole-of-government and within our private industry. And getting our private industry harnessed and into Iraq is going to be really critical. And through the oil sector and through the energy sector, there is a gateway for doing that.

Senator UDALL. Thank you for that answer.

Thank you, Mr. Chairman.

Senator CASEY. Thank you, Senator Udall.

Senator Lugar.

Senator LUGAR. Ms. Elliott, I would like to pursue further just for our own knowledge of what is occurring in Tajikistan presently. How would you describe the relations of that country with Russia, for example, or with China or other countries that may have strategic interests there?

Ms. ELLIOTT. Thank you, Mr. Senator. That is a very good question.

Having been a former country of the Soviet Union and also sharing a border with China, Tajikistan I believe shares very good relationships with those countries, but they also share good relationships with us. As I mentioned in my statement, we have good cooperation with them on the Northern Distribution Network, and they are doing a lot to help their neighbors to the south and also to help in fighting crime and narcotics.

We believe that it is not a zero sum game in Central Asia and that the countries of Central Asia need to keep good relations with their neighbors and with Russia. We have also had good cooperation. I have served in Embassy Moscow, and our Assistant Secretary Blake, as part of our annual bilateral consultations—we have consulted in the region. So I would say that the situation is very good, that Tajikistan shares good relations with its neighbors. And we look forward to continuing those strong relationships, and if confirmed, I will make that a priority.

Senator LUGAR. Well, you have described in your opening statement a civil war that occurred there, the resolution of that, and the beginnings at least of a government that apparently aspired to democratic tendencies. But try to describe the evolution of that government. To what extent is there a sharing of power between the branches? How active is the legislative branch, and how active are persons who are demanding human rights and the recognition of minorities and what have you? What is the lay of the land in terms of political progress there?

Ms. ELLIOTT. Well, that is also a very good question and one that concerns us because I think in the 20 years of its independence, we have not perhaps seen the growth of civil society and the growth of democracy that we would have liked to have seen. This is something that the Obama administration has engaged on. As I mentioned in my statement, Secretary Clinton visited Tajikistan, and part of the reason she visited was to be able to engage with civil

society but also to engage with the government on the need for expanding human rights, expanding freedom of the press, expanding freedom of religion. There is one independent Islamic party that participates in the Parliament in Tajikistan.

However, I would say that we need to do more to open civil society there and to improve the human rights of the people of Tajikistan. And again, if confirmed, this will be one of my top priorities. We do have national security interests there, but our interest in improving the human rights and the rights of the people of Tajikistan are also extremely important.

Senator LUGAR. The reason I asked these questions in that order is that clearly there are influences governmentally from China and from Russia, quite apart from historical problems in Tajikistan. We have, as you have illustrated, our own ideas about what would be ideal for the people of the country and espouse those, and Secretary Clinton's visit is a good, high-profile example. I am just curious in terms of the complexity as we weigh in diplomatically with regard to our thoughts about their governance, while at the same time hoping for support in Afghanistan or elsewhere where they can be helpful. This requires diplomacy with really a high degree of tact, I suspect, and recognition of the cross currents historically as well as presently.

Has there been a trend, would you say, toward the human rights aspect and toward developments that we would find more compatible with our ideas of governance?

Ms. ELLIOTT. Well, as I mentioned, I do not think that the trends have been perhaps as extensive as we would have liked in the 20 years of Tajikistan's independence. I think one thing we have to remember is they do not share the same history of democracy that we do. They are a young country, and I believe that they are working toward improving the human rights situation there. They just recently passed a law that would get rid of the laws that make criminalization of libel which will help journalists there. So we have seen some progress. Some journalists who had been arrested have been released, but there is still a lot of work to be done.

And I would say that Russia does have interests in Tajikistan. They have a military base there. Their concern, I think, is for security and for stemming the flow of narcotics from Afghanistan.

So if confirmed, I think we will continue to work on that and make it a priority and to work not only with Tajikistan but with the neighbors to make sure that we are all moving and helping them to move in the right direction.

Senator LUGAR. Well, I thank you for your answers and likewise for your experience in that area.

Thank you.

Senator CASEY. Thank you, Senator Lugar.

I will go another round and others may as well, but I know we are coming to the end of our hearing.

Ms. Elliott, I wanted to ask you about the Northern Distribution Network, and I will hold that in abeyance just for a moment to get to Mr. McGurk on special immigrant visas. If a citizen of Iraq has helped American forces in ways that put him or her at substantial risk, we expedite their visas pursuant to the Special Immigrant Visa program. And as I said, these are individuals that live under

threat today. I know that the process has been expedited and that the United States has admitted as many applicants in fiscal year 2012 as it did in all of 2011. So there is progress. But there is still a backlog.

And the question I have for you—I do not know if you have a number, but if you do not, if you can get it to us. The number of cases of special immigrant visas—how many of those are in the pipeline for the so-called principal applicants? And No. 2, how many cases are pending for applicants through the direct access visa process?

Mr. MCGURK. Thank you, Senator. This issue is very important to me and it is a very personal issue to me. I had the opportunity to discuss it in some depth with Senator Cardin when I visited him in his office.

I have known Iraqis in Iraq who have worked with us and lost their lives. I have known Iraqis who have got into this program and never came out of it or were never able to get a visa. And I have known Iraqis who have resettled in the United States. It is very personal to me.

As you may know, we also have to have security checks to make sure that the American people are protected. That is also first and foremost.

There is a substantial backlog, which as you said in your statement—it is absolutely right. We have now over the first half of this year admitted more SIV cases into the United States than we did all of last year, and I have been told that the numbers for the third quarter look to be substantially higher. I think this year so far the number is about 850.

Senator, I will get you the exact figures on the number of cases that are being processed now and the backlog.

[The written reply for the record follows:]

This issue is very important to me and it's a very personal issue to me. While serving in Iraq I have known Iraqis who have worked with us and lost their lives. I have known Iraqis who have got into this program and never came out of it. They were never able to get a visa and I have known Iraqis who have resettled in the United States.

As you may know, we have security checks to make sure that the American people are protected; that's first and foremost. There was a substantial backlog which, as you've said in your statement, is absolutely right. We have now over the first half of this year admitted more SIV cases into the United States than we did all of last year, and I have been told that the numbers for the third quarter look to be substantially higher. Through the end of March 2012, the Department had already issued 865 SIVs to Iraqis, up from a total of 706 such visas issued to Iraqi citizens in FY 2011. Preliminary counts for April and May of this year show 1,733 additional SIVs have been issued. If confirmed, I pledge to continue working to increase these numbers as much as possible.

Mr. MCGURK. Since I saw Senator Cardin, I visited with Samantha Power at the National Security Council, the national security staff, who has done a terrific job in streamlining the processing of these cases and making sure that we have the personnel and the right resources directed to process them effectively and efficiently. The Embassy plays a key role in that, and we have increased our staff there to make sure that these cases can be processed from the initial point of entry at the Embassy. And if I am confirmed, I pledge to you I will do everything I possibly can to make sure that these cases are processed efficiently, with reason-

able security checks to make sure that the American people are protected, but that Iraqis who have worked with us who wish to come to our country feel welcomed, that they know where they stand in the process, and that they know they are taken care of. I will do everything I possibly can to make this program effective.

Senator CASEY. Thank you very much.

Ms. Elliott, I wanted to ask you about the Northern Distribution Network on two levels. No. 1, the importance of it is so apparent as we draw down in Afghanistan and need to get supplies, equipment, and so much else through that network. Can you assess where we are as it relates to the role played by Tajikistan? No. 2, How will you, upon confirmation, prioritize and focus on the importance of Tajikistan's help for us in the Northern Distribution Network?

Ms. ELLIOTT. Well, thank you, Mr. Chairman.

Tajikistan has played a very important role in the Northern Distribution Network which, as you rightfully mentioned, has become extremely important in getting vital supplies to our troops in Afghanistan. Likewise, it will play an extremely important role in taking equipment out of Afghanistan as we begin to lessen our military presence there.

I have worked closely with the Government of Tajikistan on these issues. While Tajikistan does not have a developed rail network like some of the other countries in Central Asia, they have been very supportive and played a vital role in the part of the Northern Distribution Network that I would call the KKT route. It is Kazakhstan, Kyrgyzstan, and Tajikistan. The capacity is not great because we have to truck things through the mountains of Tajikistan. However, we have had a very good success rate with very low loss of cargo, no pilferage, and we have gotten a lot of cooperation from the Government of Tajikistan on that. And President Rahmon indicated to Secretary Clinton when she met with him that he wants to continue to support us in that area because, as I think the Government of Tajikistan and the people of Tajikistan realize, in order to have a safe and prosperous Tajikistan, we need to have a safe and stable and prosperous Afghanistan.

Senator CASEY. Thank you very much.

My time is up for this round. Senator Udall, Senator Risch, Senator Lugar, anything?

Senator Udall.

Senator UDALL. I would just ask one final question here.

Since the invasion displaced Saddam Hussein's Sunni governing structure, or whatever you want to call it there, one of the major issues has been this divisive conflict between Sunni and Shia. And we have seen it in terms of talk of a civil war and all the various bombings and suicide bombings that have gone on.

What is your assessment of how the current government is moving to integrate Sunnis into the government at all levels, whether it is high positions in the government or people that held kind of bureaucratic positions and were not necessarily involved in all the atrocities and things? What is your assessment about how they are performing on the integration?

Mr. MCGURK. Thank you, Senator. Senator Casey referenced an NDI poll which shows that there is still this vast gap in perceptions of the government between Shia and Sunnis. Among Sunnis, according to this poll, it has increased in recent months, but it has increased from about 10 percent to only 30 percent of Sunnis would see this government favorably.

The current government has a lot of work to do in this area. We can track it through the percentages of military officers. The last order of battle I saw, Sunni officers were about 13 percent overall. That is below the population figure.

In this current round of political negotiation and debate, it has been very interesting because there has been a real shakeup in different alliances. So Muqtada Sadr, for example, who was seen as the face of the Shia Jaish al-Mahdi group which was involved in a lot of atrocities during the sectarian war, is now aligning with a lot of Sunnis in kind of an Iraqi nationalist view, and that is interesting and something to watch.

The Sons of Iraq is also something we need to watch very closely. So far, about 70,000 have been incorporated into government positions. About 30,000 Sons of Iraq are still manning checkpoints. They are getting paid under the current budget. I have been told under the current budget, they get paid about \$300 a month, which is slightly below the per capita GDP. But that needs to continue because one of the indicators, if you look at academic studies of precursors of renewed or reignited civil war, is militant insurgent groups beginning to coalesce and reform. And I think making sure the Sons of Iraq are continued to be taken care of will be very important. So far the government has kept most of its promises on that, but we need to watch it.

So obviously, Senator, these Sunni-Shia cleavages are extremely deep. There is the overhang now of a very bitter sectarian war which the Iraqis are still overcoming. We need to help them overcome it, and we need to remind the current government every day that they need to do what they can to make Sunnis feel like they are a full part of the process.

Senator UDALL. Thank you.

Senator CASEY. Thank you, Senator Udall.

Mr. McGurk, Ambassador Sison, Ms. Elliott, we thank you for your testimony, for your prior service, and for your willingness to serve yet again in tough assignments.

And I want to make sure for the record I say this, that we are going to keep the record open—and I know I and others will have more questions—for 48 hours for questions. That is a short window, but I want to make sure that members of the committee knew that.

We are grateful for your presence here and for your testimony. And we are adjourned.

[Whereupon, at 11:25 a.m., the hearing was adjourned.]

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## ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF MICHELE JEANNE SISSON TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* Section 620M of the Foreign Assistance Act of 1961 imposes restrictions on assistance to any unit of a foreign country's security forces for which there is credible evidence that the unit has committed gross violations of human rights. U.S. embassies are heavily involved in ensuring compliance with this requirement.

If confirmed, what steps will you take to ensure that the Embassy effectively implements section 620M? In particular, what actions will you take to ensure, in a case in which there is credible evidence that a gross violation of human rights has been committed, that assistance will not be provided to units that committed the violation? What steps will you take to ensure that the Embassy has a robust capacity to gather and evaluate evidence regarding possible gross violations of human rights by units of security forces?

*Answer.* Our current engagement with Sri Lanka takes many forms—economic, humanitarian, cultural, and military—and helps us move forward our agenda of fostering a peaceful and stable Sri Lanka by improving human rights, democratic governance, reconciliation, and accountability. We take very seriously credible allegations of abuses of international human rights law and violations of international humanitarian law at the end of the conflict, as well as ongoing abuses. If confirmed, I will continue to urge full accountability for individuals on both sides of the conflict alleged to be responsible for those violations and a demilitarization of civilian affairs. Mindful of human rights concerns, the administration is pursuing measured military engagement with the Sri Lankan Government commensurate with our security interests in the region. This engagement includes human rights or humanitarian components and is in accordance with Leahy vetting policy and law. Assistance and engagement is not now, nor will it be, undertaken with units or individuals associated with credible allegations of abuses of international human rights law or violations of international humanitarian law. As always, adequate resources, along with Embassy Colombo and State Department staff, will be assigned to undertake the full Leahy vetting procedures in all applicable cases.

*Question.* If confirmed, what specific steps will you take to encourage the Government of Sri Lanka to implement the recommendations of the Lessons Learned and Reconciliation Commission (LLRC) report, given the Sri Lankan Government's apparent intransigence in pursuing national reconciliation and reducing human rights violations over the past 3 years? If Sri Lanka continues to ignore international calls to seriously pursue reconciliation and accountability, what steps would you recommend for U.S. policy toward Sri Lanka?

*Answer.* The United States successfully sponsored a United Nations Human Rights Council Resolution in March 2012 that calls on the Sri Lankan Government to take concrete steps toward reconciliation and to address alleged human rights violations during the final stages of the country's conflict. Secretary Clinton invited Foreign Minister Peiris to Washington May 18 to discuss the way forward on reconciliation and accountability in Sri Lanka in the post-UNHRC resolution environment. The Secretary stressed the importance of making progress on the recommendations made by Sri Lanka's own Lessons Learnt and Reconciliation Commission and the importance of providing regular and public updates to all Sri Lankans and to the international community.

We now look to Sri Lanka to take the necessary steps to achieve reconciliation and accountability for the alleged abuses that occurred in the final months of the conflict, while ensuring respect for human rights and institutionalizing democratic governance. If sufficient progress is not made, however, there will be pressure to look at international mechanisms.

An important opportunity to review progress will come this fall, when Sri Lanka is scheduled for its Universal Periodic Review before the U.N. Human Rights Council on the status of human rights in Sri Lanka, then again next March, when the U.N. High Commissioner for Human Rights will brief the Council on Sri Lanka's progress on reconciliation, accountability for human rights abuses, and implementation of the recommendations from Sri Lanka's LLRC. In the time preceding these two critical review opportunities, we will continue our vigorous engagement with the Government of Sri Lanka, as well as India and other international partners, to foster true democracy, reconciliation, and accountability in Sri Lanka.

*Question.* How do you assess the state of democracy in Sri Lanka, given increasing threats against journalists and limited press freedoms, limited provincial powers

and no timetable for provincial elections in the north, ongoing disappearances of individuals with impunity, continued military presence in the north, and ongoing human rights concerns and violations? What future actions might the United States take bilaterally and multilaterally to push Colombo on these issues? Are there any economic or trade measures you would favor employing?

Answer. We are deeply concerned by reports of ongoing human rights abuses and an erosion of democratic institutions and practices, and continuing to engage the Government of Sri Lanka on these issues would be one of my highest priorities. There has been progress in some discrete areas, particularly in regards to the return of people displaced by the conflict to their homes, demining of the former conflict regions, building of transport infrastructure, schools and hospitals, and in the reintegration of former combatants.

There are, however, ongoing issues that concern us, such as the shrinking space for civil society, military involvement in civilian affairs and restrictions on freedom of expression and other fundamental rights. There is also much that remains to be done to achieve genuine reconciliation, democratic governance, and accountability. Sri Lanka's Universal Periodic Review of its human rights situation will occur in November under the auspices of the U.N. Human Rights Council. This should be an excellent opportunity to evaluate Sri Lanka's current human rights record and progress towards achieving reconciliation and accountability.

Solutions that come from the Sri Lankans themselves are most likely to have the greatest impact and also help strengthen Sri Lanka's democratic institutions, including defending space for its long-established civil society. We would, therefore, first like to see the Sri Lankans implement the LLRC's recommendations, and establish an independent mechanism to investigate the credible allegations that the LLRC failed to address, both of which could directly help achieve lasting reconciliation and democratic governance. We are looking to Sri Lanka to take the necessary steps to achieve reconciliation, accountability and respect for human rights and democratic processes, and are not considering economic or trade measures at this time. If sufficient progress is not made, however, there will be pressure to look at international mechanisms.

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RESPONSE OF MICHELE JEANNE SISSON TO QUESTION SUBMITTED  
BY SENATOR BENJAMIN L. CARDIN

*Question.* What bilateral measures has the United States taken to highlight its concerns about the human rights situation on Sri Lanka? Given a sense that existing measures have not been effective, what future actions might the United States take bilaterally to push the Colombo to resolve its domestic conflict? Are there any economic or trade measures you would favor employing?

Answer. The United States successfully sponsored a United Nations Human Rights Council Resolution in March 2012 that calls on the Sri Lankan Government to take concrete steps toward reconciliation and investigate alleged human rights violations during the final stages of the country's civil conflict. Secretary Clinton invited Foreign Minister Peiris to Washington on May 18 to discuss the way forward on reconciliation and accountability in Sri Lanka in the post-UNHRC resolution environment. The Secretary stressed the importance of making progress on the recommendations made by Sri Lanka's own Lessons Learnt and Reconciliation Commission and the importance of providing regular and public progress updates to all Sri Lankans and to the international community.

We are looking to Sri Lanka to take the necessary steps to achieve reconciliation, accountability and respect for human rights and democratic processes, and are not considering economic or trade measures at this time. If sufficient progress is not made, however, there will be pressure to look at international mechanisms.

An important opportunity to review progress will come this fall, when Sri Lanka is scheduled for its Universal Periodic Review on the status of human rights, then again next March, when the U.N. High Commissioner for Human Rights will brief the Human Rights Council on Sri Lanka's progress on reconciliation and implementation of the recommendations from the LLRC.

Biographic note: I have been a resident of the State of Maryland since 1962, and I appreciate your interest in this matter.

RESPONSES OF MICHELE JEANNE SISSON TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT P. CASEY, JR.

*Question.* The United Nations Human Rights Council Resolution passed a resolution in March 2012 that calls on the Sri Lankan Government to investigate alleged human rights violations during the final stages of the country's civil war. The United States strongly supported this resolution, which was a positive step toward greater accountability for perpetrators of abuses.

What is the United States strategy for further action on accountability in international bodies, particularly at the Human Rights Council? How is the administration using the resolution to push further action on LLRC recommendations and wider accountability? How are you planning to engage with India to build on its important vote for the resolution?

*Answer.* Secretary Clinton invited Foreign Minister Peiris to Washington May 18 to discuss the way forward on reconciliation and accountability in Sri Lanka in the post-UNHRC resolution environment. The Secretary stressed the importance of making progress on the recommendations made by Sri Lanka's own Lessons Learnt and Reconciliation Commission and the importance of providing regular and public progress updates to all Sri Lankans and to the international community. We are looking to Sri Lanka to take the necessary steps to achieve reconciliation and accountability for past abuses while ensuring democratic governance and respect for human rights now. If sufficient progress is not made, however, there will be pressure to look at international mechanisms.

An important opportunity to review progress will come this fall, when Sri Lanka is scheduled for its Universal Periodic Review on the status of human rights, then again next March, when the U.N. High Commissioner for Human Rights will brief the Human Rights Council on Sri Lanka's progress on reconciliation and implementation of the recommendations from Sri Lanka's Lessons Learnt and Reconciliation Commission Report. In the time preceding these two critical review opportunities, we will continue to coordinate with India and other international partners to encourage, reconciliation and accountability in Sri Lanka.

*Question.* The United States and the Maldives enjoy a strong bilateral relationship. However, the small country faces several significant challenges, including serious environmental concerns and recent political unrest that has threatened to upset the country's democratic progress.

What do you consider the most pressing issues facing the Maldives at this time? Apart from participating in global climate change initiatives, what might the United States do to help support Maldivians? Do you view recent regime change in Maldives as having been a coup d'etat, as described by former President Nasheed or as a self-initiated resignation, as claimed by his opponents? How should the United States respond to former President Nasheed's call for more U.S. pressure in support of democratic institutions in Maldives?

*Answer.* Former President Nasheed resigned from office under murky circumstances. He was succeeded by his own Vice President, Mohamed Waheed. Maldives' Parliament continues to function and a civilian, democratic government continues. Former President Nasheed, current President Waheed and others have agreed to a Commission of National Inquiry to look into the circumstances surrounding the transfer of power. The United States, India, U.N., Commonwealth and others are supportive of Maldives' own efforts to resolve questions about the transfer of power through this mechanism.

Our Embassy in Colombo is engaged with all the parties in Maldives to foster dialogue, respect for democratic procedures and the rule of law. Assistant Secretary Blake, who was formerly Ambassador to Sri Lanka and Maldives, is also personally engaged. In addition, State currently has one person from our Conflict and Stabilization Operations Bureau on the ground in Maldives, working across political divisions. USAID has committed funding to assist Maldives in ensuring that the next round of Presidential elections is free and fair and we are working with Maldives to find additional ways to support its rule of law and justice sector.

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RESPONSES OF MICHELE JEANNE SISSON TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* In December 2009, the Senate Foreign Relations Committee released a bipartisan staff report entitled "Sri Lanka: Recharting U.S. Strategy after the War." The report contained eight recommended action points for the Obama administration related to Sri Lanka. What is the status of the administration's response to

each of the points of recommendation? <http://www.gpo.gov/fdsys/pkg/CPRT-111SPRT53866/pdf/CPRT-111SPRT53866.pdf>

Answer. The administration's policies toward Sri Lanka seek to balance U.S. interests in reconciliation and accountability with economic, security, and strategic interests. Since the end of the conflict in 2009, we have provided robust demining assistance, worked with the U.N. and other international organizations to support the Sri Lankan Government's resettlement of more than 300,000 displaced persons, designed many USAID-sponsored democracy and governance programs and public diplomacy programs to create and enhance people-to-people links across Sri Lanka, and worked to provide needed training for Sri Lanka's judicial sector. The administration, of course, vigorously enforces existing laws concerning visa applications and loss of citizenship. We are continuing to work with the Peace Corps in the hope that the Peace Corps can return to Sri Lanka in the future and resume its invaluable work.

*Question.* If confirmed, how will you most effectively deal with Sri Lankan officials representing U.S. geostrategic interests while advocating accountability for the wide range of human rights violations for which the Sri Lankan Government is allegedly responsible?

Answer. Our unwavering support for human rights, democratic governance, reconciliation, and accountability informs our principled engagement with Sri Lanka in all areas. However, we remain cognizant of our security interests, which include the security of the Sea Lines of Communication and counterterrorism, for which Sri Lanka is an important regional partner. If confirmed, I will continue to press Sri Lanka to address issues related to reconciliation and accountability, including those highlighted in the 2009 Senate Foreign Relations Committee bipartisan staff report "Sri Lanka: Recharting U.S. Strategy after the War" while seeking areas of common ground on U.S. geostrategic interest.

*Question.* Please inform the committee as to the use of the American Center in Sri Lanka. What is the volume of activity during the past year and how does that compare to the preceding 4 years? In addition, what is the range of activities occurring through the Center and what are the priorities of the Center's focus?

Answer. The American Corners in Kandy and the post-conflict area of Jaffna, Sri Lanka, were opened in 2005 and 2011, respectively. The U.S. Embassy in Colombo reports they have both enjoyed a noticeable increase in activities and visitors over the past several years and particularly throughout 2011.

The American Corner in Kandy focuses on programs for youth and education. Over 5,500 people visited the Corner in Kandy this past year, a marked increase from 3,200 visitors in 2010, for student advising, film screenings, book readings, and video conferences with the Embassy featuring monthly public lectures from Colombo. In 2011 the American Corner in Kandy organized an environment program for students in collaboration with the Ministry of Education, social media training for our newly created Youth Forum, HIV/AIDS awareness program in collaboration with educational authorities, and a discussion series on current affairs for teachers. The number of programs increased from 16 in 2010 to 40 in 2011.

The American Corner in Jaffna opened in January 2011 and also focuses thematically on programs that help rebuild communities in the post-conflict environment. Entrepreneurship and education programs are targeted at vulnerable populations, such as war widows and youth whose education has been interrupted by the civil conflict. Over 6,500 people have visited the American Corner in Jaffna. The American Corner hosts school orientation programs, public lectures by visiting Embassy staff and U.S. citizens, and a summer camp program for children of orphanages. The American Corner organized an outreach program with "Shadows of Change" visual theater for over 3,000 students from nine Jaffna schools. The program included a workshop for students that led to the formation of the Jaffna Youth Forum, which now meets at the Corner every month to discuss community issues. Future programming includes English teaching, entrepreneurship workshops for rural young women seeking self-employment, and psychosocial training for youth.

The American Center at the U.S. Embassy in Colombo aims to educate Sri Lankans about the United States through its ample library and film offerings, and to bring to Sri Lanka timely and topical subjects of importance to the United States. The American Center in Colombo recently commemorated World Press Freedom Day by hosting a panel discussion in which journalists, editors, and activists discussed the Sri Lankan perspective on the emergence of citizen journalism and how inadequate access to quality information undermines media freedom. The Center also hosted an American water specialist to discuss water management and a local attorney to raise children's awareness of intellectual property rights. Upcoming events

will include a celebration of World Environment Day, a presentation on implementing international conventions on women's issues, and a monthly storytelling program.

*Question.* During the war, what countries or political and other entities were providing material or other support to the LTTE and what was the nature of their respective support?

*Answer.* To best address your question, I respectfully offer to arrange a classified briefing on this subject, with the appropriate Department officials.

*Question.* What is the status of the military relationship between the United States and Sri Lanka? Do you see opportunities for expanding that relationship and if so, under what circumstances or conditions?

*Answer.* Our current engagement with Sri Lanka takes many forms—economic, humanitarian, cultural, and military—and helps us move forward our agenda to foster a peaceful and stable Sri Lanka by improving human rights, democratic governance, reconciliation, and accountability. Mindful of human rights concerns, the administration is taking measured steps to maintain military engagement with the Sri Lankan Government commensurate with our security interests in the region, and engagement is in accordance with Leahy vetting policy and law. These include demining, disaster assistance, sea-lane security, and antipiracy. We take very seriously credible allegations of violations of international human rights law and international humanitarian law at the end of the conflict. We continue to urge full accountability for individuals on both sides of the conflict alleged to be responsible for those violations. We also continue to urge demilitarization of civilian affairs. Any consideration of an expansion of our military relationship could only be undertaken in response to demonstrable improvements in the protection of human rights, democratic governance, and accountability.

*Question.* From your perspective, what is going particularly well with the reconciliation process after the war? What are two specific concerns related to the status of reconciliation and what do you envision as your role, if any, related to these challenges?

*Answer.* There has been significant progress in several areas in the aftermath of Sri Lanka's long conflict, chief among them the resettlement of the majority of internally displaced persons and the rehabilitation and reintegration into civilian life of thousands of former LTTE combatants. Much still remains to be done, however. As Secretary Clinton and other senior State officials have urged, we would like to see progress on further demilitarization in the former conflict zones in the North and East, the provision of basic services to returnees, provincial elections before the end of the year, answers regarding the fate of the missing for their loved ones, and further progress in implementation of the recommendations of Sri Lanka's own Lessons Learnt and Reconciliation Commission. If confirmed, my role, like that of Ambassador Butenis and other senior State Department officials such as Assistant Secretary Robert Blake, would be to continue to press vigorously to achieve these goals.

*Question.* If confirmed, will you meet with Sri Lankan journalists to receive an update on the status of intimidation and challenges confronting journalists?

*Answer.* Yes. If confirmed, I will engage directly with journalists, civil society, and NGOs to listen to their concerns and monitor trends affecting fundamental rights including freedom of expression in all its forms. Our deep concern over this issue is why we highlighted the disappearance of political reporter and cartoonist Prageeth Ekneligoda during World Press Freedom Day. We have called on the Government of Sri Lanka to credibly investigate his disappearance and call on the Government of Sri Lanka to take the steps necessary to create space for journalists to work without fear of violence or persecution, including by ending impunity for attacks and intimidation against journalists.

*Question.* What other countries do you view as "like-minded" with the overall U.S. foreign policy emphasis related to Sri Lanka and Maldives?

*Answer.* We have been working closely with a number of international partners to achieve our policy goals both in Maldives and Sri Lanka. For example, the U.S.-sponsored resolution promoting reconciliation and accountability in Sri Lanka that passed with 24 votes in favor, 15 against, and 8 abstentions during the March 2012 session of the United Nations Human Rights Council had 39 cosponsors in addition to the United States (cosponsors need not be voting members of the Council). Notably, India voted in favor of the resolution, a departure from its usual policy of abstaining on country-specific resolutions and a strong statement of support for increased action by Sri Lanka to achieve reconciliation and a lasting peace.

We coordinate closely with the Commonwealth Ministerial Action Group and the United Nations to resolve the ongoing political stalemate Maldives.

*Question.* What countries are presently contributing resources to demining operations in Sri Lanka and what would you project to be the total dollar value of international contributions toward this effort?

*Answer.* Demining in Sri Lanka is an important initiative for the Department of State, as it enables the timely resettlement of internally displaced persons and provides the foundation for the reconstruction and rehabilitation process. Funding provided by the Department of State is directly contributed to international non-governmental agencies. This funding is augmented by several international donors, including contributions from the Government of Japan, the United Kingdom's Department for International Development, and the Australian Government. The Department of State does not track the total dollar value of international contributions. However, since FY 2003 the State Department has contributed \$27,962,000 to demining efforts in Sri Lanka.

*Question.* What is the status of U.S. exports to Sri Lanka and in what sectors do you envision opportunity for future export growth?

*Answer.* Sri Lanka is currently the 80th-largest goods trading partner of the United States with \$2.4 billion in two-way goods trade in 2011. Sri Lanka was the United States 114th-largest goods export market in 2011. U.S. goods exports to Sri Lanka were \$302 million in 2011, up 72 percent (\$128 million) from 2010. U.S. exports to Sri Lanka consist primarily of wheat, civilian aircrafts, machinery and mechanical appliances, medical and scientific equipment, electrical apparatus, plastics, and paper. If confirmed, I will work to increase U.S. exports to Sri Lanka and Maldives under President Obama's National Export Initiative. The tourism, infrastructure, transportation, and energy sectors of Sri Lanka's economy currently hold the most opportunity for growth, and Embassy Colombo is actively advocating for several U.S.-based bids in these sectors. I have a strong track record in economic initiatives and received an Honorable Mention in 2008 for the Charles E. Cobb Award for Initiative and Success in Trade Development for my work as chief of mission in the United Arab Emirates.

*Question.* According to the Congressional Research Service, U.S. exports to Maldives "more than doubled from \$20 million in 2008 to \$45 million in 2011." What is the basis for the doubling of exports in a short time period? What are future best sector prospects for U.S. exports to Maldives?

*Answer.* U.S. exports to the Maldives received a boost in October 2009 when the United States and Maldives signed a Trade and Investment Framework Agreement (TIFA). Maldives was subsequently granted Generalized System of Preferences (GSP) trade benefits in December 2009. The economic team at our Embassy in Colombo has worked vigorously to support the National Export Initiative, and has adopted a three pronged strategy to increase market access, outreach to encourage U.S. exports, and commercial advocacy. U.S. exports to Maldives increased by 58 percent in 2011. Areas of opportunity for U.S. businesses in the Maldives include tourism, construction, and simple export-oriented manufacturing, such as garments and electrical appliance assembly. If confirmed, I will work to increase U.S. exports to Sri Lanka and Maldives under President Obama's National Export Initiative. I have a strong track record in economic initiatives and received an Honorable Mention in 2008 for the Charles E. Cobb Award for Initiative and Success in Trade Development for my work as chief of mission in the United Arab Emirates.

*Question.* Please provide details/quantify the Maldives challenge with rising sea levels.

*Answer.* As an island nation as well as a developing country, Maldives faces significant challenges related to climate change. The islands of the Maldives lie primarily between 1 and 1.5 meters above mean sea level. The IPCC fourth assessment report, the leading international assessment on climate change, in 2007 estimated average global sea level rise at between 0.18 and 0.59 meters by 2090–2099. Many peer-reviewed studies since then have raised these estimates. Any of these scenarios threaten damage from storm surges, land erosion, and salt water intrusion in the coming decades. Of particular concern are the likely impacts associated with salt-water intrusion on freshwater supplies, increasingly damaging extreme weather events, and sea level rise and related land erosion negatively impacting infrastructure, livelihoods, and key economic sectors, including tourism.

To address this vulnerability, the United States invested \$3 million in FY11 through USAID to support an adaptation program that aims to improve access to drinking water supplies and enhance resilience to climate change. The program pro-

vides assistance to the Maldives on climate change adaptation strategies, with special emphasis on integrated water resources management. Future USAID assistance will focus on climate resilience and water security in support of the Maldives' ongoing work related to water and sanitation service delivery to the islands.

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RESPONSES OF MICHELE JEANNE SISSON TO QUESTIONS SUBMITTED  
BY SENATOR MARCO RUBIO

*Question.* According to the State Department's 2011 Trafficking in Persons Report, Sri Lanka is a Tier 2 country for trafficking. There was evidence of government complicity in trafficking through bribes and political connections for brothels.

If confirmed, how will you engage government officials to confront corruption in combat trafficking crimes? How will you encourage the government to investigate and prosecute government officials who are complicit in human trafficking offenses?

*Answer.* We have been working closely with the Government of Sri Lanka on sex trafficking and labor trafficking issues. The Government of Sri Lanka takes these issues seriously and has taken steps to address their trafficking problems. Most notably, the government is working with International Organization for Migration to develop victim identification procedures. We have directly engaged with the Government of Sri Lanka on their Trafficking in Person's Action Plan and the government has already begun to implement the plan. Even with this progress, trafficking in persons remains an issue of great concern. I have considerable experience in this area and was named 2005 Trafficking in Persons Ambassador of the Year for my work to combat human trafficking in United Arab Emirates. If confirmed, I will ensure that it remains a priority for U.S. Mission Colombo.

*Question.* A 2011 Human Rights Watch Report noted that over one-third of Sri Lankan domestic workers in Jordan are physically abused by their employer, 11 percent were sexually assaulted, 60 percent not paid any wages and over 60 percent had their passports confinement. These are abuses which indicate trafficking for forced labor.

If confirmed, how will you assist the Sri Lankan Government in monitoring the foreign labor recruiting agencies which employ Sri Lankans abroad?

*Answer.* I share your concerns on trafficking in persons and forced labor in Sri Lanka, where over 1.7 million citizens are employed outside their country. The Government of Sri Lanka has taken steps to monitor labor recruiting agencies which employ Sri Lankans abroad, most notably, by recently convicting two labor recruiters for fraudulent recruitment—a key contributor to forced labor. Our Embassy in Colombo has coordinated with other U.S. Missions and the Department to provide information and assistance to the Government of Sri Lanka to respond to specific cases and to help the Government of Sri Lanka address the trafficking issue generally. I have considerable experience in this area and was named 2005 Trafficking in Persons Ambassador of the Year for my work to combat human trafficking in United Arab Emirates. If confirmed, I will work closely with the Government of Sri Lanka, The International Organization for Migration, civil society, and other interested parties to increase protection for their citizens from domestic and international labor abuse.

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RESPONSES OF BRETT H. MCGURK TO QUESTIONS SUBMITTED  
BY SENATOR BENJAMIN L. CARDIN

*Question.* Special Immigrant Visas (SIVs) for Iraqi employees of the United State: As you know from our earlier conversations, I am very concerned about delays in the processing of Special Immigrant Visas (SIVs) for those Iraqis who risked their lives to work for us in Iraq—particularly those who were living and working on our bases and have been “cut loose” since our withdrawal last December. How can SIV processing be expedited? What can be done to offer protection to those who are literally in hiding and on the run inside Iraq as they await issuance of their visas?

*Answer.* This issue is very important and personal to me. It will receive my close attention, if confirmed. Since we met in your office, I have spoken with the leading U.S. officials who have been working to address delays in processing of Special Immigrant Visas (SIVs) for Iraqis who have risked their lives to work with us. The State Department is working closely with our interagency colleagues to streamline the SIV application process, eliminate redundant requirements, and accept electronic submissions wherever possible. If confirmed, I will work to ensure that the Embassy is staffed to manage applications efficiently and in a manner that provides

fair process to our Iraqi partners while also ensuring necessary background and security checks to protect the American people. In recent months, strides have been made in eliminating the backlog of Iraqi SIV cases pending security screening. Over the first half of this year, the State Department issued more SIVs to Iraqis than during all of FY 2011. In FY 2011, the Department issued 706 SIVs to Iraqi citizens. By the end of March 2012, the Department already had issued 865 SIVs to Iraqis. During April and May 2012 alone, it issued an additional 1,733 SIVs to Iraqis, based on preliminary data. Thus, the trend appears to be a positive one, and now we must ensure it continues. If confirmed, I am committed to working diligently with our interagency partners to balance the safety of American citizens with the aspirations of Iraqis who risked their lives to work with us, and now wish to resettle in our country.

*Question.* Iraq and the Extractive Industries Transparency Initiative (EITI): According to the World Bank, Iraq possesses a proven 143 billion barrels of oil, and high oil prices and increasing exports should enable Iraq's GDP to grow by about 12 percent in 2012. It is therefore critical that the Government of Iraq implement an effective and transparent process for handling and accounting for these rapidly increasing revenues. Iraq has been an Extractive Industries Transparency Initiative (EITI) candidate country since 2010 and is supposed to complete the requirements to become a "compliant" country later this year. What are the prospects for this happening?

*Answer.* The Board of the Extractive Industries Transparency Initiative (EITI) accepted Iraq as a candidate country on February 10, 2010. Iraq has until August 9, 2012, to undergo EITI validation to determine whether the country is compliant. Iraq issued its first EITI report in December 2011, reporting \$41 billion in revenues from oil and gas exports in 2009. Iraq's second report, covering 2010, is expected on schedule by the end of the year. Iraq has hired one of the approved international validation companies to conduct its validation exercise, a highly detailed procedure to reconcile national revenue and company payment figures for extractive industries. We believe the Iraqi authorities are committed to the EITI process.

The United States strongly supports Iraq's efforts to become EITI compliant. Iraq is one of only two countries in the Middle East to have sought EITI compliant status and holds the largest reserves of any country seeking this status.

Revenues from crude oil exports account for approximately 95 percent of Iraqi Government revenues, so the EITI reconciliation exercise is tightly tied to the overall transparency of Iraqi Government revenues. All Iraqi oil export revenues flow through the accounts of the Development Fund for Iraq at the New York Federal Reserve and are subject to audit by Iraq's governmental auditing and internal control body, the Committee of Financial Experts. Iraq publishes its annual budget. The 2012 budget was reviewed by experts from the International Monetary Fund.

In September 2011, the State Department's Bureau of Near Eastern Affairs awarded a \$1million grant to Revenue Watch Institute to broaden and strengthen Iraqi civil society working on EITI issues and to support a more robust implementation process. As stated in my written testimony, helping the Iraqis to meet the requirements of the EITI would be among my top priorities if confirmed. "By helping the Iraqis address these challenges, the United States can gain leverage and influence while pursuing mutual goals."

RESPONSES OF BRETT H. MCGURK TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* The State Department has long promised faster action to resolve the issues surrounding the delays in approving Special Immigrant Visas for Iraqis who supported the U.S. effort in Iraq after the 2003 invasion.

- (a) How many SIVs have been issued, by fiscal year, since the inception of the program?

*Answer.* The chart below details how many Special Immigrant Visas (SIVs) the Department of State has issued to Iraqi applicants under both the Section 1059 and Section 1244 programs since implementation in FY 2007. FY 2012 numbers are preliminary:

	Principal	Derivatives	Totals
2007 .....	431	383	814
2008 .....	518	449	967
2009 .....	1,448	1,385	2,833

	Principal	Derivatives	Totals
2010 .....	951	1,091	2,042
2011 .....	322	384	706
2012* .....	1,137	1,461	2,598
<b>Totals .....</b>	<b>4,807</b>	<b>5,153</b>	<b>9,960</b>

\* Applications through May 31, 2012.

- (b) How many applications have there been, by fiscal year?

Answer. The chart below details the number of approved I-360 immigrant visa petitions received by the State Department's National Visa Center (NVC) from USCIS for Iraqis applying for the Section 1059 and Section 1244 SIV Programs. FY 2012 numbers are preliminary:

	Iraqi section 1059 approved I-360s	Iraqi section 1244 approved I-360s	Combined total
FY 2007 .....	650	0	650
FY 2008 .....	149	48	197
FY 2009 .....	139	1,614	1,753
FY 2010 .....	10	1,025	1,035
FY 2011 .....	2	2,398	2,400
FY 2012* .....	0	659	659
<b>Totals .....</b>	<b>950</b>	<b>5,744</b>	<b>6,694</b>

\* Applications through May 31, 2012.

- (c) How long is the average processing time (as measured by application filing date until the date visa issuance or notice of denial) for such applications, by fiscal year?

Answer. Processing SIVs involves a number of different steps, many of which are outside the control of the State Department's Bureau of Consular Affairs. As a result, I understand that the Department does not have general statistics on processing times for SIVs. I understand there were significant delays in returning clearances on SIV cases in FY 2011, but there has been improvement on processing times in FY 2012. The State Department's internal standards require scheduling interviews 60 days from the receipt of the application. As the numbers of SIVs issued to Iraqis in FY 2012 indicate above, our interagency partners have made significant strides in eliminating the backlog of Iraqi SIV cases pending security screening. This progress allowed us to cut the backlog of Iraqi SIVs pending final action (issuance or refusal of the visa application) by 50 percent since March. In late February, 2,832 Iraqi SIV applications were pending security vetting. A little over 3 months later, that number has fallen to 1,388.

We owe it to those Iraqis who have worked with us to ensure that this program runs as transparently as possible while also maintaining essential security checks to protect the American people.

- (d) How many are pending as of June 1, 2012?

Answer. As of June 6, 2012, there were 1,388 Iraqi SIV applications pending security clearances.

- (e) How many have been denied by fiscal year? Please list the reasons for denial and the corresponding number of visas denied for each reason, by fiscal year.

Answer. In order to provide this detailed information that you have requested on refusals, we are currently running a customized query through our files. The query will take several days to complete and will provide a detailed response as soon as possible.

*Question.* The Police Development Program in Iraq has been the subject of continued revision and reduction since the State Department took control of the program in late 2011. What type of information did the Defense Department provide to the State Department when it turned the program over? How many Iraqi Police have been successfully trained under State Department control? In which cities are U.S.-trained Iraqi Police located and what are the metrics for evaluating their abilities? How has the prevalence of crime and violence changed in those cities as a result of the presence of U.S.-trained Iraqi Police?

Answer. As noted in my testimony, if confirmed, I will work with the State Department and the Congress to ensure that our diplomatic presence in Iraq is secure, strategic, effective, and sustainable. This same rubric will apply to individual programs, including the Police Development Program (PDP). If confirmed, I look forward to working closely with the Congress and the State Department to revise and restructure any program that does not meet this test. I understand the PDP is currently undergoing a review in light of present conditions in Iraq. I strongly support this and another initiative as we work to streamline our overall mission and presence in the country.

I was not involved in the planning or development of the PDP. But I have been informed that the Department of Defense (DOD) and the State Department consulted closely during the transition period on an informal basis, and that DOD provided some operational readiness assessments to the State Department prior to closing out its programs.

I have also been informed that the PDP was designed to provide senior levels of the Iraqi Police Services and Ministry of Interior with the management, leadership, and technical skills necessary to manage and maintain Iraq's internal security and support the rule of law. With a focus on mentoring and advising, the program does not train large numbers of Iraqi Police as the DOD-led mission had since 2004.

The DOD police training program trained Iraqi Police throughout the country. The PDP is focused on Ministry of Interior (MOI) and police leadership based in Baghdad and Erbil,<sup>1</sup> and our advisors have traveled on occasion to other provinces.

The PDP seeks to provide the necessary tools for the MOI to build an effective police force that supports the rule of law through a set of nine goals that complement the MOI's strategic goals. To pursue these goals the PDP developed an approach based on police functions, such as investigations, criminal intelligence, and border security, each of which has supporting objectives and indicators that guide advisors in their engagements. The program is linked to a Performance Monitoring Plan, which is implemented through a monitoring and evaluation staff.

While the security situation in Iraq has generally improved, I have been informed that the Department does not have records of individual police who were trained by DOD, and it is difficult to identify a causal link between the training and levels of crime and violence. Unlike the DOD program, the PDP was never intended to provide training in basic skills to large numbers of police, including the individual responders whose presence may deter criminal activity. The program is intended, instead, to help Iraqis advance strategic institutional capacity to, and senior management of, key institutions. For example, our advisors helped establish an Iraqi interagency executive development committee, and work with the Iraqi Police leadership to address the ongoing problem of determining jurisdiction at crime scenes.

As noted above, if confirmed I look forward to participating in the ongoing review of this program to ensure that it is structured to advance U.S. interests on a sustainable basis.

*Question.* The Lebanese Hezbollah-associated militant Ali Musa Daq-Duq was transferred to Iraqi custody in late 2011 and released shortly thereafter. What were the legal provisions that prevented the United States from transferring Daq-Duq to another detention facility outside of Iraq? Does the United States have any credible information that Daq-Duq is now involved with or materially supporting any U.S.-designated Foreign Terrorist Organization?

Answer. I was not responsible for this case during my time in Iraq in 2011 and I was not involved in deliberations internally or with the Iraqi Government on whether and how to transfer Daqduq to another detention facility outside of Iraq. However, I have been informed that Daqduq was transferred to Iraqi custody in December due to the expiration (on December 31, 2011) of the 2008 Security Agreement. Under that agreement, the Iraqi Government had legal custody of Daqduq and we were physically holding him at their request and in accordance with Iraqi law. Per the expiration of the agreement, we had no legal basis for holding Daqduq and his transfer out of Iraq required the full consent of the Iraqi Government pursuant to existing laws.

It is my understanding that Daqduq currently remains in Iraqi custody. As the Secretary has stated, Daqduq is a dangerous individual and his release could have a detrimental effect on U.S. interests. I believe strongly that Daqduq should be held accountable for his crimes and, if confirmed, I will work closely with Iraqi leaders to explore all legal options to pursue justice in this case.

<sup>1</sup> Basrah hub of the program will be closed by the end of June following the mutual agreement of the U.S. and Iraqi Governments.

*Question.* The Iraqi Government has recently threatened U.S. oil and gas companies who have attempted to develop fields in the Kurdish region and in southern Iraq.

- (a) How is the U.S. Embassy facilitating the exposure of U.S. companies to opportunities in Iraq?

*Answer.* The State Department and the U.S. mission in Iraq are engaging in a vigorous outreach effort to help US firms identify opportunities in Iraq. These opportunities are significant and growing. While the obstacles to doing business in Iraq remain very challenging, one private consulting firm has reported that during 2011, U.S. companies concluded investment and commercial deals worth \$6.9 billion USD, up from \$2 billion in 2010. Moreover, U.S. exports to Iraq increased by nearly 50 percent from 2010 to 2011.

The State and Commerce Departments and the U.S. mission in Iraq are working hard with our partners to help U.S. businesses overcome key entry barriers, such as identifying Iraqi Government procurement opportunities, screened Iraqi business partners, and vetted security firms to operate in a safe and effective manner on the ground in Iraq.

Last November, the U.S. Embassy in Baghdad hosted 83 U.S. firms and universities at the U.S. pavilion at the Baghdad Trade Fair, the first official U.S. presence at Iraq's flagship trade fair in more than 30 years. In March, the State Department—with participation via videoconference by our Embassy in Baghdad and consulates in Erbil and Basrah—hosted an event for over 100 companies to explain how to address the challenges of doing business in Iraq. Looking forward, I understand the Embassy plans activities that will highlight opportunities for U.S. firms in areas such as housing, electricity, and water infrastructure.

Boosting trade and investment ties between the United States and Iraq is in the interests of both countries. If confirmed, one of my highest priorities will be to ensure that U.S. companies have every opportunity to benefit from this new and potentially very wealthy market.

- (b) How does the U.S. Embassy ensure that U.S. oil and gas companies are protected under international conventions on investments?

*Answer.* Iraq is not yet a signatory to major conventions on the protection of international investment, such as the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. Our Embassy continues to press the Government of Iraq to participate in these conventions. Indeed, such participation is very much in Iraq's interests and is essential to attract the foreign direct investment that Iraq so badly needs. If confirmed, I will certainly take every opportunity to encourage the Iraqi Government to join appropriate international investment protection agreements like the New York Convention. With respect to investment protection in the energy sector, in the case of irreconcilable disputes, Iraq's oil contracts typically have provisions for international arbitration.

The Embassy, in cooperation with the Department of Commerce's Commercial Law Development Program, is working also to strengthen investment protection under Iraqi law by assisting Iraq to develop specialized commercial courts. The first such court opened in 2010 and others are planned.

I believe that harnessing the U.S. private sector can be one of our strongest levers of influence in Iraq over the months and years to come. This is why, as noted in my testimony, outreach to, and facilitation for, U.S. businesses in Iraq will be one of the top mission priorities, if confirmed.

*Question.* There have been allegations in the press regarding e-mail exchanges between you and Gina Chon, a reporter for the Wall Street Journal. (<http://cryptome.org/2012/06/mcgurk-chon/mcgurk-chon.htm>) Please explain the nature of your e-mail exchanges with Ms. Chon using your State Department e-mail address.

*Answer.* On the morning of June 5, 2012, the day before my confirmation hearing, personal e-mails between me and my now beloved wife, Gina, were made public by others without authorization. They appear to be a printed copy of an e-mail exchange that took place 4 years ago. The State Department has not authenticated the e-mails. I do not recall sending some of the statements that have been quoted in the media. My wife does not recall receiving them. But I take full responsibility for my relationship with Gina and for our exchange of personal messages.

These e-mails appear to have been sent from my State Department blackberry, the only reliable way to communicate at the time in Iraq. Personal e-mail accounts were not available on handheld devices and incidental personal use from an official account is authorized under State Department regulations (5 FAM 723).

The printed exchanges reflect a series of personal messages from shortly after we first met. At times, they contain flirtatious banter, but also my adherence to profes-

sional boundaries. I did not share sensitive information with Gina. I was a source for her stories only when formally briefing media organizations as I did often over the course of 2008. As an investigation by the Wall Street Journal found, there is “no evidence that her coverage was tainted” by our relationship, which was then in its earliest stages.

Regarding my relationship with Gina, I take full responsibility for my conduct. By the summer of 2008, I had been in and out of Iraq regularly for 4 years. I had a difficult time when home connecting with those who had not served there. My marriage fell apart and friendships suffered. Gina, who had also been in and out of Iraq since 2004, became the love of my life, is now my wife, and I would not be here without her.

Media coverage of the e-mails rests on inaccurate assumptions. For example, one oft-cited exchange refers to a dinner at the home of an Iraqi official. This official often hosted large gatherings, attended by political leaders, journalists, and civil society figures. When I determined that this particular dinner was invite only, I made clear that Gina’s attendance was “no go.” Another oft-quoted statement of mine says: “If treated to many glasses of wine, you could be the chosen vultures” (plural). This was a joke, written in response to Gina’s description of an evening with her colleagues from multiple news organizations involving “many glasses of wine”—something that was rare in Baghdad at that time.

When it came to official activities or information, I wrote clearly: “Can’t tell you about it, of course.” In short, when read in context, the e-mails contain instances of inside humor and sarcasm but also observed professional boundaries.

At the time of these personal messages, my assignment was to secure follow-on security arrangements with the Iraqi Government and a broader strategic framework for U.S. relations with Iraq. That mission was not compromised and was achieved under extremely difficult circumstances and immense pressure. As the last three Ambassadors shared with the committee last week, my professional experience makes me “uniquely positioned to build on all that America has sacrificed over this past decade and to establish the strongest possible relationship between our two countries.”

Four years have passed since the date of these leaked e-mails. I am now happily married and have spent much of this period either in Iraq or in New York where I was working on Iraq issues in academia. I am grateful that the current and two former Ambassadors believe I have “the right vision for leading the mission and [that I] enjoy the full trust and confidence of the current leadership team at the Embassy.” As I shared with the committee in my testimony, I have a coherent plan for leading the mission and I look forward to the committee judging my candidacy on the merits.

*Question.* Section 620M of the Foreign Assistance Act of 1961 imposes restrictions on assistance to any unit of a foreign country’s security forces for which there is credible evidence that the unit has committed gross violations of human rights. U.S. embassies are heavily involved in ensuring compliance with this requirement. If confirmed, what steps will you take to ensure that the Embassy effectively implements section 620M? In particular, what actions will you take to ensure, in a case in which there is credible evidence that a gross violation of human rights has been committed, that assistance will not be provided to units that committed the violation? What steps will you take to ensure that the Embassy has a robust capacity to gather and evaluate evidence regarding possible gross violations of human rights by units of security forces?

*Answer.* If confirmed, I will ensure that the Embassy fully complies with the State Department’s legal obligations pursuant to the Section 620M of the Foreign Assistance Act of 1961, also known as the Leahy law, for its programs in Iraq. The State Department screens all candidates for Department-funded training courses and other assistance for gross human rights violations pursuant to standard Leahy vetting procedures. Specifically, I will ensure that Embassy Baghdad continues vetting recipients of U.S. security assistance through the INVEST (International Vetting and Security Tracking) system, which is used for all countries whose security forces are proposed for assistance from the United States

I will also, if confirmed, engage with the Government of Iraq when human rights concerns related to Iraqi security force units arise, and will inform the Iraqi Government if funds are withheld from any units pursuant to the Leahy law. The U.S. Embassy will continue working with the Iraqi Government and promoting the importance of respecting human rights through diplomatic means.

RESPONSES OF BRETT H. MCGURK TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Hopes for a stable power-sharing government in Iraq in the wake of the U.S. troop withdrawal last year have faded. Prime Minister Maliki gives every appearance of a man seeking absolute power—levying charges against his main Sunni rival and refusing to implement power-sharing agreements.

- What is your plan for engaging opposition parties effectively to ensure U.S. influence remains strong in a post-Maliki Iraq?

*Answer.* To help ensure that Iraq remains on the course envisioned in its own constitution—a united, federal, democratic, and pluralistic state—we must work to engage with and strengthen Iraq’s institutions. As explained in my written testimony, there are examples of the Parliament acting as an independent check on executive authority. The United States can work to encourage “issues based” alliances within Parliament, which can help Iraq transcend a political culture dominated by ethnosectarian blocs. The most recent political dispute has seen interesting cross-sectarian alliances. The Sadrist bloc, for example, has joined with members of Iraqiyya and the Kurdish alliance to pressure the Prime Minister. At the same time, the Prime Minister has built alliances with key Sunni constituencies from within Iraqiyya to pressure his opponents. If confirmed, I will plan to engage every political bloc on a neutral basis and seek to build on areas of agreement and narrow areas of disagreement. It will be important to ensure that channels of communication remain open between all parties—especially between Baghdad and Erbil. My approach, if confirmed, will be active personal engagement. We cannot dictate outcomes but we can and must facilitate dialogue, search for opportunities for compromise, and then seize on those opportunities. Finally, if confirmed, I will encourage the Iraqis to remain focused on their scheduled elections—local elections next year and national elections in 2014. It will be essential for Iraq’s democratic trajectory to ensure that these elections take place freely, fairly, and on time.

*Question.* One of the challenges to stability in Iraq remains the stalled process to settle territorial disputes between the Kurds and Iraq’s Arabs. What more can the United States do to play a constructive role in helping the parties get beyond this impasse?

*Answer.* We continue to support a durable solution to Iraq’s disputed internal boundaries (DIBs). This includes supporting the United Nations Assistance Mission for Iraq’s (UNAMI) efforts to reconvene the High Level Task Force or any other mechanism that will bring national and provincial leaders together to look for a long-term resolution to Iraq’s disputed internal borders. We continue to make clear (and UNAMI agrees) that a referendum regarding resolution of DIBs, including ultimate administrative control over the province of Kirkuk, should confirm a political settlement negotiated by stakeholders before a vote can take place. The proposed census, which article 140 of the Iraqi Constitution also calls for, remains on hold primarily due to disagreements among parties in the north on codifying ethnicity in disputed areas. We also encourage a potential UNAMI role in mediating these disagreements to find common ground. As noted in my testimony, I believe article 140 continues to provide the roadmap for a durable solution but the United States must remain actively engaged to build compromises around the many questions that article 140 does not answer, or (in most cases) leaves to resolution at a later date.

Security in the DIBs region is the responsibility of the Iraqis. However, we will continue to play a mediation role when asked to ensure relevant national and provincial leaders find a diplomatic solution to any territorial or other security-related disputes in the DIBs. We will also continue to provide security training and rule of law programs to complement the high-level dialogue. Our Office of Security Cooperation and its relationships with top Iraqi security officials will also have a central role to play in maintaining a peaceful settlement in these areas.

As noted in my testimony, if confirmed, I also will visit the Kurdistan region regularly to ensure face-to-face interaction and to strengthen regular bridges of dialogue between Baghdad and Erbil. I have been personally involved in helping to resolve flashpoint disputes in the DIBs and it will remain a central priority of mine, if confirmed, to ensure that our engagement is regular and continuous to dampen any potential conflicts far before they can begin.

*Question.* The drawdown of U.S. forces challenges our ability to confront the terrorist threat posed by al-Qaeda in Iraq. How effective are the Iraqi Security Forces in meeting this threat and what role is the United States prepared to play in strengthening their capabilities?

Answer. As I noted in my testimony, al-Qaeda in Iraq retains the capacity to launch attacks—mostly directed at Iraqi civilians and Iraqi security forces—approximately every 30–40 days and the level of attacks this year are consistent with those in the first half of 2011. Since the U.S. withdrawal, Iraqi Special Forces have demonstrated the capacity to locate and take down AQI cells, as seen earlier this year following a series of AQI attacks in Anbar province (focused in the Haditha area). While Iraq's Special Forces are among the most capable in the region, their effectiveness can be enhanced through cooperation with U.S. assistance. If confirmed, I will work closely with Iraqi leaders to ensure that we are doing all we can to help Iraqi forces eliminate al-Qaeda's leadership and uproot its networks from Iraqi soil.

*Question.* Iran's influence in Iraqi affairs remains a significant concern, and Iran's support for Shiite factions in Iraq has been long established. As Ambassador to Iraq you must be able to represent U.S. strategic regional objectives amidst this volatile relationship.

- How will you leverage your relationships with Iraq's leaders to forward key U.S. objectives on Iran, such as nonproliferation, sanctions, state-sponsorship of terrorism, and human rights?

Answer. If confirmed, I will ensure that our key objectives on Iran, such as those related to nonproliferation, sanctions, state-sponsored terrorism, and human rights, are part of our dialogue with the senior leaders of the Iraqi Government as well as with leaders across the political spectrum. The United States also will continue to support the development of democratic institutions in Iraq that serve the needs of the Iraqi people and withstand Iranian political influence. In addition, Iraqi outreach to neighboring states and with other countries in the region will keep Iraq oriented toward its Arab neighbors through improved diplomatic and commercial ties, as opposed to relying on Iran to make progress in these areas. I will also ensure open and regular channels of communication between my office in Baghdad and our ambassadors in regional capitals, most of whom I have worked with for many years. I've found that such regular communication can be essential to identifying opportunities and advancing U.S. interests in the region.

As I noted in my testimony, Iranian efforts to influence Iraq in a negative manner are balanced by the simple fact that Iraqis vigorously defend their independence and sovereignty. Years of conflict during the Iraq-Iran war have led the Iraqi people to be deeply distrustful of Iranian intentions. Also, followers of Shia Islam in Iraq, led by Grand Ayatollah Sistani, maintain different views from those in Iran with regard to the appropriate role for religious figures to play in politics. If confirmed, I will make clear that the U.S. Embassy is open to engagement and dialogue with all Iraqis of good will to include, in particular, the Shia religious leadership in Najaf.

In 2007 and 2008, I was involved in planning and preparing for trilateral talks with Iranian diplomats in Baghdad. I was also an active participant in regional engagement efforts, to include the U.N.-sponsored neighbors conferences between 2006 and 2008, which included Iran. I have learned first-hand Iran's tactics and levers of influence within Iraq and I will align the mission, if confirmed, in a manner that helps our Iraqi partners build an independent state free of such interference. The centerpiece of this will be the Strategic Framework Agreement, which envisions a globally integrated Iraq—precisely the opposite of what Iran desires.

As noted in my testimony, helping the Iraqis expand their oil sector will be essential to Iraq's development, stabilizing global markets, and retaining pressure on the Iranian regime. This will also be a top priority, if confirmed.

Furthermore, we must harness the power of U.S. private industry, one of our strongest levers of influence that remains yet undeveloped. The demonstrated Iraqi desire for U.S. firms to help build the backbone of their security forces, airlines, and energy sector gives us a good foundation for this effort.

On the specific issues of sanctions and state sponsorship of terrorism, I plan to continue working with Iraq's key politicians and leaders not only to preserve the hard-won security and political progress for which I saw Iraqis sacrifice their lives, but also to push for more progress in developing a sound and independent political system that can successfully counter Iran's nefarious influence and meddling. It is worth noting the role of the Iraqis as host for the May 23 P5+1 talks in Baghdad. The Iraqis demonstrated a clear interest in a peaceful, diplomatic resolution to international concerns about Iran's failure to meet its obligations with respect to its nuclear program. This is an important step for the Iraqis as they resume their place in the international community and learn to conduct their own foreign policy.

Finally, I remain committed to incorporating human rights into my engagements with all Iraqi politicians and throughout the various spheres of Iraqi society—relying on Iraq's own constitution as the centerpiece of my argument. It is not enough

to have security and prosperity. For Iraq to reach its full potential, all Iraqis must enjoy the right to freedom of expression, worship, and the right to political participation. We saw Iraqi exercise their political will at the ballot box in March 2010. The time will come for them to return to the polls. As I emphasized in my testimony, ensuring that these future elections happen freely, fairly, and on time, will be essential to securing Iraq's democratic gains.

*Question.* The crisis in Syria continues to dominate the region. As we look to the Arab League and other regional partners to play a stronger role in pressing Bashar al-Assad to cease the violence, what is your assessment of the role that Iraq's leadership can play in this regard and in stopping spill-over effects from further destabilizing Iraq?

*Answer.* The Iraqi Government follows a general foreign policy of nonintervention in the affairs of neighboring countries. When it comes to Syria, however, Iraq has a mixed record. In August 2009, the Iraqi Government blamed Syria for a series of bombings and sought Arab League and U.N. Security Council assistance for an investigation. More recently, the Iraqi Government has acted hesitatingly in the wake of unfolding events in Syria. After at first retaining a neutral stance, the Iraqi Government has more recently said publicly that the Syrian President's dictatorship must come to an end and that the days of one party rule in Syria are over. On June 2, Iraq joined the Arab League in its most recent condemnation of the Syrian Government's continued violence against civilians, including the massacre in Houla. Iraq's concern regarding the situation in Syria is driven by fear among Iraqi leaders that a sudden collapse of the Assad regime could lead to a sectarian upheaval that could spill over Iraq's western border. The United States will continue to urge Iraq to call for the immediate departure of Assad, and to support a political solution to the crisis in Syria, as outlined by U.N.—Arab League Joint Special Envoy Annan's six point plan and UNSCRs 2042 and 2043.

As for what I can do from Baghdad: if confirmed, I will (1) remain constantly engaged with U.S. ambassadors in regional capitals and at the highest levels of the White House and State Department and (2) ensure the Syria situation is assessed and approached multidimensionally within Iraq: with the Central Government, with the Kurdistan Regional Government, and with the tribes of western Iraq. It will be essential to seize opportunities where they exist and to ensure that the Iraqi Government both adheres to its Security Council obligations and remains within the Arab League consensus on the Syria situation. As I stated in my testimony, all Iraqis must know: "U.S. policy is firm: Bashar al-Assad must go. The longer he remains, the greater the threat to the Syrian people, to the region, and to Iraq."

*Question.* Our Embassy in Baghdad is our largest. How sustainable is that posture and what is your assessment of plans to reduce U.S. civilian staff in the wake of the military withdrawal?

- Absent attractive incentive packages (such as "linked assignments") what steps would you take to ensure that you get the best people to take assignments in Iraq?

*Answer.* As I noted in my testimony, the current size of the Embassy reflects an "all contingency" plan that was developed in light of the uncertainties facing our mission over the early part of this year. Now that we are 6 months into the first year without a substantial U.S. military presence, we are able to plan for a more institutionalized and sustainable presence. If confirmed, my aim will be to build a mission that is secure, strategic, effective, and sustainable. This will require a consolidation of our footprint and a reduction in personnel. We are also moving to a posture that allows us as much as possible to live off the local economy, decreasing dependence on offshore contract firms. I believe the current planned reductions are a good start in this regard.

Iraq remains a difficult environment for American employees of all agencies. The Department of State expects a full package of incentives to remain in place for the next several years, although there may be some alterations. If confirmed, I will work with the Department to ensure that service in Iraq produces a record of achievement that is not overlooked in promotions, awards, and assignments. I will also endeavor to recruit those who have served Iraq in the past to draw on the nearly decade of experience our Foreign Service professionals have in the country. To succeed in Iraq we will need the best people, with the most experience, operating on the ground.

*Question.* Please respond to the following questions with regard to the Special Immigrant Visa (SIV) Program for Iraq:

- (a) Please provide the number of Iraqi SIVs that have been issued, by fiscal year, since the inception of the program;

Answer. The chart below details how many Special Immigrant Visas (SIVs) the Department of State has issued to Iraqi applicants under both the Section 1059 and Section 1244 programs since implementation in FY 2007. FY 2012 numbers are preliminary:

	Principal	Derivatives	Totals
2007 .....	431	383	814
2008 .....	518	449	967
2009 .....	1,448	1,385	2,833
2010 .....	951	1,091	2,042
2011 .....	322	384	706
2012* .....	1,137	1,461	2,598
<b>Totals .....</b>	<b>4,807</b>	<b>5,153</b>	<b>9,960</b>

\*Applications through May 31, 2012.

- (b) Please list the number of applications, by fiscal year, since the inception;

Answer. The chart below details the number of approved I-360 immigrant visa petitions received by the State Department's National Visa Center (NVC) from USCIS for Iraqis applying for the Section 1059 and Section 1244 SIV Programs. FY 2012 numbers are preliminary:

	Iraqi section 1059 approved I-360s	Iraqi section 1244 approved I-360s	Combined total
FY 2007 .....	650	0	650
FY 2008 .....	149	48	197
FY 2009 .....	139	1,614	1,753
FY 2010 .....	10	1,025	1,035
FY 2011 .....	2	2,398	2,400
FY 2012* .....	0	659	659
<b>Totals .....</b>	<b>950</b>	<b>5,744</b>	<b>6,694</b>

\*Applications through May 31, 2012.

- (c) Please list the average processing time for an SIV, by fiscal year.

Answer. Processing SIVs involves a number of different steps, many of which are outside the control of the State Department's Bureau of Consular Affairs. As a result, I understand that the Department does not have general statistics on processing times for SIVs. I understand there were significant delays in returning clearances on SIV cases in FY 2011, but there has been improvement on processing times in FY 2012. The State Department's internal standards require scheduling interviews 60 days from the receipt of the application. As the numbers of SIVs issued to Iraqis in FY 2012 indicate above, our interagency partners have made significant strides in eliminating the backlog of Iraqi SIV cases pending security screening. This progress allowed us to cut the backlog of Iraqi SIVs pending final action (issuance or refusal of the visa application) by 50 percent since March. In late February, 2,832 Iraqi SIV applications were pending security vetting. A little over 3 months later, that number has fallen to 1,388.

We owe it to those Iraqis who have worked with us to ensure that this program runs as transparently as possible while also maintaining essential security checks to protect the American people.

- (d) Please list the total number of pending SIV applications as of June 1, 2012.

Answer As of June 6, 2012, there were 1,388 Iraqi SIV applications pending security clearances.

RESPONSES OF BRETT H. MCGURK TO QUESTIONS SUBMITTED  
BY SENATOR BENJAMIN L. CARDIN

*Question.* Special Immigrant Visas (SIVs) for Iraqi employees of the United States: As you know from our earlier conversations, I am very concerned about delays in the processing of Special Immigrant Visas (SIVs) for those Iraqis who

risked their lives to work for us in Iraq—particularly those who were living and working on our bases and have been “cut loose” since our withdrawal last December. How can SIV processing be expedited? What can be done to offer protection to those who are literally in hiding and on the run inside Iraq as they await issuance of their visas?

Answer. This issue is very important and personal to me. It will receive my close attention, if confirmed. Since we met in your office, I have spoken with the leading U.S. officials who have been working to address delays in processing of Special Immigrant Visas (SIVs) for Iraqis who have risked their lives to work with us. The State Department is working closely with our interagency colleagues to streamline the SIV application process, eliminate redundant requirements, and accept electronic submissions wherever possible. If confirmed, I will work to ensure that the Embassy is staffed to manage applications efficiently and in a manner that provides fair process to our Iraqi partners while also ensuring necessary background and security checks to protect the American people. In recent months, strides have been made in eliminating the backlog of Iraqi SIV cases pending security screening. Over the first half of this year, the State Department issued more SIVs to Iraqis than during all of FY 2011. In FY 2011, the Department issued 706 SIVs to Iraqi citizens. By the end of March 2012, the Department already had issued 865 SIVs to Iraqis. During April and May 2012 alone, it issued an additional 1,733 SIVs to Iraqis, based on preliminary data. Thus, the trend appears to be a positive one, and now we must ensure it continues. If confirmed, I am committed to working diligently with our interagency partners to balance the safety of American citizens with the aspirations of Iraqis who risked their lives to work with us, and now wish to resettle in our country.

*Question.* Iraq and the Extractive Industries Transparency Initiative (EITI): According to the World Bank, Iraq possesses a proven 143 billion barrels of oil, and high oil prices and increasing exports should enable Iraq’s GDP to grow by about 12 percent in 2012. It is therefore critical that the Government of Iraq implement an effective and transparent process for handling and accounting for these rapidly increasing revenues. Iraq has been an Extractive Industries Transparency Initiative (EITI) candidate country since 2010 and is supposed to complete the requirements to become a “compliant” country later this year. What are the prospects for this happening?

Answer. The Board of the Extractive Industries Transparency Initiative (EITI) accepted Iraq as a candidate country on February 10, 2010. Iraq has until August 9, 2012, to undergo EITI validation to determine whether the country is compliant. Iraq issued its first EITI report in December 2011, reporting \$41 billion in revenues from oil and gas exports in 2009. Iraq’s second report, covering 2010, is expected on schedule by the end of the year. Iraq has hired one of the approved international validation companies to conduct its validation exercise, a highly detailed procedure to reconcile national revenue and company payment figures for extractive industries. We believe the Iraqi authorities are committed to the EITI process.

The United States strongly supports Iraq’s efforts to become EITI compliant. Iraq is one of only two countries in the Middle East to have sought EITI compliant status and holds the largest reserves of any country seeking this status.

Revenues from crude oil exports account for approximately 95 percent of Iraqi Government revenues, so the EITI reconciliation exercise is tightly tied to the overall transparency of Iraqi Government revenues. All Iraqi oil export revenues flow through the accounts of the Development Fund for Iraq at the New York Federal Reserve and are subject to audit by Iraq’s Governmental auditing and internal control body, the Committee of Financial Experts. Iraq publishes its annual budget. The 2012 budget was reviewed by experts from the International Monetary Fund.

In September 2011, the State Department’s Bureau of Near Eastern Affairs awarded a \$1million grant to Revenue Watch Institute to broaden and strengthen Iraqi civil society working on EITI issues and to support a more robust implementation process. As stated in my written testimony, helping the Iraqis to meet the requirements of the EITI would be among my top priorities if confirmed. “By helping the Iraqis address these challenges, the United States can gain leverage and influence while pursuing mutual goals.”

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RESPONSES OF BRETT H. MCGURK TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT P. CASEY, JR.

*Question.* In July 2010, U.S. Ambassador to Iraq Jim Jeffrey said the following on Iran’s role in Iraq during his confirmation hearing “Iran attempts to exert its

influence through financial and political backing for political parties, high-level engagement with Iraqi leaders, and support for Shia militant groups. But, we should recognize that Iran's efforts continue to run into the natural independence of Iraqis."

- (a) Do you believe that this analysis still holds? How does Iran exert its influence in Iraq today?

Answer. Yes, this analysis still holds. As noted in my written testimony, "Iran has tremendous influence in Iraq, sharing a 3,000 kilometer border, as well as interwoven religious, cultural, and economic ties." Iran largely failed, however, in its efforts to create Iraqi Shia extremist militia groups capable of driving U.S. forces from Iraq, as these groups publicly pledged to do time and time again. Over the course of this year, the three primary Shia extremist groups have largely gone to ground—although we must retain a vigilant eye on their activities. Iran's influence is now primarily economic and political; and this is where we must focus our efforts to push back: through active political engagement, strengthening our economic and commercial ties with Iraq (including private sector engagement), and deepening our permanent ties—in education, defense, culture, commerce—under the Strategic Framework Agreement.

- (b) How has Iraq recently exhibited its natural independence against influence from Iran? What can we do to help support that "natural independence"?

Answer. I have been involved in a number of conversations with Iraqi leaders to push back against nefarious Iranian influence. Last summer, when U.S. troops were coming under fire from Iranian-backed extremist groups, Embassy Baghdad pushed for Iraqi Security Forces to move into Maysan province to protect our people and detain those responsible. The Iraqi security forces did and the attacks nearly ceased. Iraqi leaders have also sought to ensure a growing supply of oil to international markets which is not in Iran's interest. The Shia religious leadership in Najaf professes a vision of Shia Islam that undercuts the legitimacy of the Iranian regime. And, of course, Iraqi security forces (with our help) defeated Iranian-backed militia groups that had been controlling much of Basrah in the spring of 2008. This was a major turning point in Iraq's trajectory. Furthermore, as I noted in my testimony, "The vast majority of Iraqis seek to live in a globally integrated nation, whereas Iran seeks to further isolate Iraq from the world. It is between these competing visions—an Iraq that is globally integrated versus an Iraq that is isolated and dependent on Iran—that the United States retains substantial advantage and influence." Our vision for Iraq is one that most Iraqis share and it is codified in the Strategic Framework Agreement.

Having stronger, effective government institutions will also support Iraq's ability to withstand Iranian political influence. We continue to support the development of democratic institutions in Iraq that serve the will and needs of the Iraqi people. In addition, developing stronger ties with other neighbors and the larger Middle East region will temper Iraqi ties to Iran. We are urging all of the regional players to engage directly with the Iraqi Government. Iraq's hosting of the Arab League summit in Baghdad was a significant and positive step in Iraq's integration into the region. Iraq is resolving longstanding issues with Kuwait and also building political ties as well as exploring economic/energy cooperation with other GCC states and Jordan. Finally, encouraging military-to-military engagements between Iraq and GCC states will be one of my top priorities at the Embassy, if confirmed.

*Question.* Iraq has unique concerns with respect to the unrest in Syria. The ongoing violence and apparent failure of Annan's peace plan has increased calls for greater regional efforts to remove Assad from power and support a democratic transition in Syria.

- What do you make of the Iraqi relationship with Syria and how will you use your position to urge the Iraqi Government to play a more constructive role bilaterally and through the Arab League to bring about a democratic transition in Syria?

Answer. The Iraqi Government follows a general foreign policy of nonintervention in the affairs of neighboring countries. When it comes to Syria, however, Iraq has a mixed record. In August 2009, the Iraqi Government blamed Syria for a series of bombings and sought Arab League and U.N. Security Council assistance for an investigation. More recently, the Iraqi Government has acted hesitantly to unfolding events in Syria. After at first retaining a neutral stance, the Iraqi Government has more recently said publicly that the Syrian President's dictatorship must come to an end and that the days of one party rule in Syria are over. On June 2, Iraq joined the Arab League in its most recent condemnation of the Syrian Government's continued violence against civilians, including the massacre in Houla. Iraq's concern re-

garding the situation in Syria is driven by fear among Iraqi leaders that a sudden collapse of the Assad regime could lead to a sectarian upheaval that could spill over Iraq's western border. The United States will continue to urge Iraq to call for the immediate departure of Assad, and to support a political solution to the crisis in Syria, as outlined by U.N.-Arab League Joint Special Envoy Annan's six point plan and UNSCRs 2042 and 2043.

As for what I can do from Baghdad: if confirmed, I will (1) remain constantly engaged with U.S. ambassadors in regional capitals and the Iraq and Syria policy teams at the State Department and (2) ensure the Syria situation is assessed and approached multidimensionally within Iraq. It will be essential to seize opportunities where they exist and to ensure that the Iraqi Government both adheres to its Security Council obligations and remains within the Arab League consensus on the Syria situation. As I stated in my testimony, all Iraqis must know that "U.S. policy is firm: Bashar al-Assad must go. The longer he remains, the greater the threat to the Syrian people and to the region, and to Iraq."

*Question.* Despite efforts to expedite processing of Special Immigrant Visas (SIV) for Iraqis who assisted the United States Government during the war, there continues to be a significant backlog of visas. In the meantime, applicants are under threat and some have been killed for their work with U.S. forces.

- (a) How many cases of SIV principal applicants are currently in the pipeline? How many principal applicants have been granted SIVs since the beginning of 2012?

Answer. As I noted in my testimony, addressing the delays in security vetting of Iraqi SIV applications is an issue I take personally. I have known Iraqis who lost their lives after cooperating with us and others who have either resettled in the United States or never had an application processed. It is my understanding that in recent months, the United States has streamlined the application process to conform with existing laws and ensure reasonable security checks while also eliminating redundant requirements and accepting electronic submissions wherever possible. We are seeing some progress in eliminating the backlog of Iraqi SIV cases pending security screening. As of June 6, there were 1,388 Iraqi SIVs applicants whose visas were pending security clearances. Over the first half of this year, the State Department issued more SIVs to Iraqis than during all of FY 2011. In FY 2011, the Department issued 706 SIVs to Iraqi citizens. By the end of March 2012, the Department already had issued 865 SIVs to Iraqis. During April and May 2012 alone, the Department issued an additional 1,733 SIVs to Iraqis, based on preliminary data. If confirmed, I pledge my utmost efforts to ensure that the Embassy is appropriately staffed to efficiently process SIV applications, and to ensure as much as possible that Iraqis who have worked with us and wish to resettle in the United States undergo a fair process with reasonable security checks.

- (b) How many cases are pending for applicants through the direct access visa process? How many direct access visas have been granted since the beginning of 2012?

Answer. Approximately 40,000 Iraqis have pending applications for the direct access in-country refugee resettlement program in Iraq. Of that number, more than 25,000 Iraqis are pending case prescreening and their required in-person interviews with the Department of Homeland Security. Since FY 2007, we have admitted more than 8,200 direct-access Iraqi applicants to the United States from Iraq. Of that number, we admitted more than 530 from Iraq in FY 2012. If confirmed, I will ensure close cooperation from the Embassy and through the interagency to process these cases as rapidly as possible while maintaining reasonable security checks. It will be a priority to ensure that Iraqis who worked with us feel welcomed not only at the U.S. Embassy in their capital city but also in the United States.

- (c) What is your plan to recognize the bravery of these individuals by further expediting this backlog of applicants?

Answer. The SIV program was implemented in Iraq as a means to both recognize and provide protection for those Iraqis who risked their lives, and the lives of their families, to further U.S. goals in Iraq. The best solution for helping those in danger awaiting SIV and refugee processing is continued swift processing of their applications, including the security vetting process. Ensuring the success of these programs will be a top priority, if confirmed. As I stated in my written testimony: "Iraqis who risked their lives to work with us should feel welcomed, even as we uphold essential security checks."

RESPONSES OF SUSAN MARSH ELLIOTT TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* Section 620M of the Foreign Assistance Act of 1961 imposes restrictions on assistance to any unit of a foreign country's security forces for which there is credible evidence that the unit has committed gross violations of human rights. U.S. embassies are heavily involved in ensuring compliance with this requirement.

- If confirmed, what steps will you take to ensure that the Embassy effectively implements section 620M?
- In particular, what actions will you take to ensure, in a case in which there is credible evidence that a gross violation of human rights has been committed, that assistance will not be provided to units that committed the violation?
- What steps will you take to ensure that the Embassy has a robust capacity to gather and evaluate evidence regarding possible gross violations of human rights by units of security forces?

*Answer.* Urging the Government of Tajikistan to improve its human rights performance will be one of my top priorities, if confirmed as Ambassador to Tajikistan. Embassy Dushanbe already routinely conducts Leahy vetting in accordance with the requirements of section 620M of the Foreign Assistance Act of 1961. Still, given the importance of human rights monitoring, I would lead a review of our Leahy vetting procedures to ensure we are conducting these reviews based on the most complete information. Such efforts could include leveraging the growing reach of the Internet; maintaining steady contact with activists, NGOs, journalists, and others; increasing outreach to local police and government contacts; and encouraging victims and their families to come forward. If confirmed, I will continue our coordinated work with the Bureau of Democracy, Human Rights, and Labor in Washington and maintain use of the International Vetting and Security Tracking (INVEST) system to maximize the breadth and depth of our vetting activities.

I cannot speculate broadly on hypothetical cases of gross violations of human rights, as each case is unique, but I can pledge to follow U.S. law: If our coordinated vetting processes reveals credible information that a member or unit of the security forces is responsible for gross violations of human rights, the Embassy will prohibit that unit or individual from receiving assistance. We will use the tools at our disposal, including end use monitoring and our bilateral security agreements, to ensure U.S. assistance is never provided to those committing such violations.

*Question.* Does Russia have plans to redeploy its troops to the Tajikistan-Afghanistan border following NATO's post-2014 withdrawal from Afghanistan? If so, what implications does that have for U.S. policy in the region? Would the United States support such a Russian deployment?

*Answer.* I cannot speak to Russia's long-term intentions with regard to border guard deployments on the border between Tajikistan and Afghanistan following NATO's withdrawal from Afghanistan. It is conceivable that Russia may desire to redeploy troops to the border given Russian concerns over the large volume of Afghan origin narcotics that transit Tajikistan en route to Russia. Russia has had a Border Advisory Group in Tajikistan ever since their main forces left in 2005, but neither country characterized these advisers as "troops."

Any potential deployment must take into account the sensitivities of Tajikistan. On a number of occasions in the past, Tajikistan has refused to permit Russian troops along the border. While I cannot speculate on the potential U.S. reaction to Russian deployments, we fully respect Tajikistan's sovereign right to determine the best course forward on foreign policy matters.

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RESPONSE OF SUSAN MARSH ELLIOTT TO QUESTION SUBMITTED  
BY SENATOR ROBERT P. CASEY, JR.

*Question.* While U.S. operations in Afghanistan continue, we must rely on close cooperation with Tajikistan in order to manage the flow of goods and people in and out of Afghanistan. However, we must balance this strategic imperative with our serious concerns about human rights in the country, including the repression of media freedom and political opposition and restrictions on the rights of women and ethnic and religious minorities.

- How are we pushing the Government of Tajikistan to rectify these abuses? Are discussions of human rights with Tajik officials effective in producing positive change? If not, what else could we be doing?

*Answer.* Promoting and protecting freedom of the press, the rights of women, religious and ethnic minorities is an integral part of our engagement with the Govern-

ment of Tajikistan. We consistently raise these and other human rights issues with all levels of the government.

In May 2012, Assistant Secretary Robert O. Blake, Jr., hosted the third round of U.S.-Tajikistan Annual Bilateral Consultations (ABC), which served as a vehicle to frankly discuss our wide range of bilateral issues. Our delegations to the ABCs regularly include representatives of the Department of State's Bureau of Democracy, Human Rights and Labor, Office of Central Asian Affairs, and Office of International Religious Freedom, the Office of Central Asia in the Office of the Secretary of Defense, and the U.S. Agency for International Development. In addition to meetings with officials of the Government of Tajikistan, when in-country, Assistant Secretary Blake and I regularly meet with civil society, including human rights, business, and political leaders to discuss these issues.

The goal of the ABCs is to increase the level of our engagement. We see opportunities for progress in all areas of our dialogue over the coming year, including strengthening respect for human rights and religious freedom, promoting democratic governance, and enhancing the rule of law. In our interactions with the Government and people of Tajikistan, we seek to ensure Tajikistan continues to be a stable country with secure borders and an improving economic climate.

When Secretary Clinton visited Tajikistan, she stressed the importance for the governments and leaders to provide the space necessary for citizens to have a voice in their government, to pursue their aspirations, and promote their ideas. If confirmed, I will work hard to convey to the Government of Tajikistan the importance of an open, democratic, tolerant society which can provide a firm foundation for a secure, stable, and prosperous nation.

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RESPONSE OF SUSAN MARSH ELLIOTT TO QUESTION SUBMITTED  
BY SENATOR BENJAMIN L. CARDIN

*Question.* Does the Tajik Government respect human rights, in your view? Has trafficking in persons decreased? Are there political prisoners in Tajikistan? How should the United States address human rights problems in Tajikistan?

*Answer.* The Government of Tajikistan has a great deal of work to do on the human rights front but their engagement on this issue has recently increased. The most significant human rights problems included torture and abuse of detainees, restrictions on freedoms of expression and religion (especially regarding the prosecution of journalists and repression of faith groups), and violence and discrimination against women. We continue to remind Government officials that a free and open exchange with the public is in the government's interest and a sign of a modern state.

During the 2011 Trafficking in Persons reporting period, encompassing the 2010 cotton harvest, the Government of Tajikistan took strong measures to prevent forced child labor in the cotton harvest, including disseminating widely a directive that ordered the enforcement of existing prohibitions against forced labor and accrediting and assisting NGOs to monitor the cotton harvest. These actions in part resulted in Tajikistan's upgrade from Tier Two Watch List to Tier Two in the 2011 (and most recent) TIP Report. During the last cotton harvest, the government continued these efforts, fulfilling the first recommendations in the 2011 TIP Report.

We have repeatedly recommended that the Government of Tajikistan vigorously investigate and prosecute suspected trafficking offenses, especially those involving forced labor, and convict and punish trafficking offenders, including local officials who force individuals to participate in the cotton harvest. We also raise frequently the need for the Government of Tajikistan to continue to educate school administrators and teachers about Tajik laws against forced labor of children.

On the issue of political prisoners, according to the State Department's 2011 Human Rights Report, Tajik authorities claimed that there were no political prisoners and that they did not make any politically motivated arrests. Opposition parties and local observers claimed, however, that the government selectively prosecuted political opponents. Due to lack of transparency there is no reliable estimate of the number of political prisoners.

Promoting and protecting basic freedom is a key USG interest. In May 2012, I participated in the third U.S.-Tajikistan Annual Bilateral Consultations, hosted by Assistant Secretary for South and Central Asia Robert O. Blake, Jr., which served as an additional vehicle to frankly discuss the wide range of bilateral issues—including human rights. During the discussions, we expressed concern about restrictions on religious freedom such as the Parental Responsibility Law and reiterated continued need for the Government of Tajikistan to improve its human rights record. At the ABC and in other settings, we encourage the Government of

Tajikistan to explore ways to combat violent extremism through the promotion of human rights—including religious freedom—in Tajikistan.

I can assure you that I will continue to raise these issues as a top priority in Tajikistan, if I am confirmed as Ambassador.

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RESPONSES OF SUSAN MARSH ELLIOTT TO QUESTIONS SUBMITTED  
BY SENATOR MARCO RUBIO

*Question.* (1) According to the State Department's 2011 Trafficking in Persons Report, Tajikistan is a Tier 2 country for human trafficking. Tajikistan serves as a source country for sexual exploitation and forced labor. The annual cotton harvest has been a concerning event where numerous instances of forced labor of children occurs.

- If confirmed, what is your strategy to combat the use of forced labor during the annual cotton harvest?

(2) There have been reports where school aged children were forced to pick cotton during the harvest but government officials did not prosecute the teachers and farmers involved.

- If confirmed, how do you plan on addressing the issue of enforcement of antihuman trafficking laws, particularly in cases of forced labor during the cotton harvest?

*Answer.* During the 2011 Trafficking in Persons reporting period, encompassing the 2010 and 2011 cotton harvests, the Government of Tajikistan took strong measures to prevent forced child labor in the cotton harvest, including disseminating widely a directive that ordered the enforcement of existing prohibitions against forced labor and accrediting and assisting NGOs to monitor the cotton harvest. These actions in part resulted in Tajikistan's upgrade from Tier Two Watch List to Tier Two. During the last cotton harvest, the government continued these efforts, fulfilling the first recommendations in the 2011 TIP Report. The International Organization on Migration's (IOM) 2012 "Report on the 2011 Tajik Cotton Harvest," which was released in March 2012 and funded by the Department of State's International Narcotics and Law Enforcement Bureau, noted that the Tajik Government took action on reported cases of forced child labor during the cotton harvest.

We have repeatedly recommended that the Government of Tajikistan vigorously investigate and prosecute suspected trafficking offenses, especially those involving forced labor, and convict and punish trafficking offenders, including local officials who force individuals to participate in the cotton harvest. We also raise frequently the need for the Government of Tajikistan to continue to educate school administrators and teachers about Tajik laws against forced labor of children.

If confirmed, I will vigorously raise with the Government of Tajikistan the issue of enforcement of antihuman trafficking laws, particularly in cases of forced labor during the cotton harvest. Also, I will follow closely our assistance in this area to ensure that it is achieving the intended results.

**NOMINATIONS OF RICHARD MORNINGSTAR,  
TIMOTHY BROAS, AND JAY ANANIA**

**WEDNESDAY, JUNE 13, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

Hon. Richard L. Morningstar, of Massachusetts, to be Ambassador  
to the Republic of Azerbaijan  
Timothy M. Broas, of Maryland, to be Ambassador to the Kingdom  
of the Netherlands  
Jay Nicholas Anania, of Maryland, to be Ambassador to the Republic  
of Suriname

The committee met, pursuant to notice, at 2:49 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Jeanne Shaheen, presiding.

Present: Senators Kerry, Shaheen, Menendez, Cardin, Lugar, and Barrasso.

The CHAIRMAN. The hearing will come to order. I am going to exercise the prerogative of being the Chair with the ranking member's consent and start the hearing, even though I have asked Senator Shaheen, who is now here, to chair the hearing. And what I will do is recognize Senator Shaheen to formally open the proceedings, and then we will go from there.

Senator SHAHEEN [presiding]. Well, thank you, Mr. Chairman. Since it is your committee, you can start whenever you are ready, and I appreciate that and apologize for being late.

We are here today to consider the nominations of Richard Morningstar to be United States Ambassador to Azerbaijan, Mr. Timothy Broad to be the United States Ambassador to the Netherlands, and Mr. Jay Nicholas Anania to be the United States Ambassador to the Republic of Suriname.

And, Mr. Chairman, I do not know if you would like to go ahead and do the introductions, and then I have an opening statement since I know you have to go on.

**OPENING STATEMENT OF HON. JOHN F. KERRY,  
U.S. SENATOR FROM MASSACHUSETTS**

The CHAIRMAN. I appreciate that. I have to go on to another meeting and appreciate that enormously.

First of all, thank you for letting me say a few words and for chairing this. I really appreciate it. And I am very pleased that the

President has nominated such strong candidates to serve as Ambassador to Azerbaijan, the Netherlands, and Suriname.

Jay Anania has served as a career Foreign Service officer, which we always welcome here, to take on chief of mission roles. He served in a variety of important and challenging posts, most recently at our Embassy in Baghdad. And he is a highly qualified nominee, and I know he is going to be an excellent Ambassador in Suriname. We look forward to confirming you.

Tim Broas comes to us from a long and very distinguished career in the private practice of law. For the last 3 years, various legal associations have listed him as one of the best lawyers in America, and some even have given him the super lawyer's award. No doubt this experience will be put to good use as he takes the post in The Hague because the Dutch proudly refer to themselves as the international legal capital of the world. We are very fortunate that he has agreed to serve on behalf of our country.

I have known Tim for many years, and I can tell you that he is as decent and humble as he is passionate about serving his country. He embodies not just the accomplishments to which every American should aspire, but he is a living example of the kind of compassion and strength that we expect from our Nation's diplomats.

I will say on a personal note I know he is a quintessential family man. This September he will celebrate his 27th wedding anniversary with his wife, Julie, herself an accomplished lawyer. And together they have raised three extraordinary children: Emily, Allison, and Mattie, who are here today with him. I got to know Emily when she was an intern in my Washington office and during her years at Dartmouth College. It is a testament to things unseen that Emily is still here with us today. As a freshman when many of the rest of the freshman classes were agonizing over what courses to take or clubs to join, she was diagnosed with leukemia, and anyone who knows her will understand that she is a fighter. Through courage, grit, and sheer determination she stared down adversity and keep her dreams afloat. And Tim never let go during that process. He was there every step of the way with compassion and grace and a unique sense of humor that is always leavening in those stressful moments.

Tim and I share a mutual appreciation for Bruce Springsteen. Back in 2004 when my Presidential campaign was in full swing, "the Boss," who campaigned with me, wrote an op-ed that I think sums what is best about Tim. This may be the first confirmation hearing at which "the Boss" is quoted on behalf of the nominee, he wrote, "It's through the truthful exercise of the best of human qualities, respect for others, honesty about ourselves, faith in our ideals, that we come to life in God's eyes. It is how our soul as a nation and as individuals is revealed."

So I can tell you that in him I think the President has nominated a man of the highest integrity who will represent this Nation with honesty, with respect for other people, and an unwavering faith in our ideals.

Finally, I am delighted to introduce an old friend from Massachusetts, Richard Morningstar, to serve as our Ambassador to Azerbaijan. I have known Dick Morningstar since I entered politics

in Massachusetts, and I have worked with him now for decades. Many times he has answered the call to serve our country in various posts, and he is now doing so once again in a post where I believe our country, and the President need his skills far more than he needs the job. He will bring the right intelligence, commitment, and broad experience, including profound regional experience to this task.

Ambassador Morningstar currently serves as special envoy for Eurasian energy at the State Department, where he has worked tirelessly and with great skill to enhance Europe's energy security and assist the Caspian and Central Asian countries to find new routes to the market. It is a position of strategic importance to the United States, and it is the kind of position that Dick has excelled in.

In the interest of time, I am not going to detail his long list of previous accomplishments, but I will say for the record that he has served as Ambassador to the European Union, a Special Advisor to the President and Secretary of State for Caspian Basin energy diplomacy, Ambassador and Special Advisor to the President and Secretary of State for the newly independent states of the former Soviet Union, and, above all, he had the good sense to be born and educated in Massachusetts.

It is a pleasure to welcome him here today. And I understand that his wife, Faith, and his daughter, Jill, and son-in-law, Al Fitzpayne, are also in attendance. So we welcome all them here this afternoon. And a quick shout out to Dick's son, Tim, and his wife, Liz, who also did a terrific job of helping me back in 2004.

Before I wrap up, I just want to underscore that really no issue may be more important to us than stability in the south Caucasus than a lasting and peaceful resolution to the Nagorno-Karabakh conflict. And as cochair of the OSCE Minsk Group, the United States is committed to a comprehensive peace settlement that is going to require sustained engagement and political will. And I know Secretary Clinton's recent travel to the region underscores our determination to move forward on this issue.

So, Ambassador Morningstar, your nomination could not be more timely, and I want to say personally that I am grateful for your continued dedication to public service, and grateful for your friendship and support.

I urge my colleagues to support all three of these nominees and hope we can move them as expeditiously as possible. Thank you, Madam Chairman, very much.

Senator SHAHEEN. Thank you very much, Senator Kerry. We very much appreciate the fact that you are able to be here at the start of this hearing. And I also want to recognize Ranking Member Lugar, who is the ranking member on the full committee, and thank him for being here as well. Would you like to make any kind of a statement following the Chair?

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,  
U.S. SENATOR FROM INDIANA**

Senator LUGAR. My statement would simply be that I am delighted with the remarkable quality of the candidates that are in front of us today. I have had the special privilege to work with

Ambassador Morningstar and look forward to his testimony. And we will have questions for him in due course.

We are grateful to all three of you for coming to our hearing and for your public service.

Senator SHAHEEN. Thank you very much, Senator Lugar.

I have a very brief statement that I will make before turning it over to the ranking member of this subcommittee, Senator Barrasso, for his statement before we finally turn it over to you all. So you have a brief reprieve before we begin asking you questions.

**OPENING STATEMENT OF HON. JEANNE SHAHEEN,  
U.S. SENATOR FROM NEW HAMPSHIRE**

Senator SHAHEEN. I want to start by congratulating each of you on your nominations. We all thank you for taking on these very important jobs and look forward to hearing from you this afternoon.

I also want to just make sure that you take the opportunity, if you would like, to introduce any family or friends that you have here with you. I see a big crowd, so that says to me you must have lots of people who care about you and this nomination here with you. So feel free to do that. We ask a lot of our diplomats and their families, and we know that service abroad is sometimes very challenging, and it is very important to have the support of your families.

First on the agenda today, the committee will examine our relationship with Azerbaijan, a critical partner for the United States in the strategically vital Caspian region. This year marks the 20th anniversary of diplomatic relations between the United States and Azerbaijan.

Azerbaijan is currently a U.N. Security Council member, and, as such, recently attended the NATO summit in Chicago. It has made important contributions as a NATO partner for peace country in Iraq, in Kosovo, and in Afghanistan. And today it remains a key point for the transport of troops and supplies into and out of Afghanistan. And, of course, as Senator Kerry mentioned earlier, it has massive energy supplies. Azerbaijan is also a crucial component of the Southern Corridor with those energy supplies to bolster our energy security in Europe.

Human rights remain a concern in Azerbaijan, and I was pleased to see that this was a point that Secretary Clinton made when she visited there recently. It was also encouraging to see a prominent opposition activist who was released from prison prior to the Secretary's visit. And I hope that others who are being detained there for simply expressing their views will be released soon as well.

Unfortunately, violence has once again flared up over the conflict in Nagorno-Karabakh in recent weeks. I am concerned about the escalating tension in this region and call on all sides to peacefully resolve the dispute and comply with the 1994 cease-fire agreement. There is no military solution to this conflict, and continued violence could be a disaster for both sides. Diplomacy, under the auspices of the Minsk Group, will be key to any peaceful and sustainable resolution that turns the page on the violence of the past.

Our second nominee and the second issue that we will consider this afternoon is United States policies with respect to the Netherlands. And I understand that there are some representatives here

from the Dutch Embassy. We do apologize for the timing of the hearing because it is coming in a direct conflict with the soccer championship game against Germany, so we are impressed that you are here. And, Mr. Broas, we are going to have to ask you about this game before this hearing ends.

But as a founding member of NATO and a strong member of the European Union, the Netherlands is obviously a critical and important ally that shares wide-ranging interests and values with the United States. Dutch troops have been very valuable contributors to the engagement in Afghanistan where they fought in some of the toughest southern provinces of that country. Today Dutch troops provide support to the police training programs that are run by the EU and NATO, and they are one of the strong active participants in the joint development of the F-35 fighter program. And they were the first non-U.S. NATO ally to offer a contribution for the European phased adaptive approach missile defense plan.

Netherlands, like so much of Europe, has been hit hard by the global downturn and the ongoing debt crisis in Europe. And as a member of the eurozone and one of the few AAA credit rating countries left in Europe, the Dutch will need to play an important role in working toward a resolution in Europe that addresses both debt and growth throughout the continent.

Finally today we will be assessing U.S. relations with the Republic of Suriname, a young South American country which gained its independence from the Netherlands in 1975. Suriname is a constitutional democracy with two decades of continuous democratically elected civilian governments. With an economy dominated by mineral and energy deposits, a number of U.S. mining companies have a strong presence and an interest in the country.

Perhaps one of the biggest challenges for the United States and Suriname remains drug trafficking. The country is a transit point for cocaine and other illegal narcotics, and the United States will need to deepen relations with Suriname if we are to curb illicit trafficking and strengthen rule of law in this region of the world.

I will not do any more to introduce our three nominees as Senator Kerry did that very eloquently. So I will now call on Senator Barrasso for his opening remarks.

**OPENING STATEMENT OF HON. JOHN BARRASSO,  
U.S. SENATOR FROM WYOMING**

Senator BARRASSO. Well, thank you very much, Madam Chairman, and I would like to also congratulate each of the nominees who are before us today. These are very important nominations for our country and for our future. Each of these positions is important to fostering vital relationships and promoting U.S. national interests. There are some real challenges ahead. It is important that the United States continue to be a strong leader across the globe.

Should you represent our Nation as a U.S. ambassador, it is important for each of you to provide strong stewardship of American taxpayer dollars, demonstrate professionalism, and good judgment, and vigorously advocate for the priorities of the United States. So I look forward, Madam Chairman, to hearing the goals from each of these individuals with regard to the countries that they will be

moving to, and for whom they will be representing the United States, and then all of your plans for achieving those goals.

So I join you, Madam Chairman, in congratulating each of you on your nomination, and would like to extend, as you did, a warm welcome to all of the families, and congratulate them as well.

Senator SHAHEEN. Thank you very much. I will ask each of you to give us your testimony before we open it up for questions. And we will start with Ambassador Morningstar and just go right down the table. So, Ambassador.

**STATEMENT OF HON. RICHARD L. MORNINGSTAR, OF MASSACHUSETTS, TO BE AMBASSADOR TO THE REPUBLIC OF AZERBAIJAN**

Ambassador MORNINGSTAR. Thank you very much, Madam Chairman, and thank you for your comments, with which I fully, fully agree. And also thank you to the other distinguished members of the committee for the privilege of appearing before you today as President Obama's nominee as the United States Ambassador to Azerbaijan. I am grateful for the opportunity to testify.

I would like to particularly thank Senator Kerry and Senator Lugar for their very kind comments. And, Senator Lugar, I truly appreciate your support over the years. And I think that even going back to the 1990s when we were working on the Baku-Tbilisi-Ceyhan pipeline, that our policy in the Caspian and in the Caucasus region has been truly bipartisan. And because of that, I think we have been able to achieve a lot over the years.

I am also humbled by the confidence that the President and Secretary Clinton have placed in me, and if confirmed I look forward to working with this committee, other Members of Congress, and your staffs to advance the interests of the United States in Azerbaijan.

I would like to briefly introduce my wife, Faith, who has been such a strong support during all of my government wanderings—and my daughter, Jill, who actually has served very capably as the recipient of my wife's vents during all of my government wanderings, and my son-in-law, Al Fitzpayne, whom some of you may know well because he is now the Assistant Secretary for Legislative Affairs at the Treasury Department. And also our three oldest friends are here today, and that is Sally Fowler, Dr. Jay Kaufman and Susie Kaufman. And we are certainly glad that they are here as well.

Long before my current position as the Secretary's Special Envoy for Eurasian Energy, and before my appointment as the United States Ambassador to the European Union, I served as special advisor to the President and Secretary of State for assistance to what were then called the newly independent states of the former Soviet Union. One of the primary goals during that time was the stabilization and development of the entire south Caucasus region, a goal that we continue to pursue today.

I have vivid memories during the 1990s of working through my office to supply fuel oil and wheat to Georgia and Armenia to help them through some very difficult winters. And over the years, I have made several trips to all three Caucasus countries.

This year, the United States and Azerbaijan celebrated the 20th anniversary of the establishment of our diplomatic relationship. This milestone is an opportunity to take stock of how far we have come in the three core areas of importance to the relationship: security, which also includes the Nagorno-Karabakh situation, energy and other economic issues, and democratic and economic reform.

The United States has long recognized Azerbaijan as a stalwart partner on international security. Following the attacks of September 11, 2001, then Azerbaijani President Heydar Aliyev was among the first to extend a hand of support in our time of need and to offer close cooperation in our efforts to combat terrorism. That cooperation continues to this day. American and Azerbaijani soldiers have served together in Kosovo and Iraq, and they now serve together in Afghanistan. Azerbaijan has shown a continued commitment to the allied effort in Afghanistan, including its vital role as a transportation route in the Northern Distribution Network for supporting NATO's operations in Afghanistan.

The United States and Azerbaijan have also enjoyed 20 years of cooperation on energy security, as has already been mentioned. The Baku-Tbilisi-Ceyhan pipeline, which I worked on in the past, and the development today of the Southern Corridor for gas, represent powerful symbols of Azerbaijan's pursuit of closer Euro-Atlantic integration and global commitment to energy security, a key part of our strategy to diversify energy routes and sources for European markets.

But Azerbaijan's integration into the West can and must expand well beyond pipelines. The United States must also continue to work with Azerbaijan on advancing democratic and economic reforms, including promoting respect for the rule of law, transparency, and fundamental freedoms. There is no question that Azerbaijan is located in a tough neighborhood, facing real pressures. However, democratic reforms are essential to Azerbaijan's long-term security and prosperity. It is in Azerbaijan's own interest to undertake these reforms, both to ensure long-term stability and to unleash the full potential of its people. As Azerbaijan advances along this path, our bilateral relationship will become even stronger.

As Madam Chairman has said, the Secretary of State last week, while in Baku, made a strong statement affirming our commitment to working with Azerbaijan to advance respect for human rights and fundamental freedoms, and how important those issues are. And if confirmed, I will do everything in my power to help Azerbaijan succeed in developing as a strong, independent, and modern democracy.

To achieve a more secure and prosperous future for the region, there is no higher priority for the United States than the peaceful settlement of the Nagorno-Karabakh conflict. As a cochair of the OSCE Minsk Group, the United States continues to assist the sides to achieve a peaceful, lasting, negotiated settlement of the conflict based on the principles of the Helsinki Final Act, including the nonuse of force or threat of force, territorial integrity, and the equal rights and self-determination of peoples. If confirmed, I will support the administration's commitment at the highest levels to

achieve this goal. I will also support the efforts of the U.S. cochair, Ambassador Robert Bradtke, as we work closely with the sides to reach a settlement. Only a negotiated settlement can lead to long-term peace and stability in the region.

Finally, Madam Chairman, our wide range of shared interests intersects with many of the United States highest foreign policy priorities, but there is still much that we can do to bring our governments, our societies, and our people even closer together.

Madam Chairman, thank you very much for considering my nomination, and I look forward to getting into a lot more detail on the questions.

[The prepared statement of Ambassador Morningstar follows:]

PREPARED STATEMENT OF RICHARD MORNINGSTAR

Thank you, Madam Chairman, and distinguished members of the committee, for the privilege of appearing before you today as President Obama's nominee to be the next United States Ambassador to Azerbaijan. I am grateful for the opportunity to testify this afternoon, and I am humbled by the confidence that President Obama and Secretary Clinton have placed in me. If confirmed, I look forward to working with this committee, other Members of Congress, and your staffs to advance the interests of the United States in Azerbaijan.

I would like to introduce my wife, Faith, who has joined me here today, along with my daughter, Jill Morningstar, and son-in-law, Al Fitzpayne.

Long before my current position as the Secretary's Special Envoy for Eurasian Energy, and before my appointment as U.S. Ambassador to the European Union, I served as Special Advisor to the President and Secretary of State on Assistance for the Newly Independent States of the Former Soviet Union. One of the primary goals during that time was the stabilization and the development of the entire South Caucasus region—a goal that we continue to pursue today. I have vivid memories during the 1990s of working through my office to supply fuel oil and wheat to Georgia and Armenia to help them get through some difficult winters. Over the years, I made several trips to all three Caucasus countries.

The United States stands only to gain—and to reap benefits well into the future—from an Azerbaijan that is peaceful, democratic, prosperous, and strategically linked to the United States and our European allies. Azerbaijan has enormous potential.

This year, the United States and Azerbaijan celebrated the 20th anniversary of the establishment of our diplomatic relationship. This milestone is an opportunity not only to appreciate the depth of our cooperation, but also to take stock of how far we've come in the three core areas of importance to the relationship: security, energy, and democratic and economic reform. The administration believes we must intensify our cooperation in these areas and work together to resolve the ongoing challenges that the region continues to face.

The United States has long recognized Azerbaijan as a stalwart partner on international security. We remember that following the attacks of September 11, 2001, then-Azerbaijani President Heydar Aliyev was among the first to extend a hand of support in our time of need and to offer his country's close cooperation in our efforts to combat terrorism. That cooperation continues to this day. American and Azerbaijani soldiers have served together in Kosovo and Iraq, and they now serve together in Afghanistan. Azerbaijan has shown a sustained commitment to the allied effort in Afghanistan, including its vital role as a transportation route in the Northern Distribution Network for supporting NATO's operations in Afghanistan. Thousands of flights have crossed Azerbaijan's airspace en route to Afghanistan, and thousands of containers have departed Baku in support of the International Security Assistance Force. The United States works closely and productively with Azerbaijan on the U.N. Security Council, where this year Azerbaijan began its first-ever term as a nonpermanent member.

The United States and Azerbaijan have also enjoyed 20 years of cooperation on energy security. In my current position as Special Envoy for Eurasian Energy, I work closely with Azerbaijan. The Baku-Tbilisi-Ceyhan pipeline, which I worked on in the past, and the development today of the Southern Corridor for gas represent powerful symbols of Azerbaijan's pursuit of closer Euro-Atlantic integration and global commitment to energy security—a key part of our strategy to diversify energy routes and sources for European markets. If confirmed, I will continue to work with Azerbaijan to diversify its energy routes and bolster its critical energy infrastructure

protection. But Azerbaijan's integration with the West can and must span well beyond pipelines.

The United States must also continue work with Azerbaijan on advancing democratic and economic reforms, including promoting respect for the rule of law, transparency, and fundamental freedoms. There is no question that Azerbaijan is located in a tough neighborhood, facing real pressures. However, democratic reforms are essential to Azerbaijan's long-term security and prosperity. It is in Azerbaijan's own interest to undertake these reforms, both to ensure long-term stability and to unleash the full potential of its people. And as Azerbaijan advances along this path, our bilateral relationship will become even stronger. An independent judiciary, a free media, a vibrant civil society, political pluralism, competition through free and fair elections, and respect for fundamental freedoms are essential components of any democracy, and we need to work together to increase the pace of Azerbaijan's development in these areas. The Secretary of State last week, while in Baku, made a strong statement on these issues. If confirmed, I will do everything in my power to help Azerbaijan succeed in developing as a strong, independent, and modern democracy.

To achieve a more secure and prosperous future for the region, there is no higher immediate priority for the United States than the peaceful settlement of the Nagorno-Karabakh conflict. As a cochair of the OSCE Minsk Group, the United States continues to assist the sides to achieve a peaceful, lasting negotiated settlement of the conflict based on the principles of the Helsinki Final Act, including the Non-Use of Force or Threat of Force, Territorial Integrity, and the Equal Rights and Self-Determination of Peoples. If confirmed, I will support the administration's commitment, at the highest levels, to achieving this goal. I will also support the efforts of the U.S. cochair, Ambassador Robert Bradtke, as we work closely with the sides to reach a settlement. The President, Secretary of State, and Ambassador Bradtke have made major efforts to facilitate a settlement. We must continue these efforts. Only a negotiated settlement can lead to long-term peace and stability in the region.

Madam Chairman, if I am confirmed, I will have the great honor of advancing a relationship that has progressed, steadily and uninterrupted, for the 20 years since Azerbaijan declared its independence. Our wide range of shared interests intersects with many of the United States highest foreign policy priorities. But there is still much we can do to bring our governments, our societies, and our people even closer together.

Senator SHAHEEN. Thank you very much.  
Mr. Anania.

**STATEMENT OF JAY NICHOLAS ANANIA, OF MARYLAND, TO BE  
AMBASSADOR TO THE REPUBLIC OF SURINAME**

Mr. ANANIA. Madam Chairman and members of the committee, I am pleased to appear before you today. I am grateful for the confidence Secretary Clinton placed in me and deeply honored by President Obama's nomination to serve as United States Ambassador to the Republic of Suriname.

I am extremely pleased that my wife, Lourdes, and parents, Joan and Edward Anania, are with me here today. Lourdes and I have shared the challenges and pleasures of the Foreign Service since 1984, and we have served together during six overseas postings. I could not have reached this stage in my career without her love and support.

I would also like to recognize my mother, Joan, whose own foreign affairs career was cut short by the discriminatory policies that applied to women in the 1950s. Thankfully women no longer have to resign if they decide to marry. She first inspired me to consider a Foreign Service career.

My father, who was born and raised in Portsmouth, NH, also set a positive example of public service with his U.S. Army and Department of Defense civilian career.

While representing the United States abroad in such diverse places as Mexico, Jordan, Cuba, the United Arab Emirates, Ger-

many, Hong Kong, and currently in Iraq, I have drawn on my experience as an American to encourage people to see that working together helps make progress possible. Although countries cannot immediately change the legacy of centuries, a commitment to human rights, decency, and a shared future by all sectors of society, without regard to ethnicity or religion, can help a nation in its efforts to overcome legacies of the past.

If confirmed, I look forward to representing the United States in Suriname, one of the most ethnically and religiously diverse countries in the world. The ancestors of Suriname's people hail from various regions, including some where I have served, and their customs and religious beliefs reflect the world's diversity. If confirmed, I look forward to working with the many communities of this remarkable nation.

My first priority would be protecting the safety and welfare of Americans in Suriname, both private citizens and the official community. If confirmed, I will work with the Suriname Government to adopt policies and promote development that increases American investment and tourism between our two countries.

If confirmed, I also plan to work to strengthen democracy and transparency in government. Suriname has made real progress in the 21 years since the reestablishment of civilian rule, and in 2010, Suriname held its fifth consecutive free and fair national election. It is very much in the United States interests that Suriname remains a stable democratic partner, and if I am granted the opportunity to serve there, one of my highest priorities will be to advance that goal.

The United States, Suriname, and other nations in the region share a vital interest in protecting the rule of law. People cannot feel secure if they do not have a legal system they can count on. Close cooperation between duly constituted law enforcement institutions in both countries and strengthened law enforcement capabilities are important shared interests. Suriname has made progress in its battle to stop trafficking in persons, arms, and narcotics, and stands to benefit greatly from bilateral and regional assistance under several U.S.-sponsored programs, including the Caribbean Basin Security Initiative.

Under our CBSI partnership, Suriname will receive significant assistance to improve port security, provide technical training to its law enforcement officers, combat money laundering and financial crimes, and develop biometric screening measures for its ports of entry.

Suriname remains a key partner for the United States in our efforts to promote citizen security in the Caribbean. The administration is working with partner countries to protect the global environment, and to combat the dangers posed by pollution, and the risks of climate change. Some of the people of Suriname, heirs to a wonderful rain forest and other natural areas, see ecotourism as one way to demonstrate that these environments are worth protecting from destruction by clear cutting, or illegal logging, or mining. If confirmed, I will work hard with the Surinamese to help protect their wonderful natural environment, a goal I firmly believe is in both the interests of the United States and of the people of Suriname.

Suriname is a land of significant natural resources from bauxite and gold to untapped petroleum reserves. Free trade is a key part of the economic engine that drives progress and growth, and it is in our interest to increase our trade and economic ties with Suriname.

If confirmed, I look forward to representing the United States in Suriname, working with you, and your colleagues in Congress on behalf of the administration, while also working closely with the government and people of Suriname in a genuine spirit of cooperation and mutual respect.

I would be happy to answer any questions you might have. Thank you.

[The prepared statement of Mr. Anania follows:]

PREPARED STATEMENT OF JAY ANANIA

Madam Chairman and members of the committee, I am pleased to appear before you today. I am grateful for the confidence that Secretary Clinton has placed in me, and I am deeply honored by President Obama's nomination to serve as United States Ambassador to the Republic of Suriname.

I am extremely pleased that my wife, Lourdes, and parents, Joan and Edward, are with me here today. Lourdes and I have shared the challenges and pleasures of the Foreign Service since 1984, and we served together during six overseas postings. I could not have reached this stage in my career without her love and support. I would also like to recognize my mother, Joan, whose own foreign affairs career was cut short by the discriminatory policies that applied to women in the 1950s. Thankfully, this particular policy no longer exists, and women no longer have to resign from the Foreign Service if they decide to marry. She first inspired me to consider a Foreign Service career. My father also set a positive example of public service with his U.S. Army and Department of Defense civilian career.

While representing the United States abroad in such diverse places as Mexico, Jordan, Cuba, the United Arab Emirates, Germany, Hong Kong, and currently in Iraq, I have drawn on my experiences as an American to encourage people to see that working together helps make progress possible. Although countries cannot immediately change the legacy of centuries, a commitment to human rights, decency, and a shared future by all sectors of society without regard to ethnicity or religion can help a nation in its efforts to overcome legacies of the past.

If confirmed, I look forward to representing the United States in Suriname—one of the most ethnically and religiously diverse countries in the world. The ancestors of Suriname's people hail from various regions, including some where I have served, and their religious beliefs also reflect much of the world—Christianity, Hinduism, Islam, and the oldest continuous Jewish community in the Americas. If confirmed, I look forward to working with the many communities of this remarkable nation.

My first priority would be protecting the safety and welfare of Americans in Suriname—both private citizens and the official community. If confirmed, I will work with the Suriname Government to adopt policies and promote development that increases American investment and tourism between our two countries.

If confirmed, I also plan to work to strengthen democracy and transparency in government. Suriname has made real progress in the 21 years since the reestablishment of civilian rule, and in 2010 Suriname held its fifth consecutive free and fair national election. It is very much in the United States interest that Suriname remains a stable democratic partner, and if I am granted the opportunity to serve there, one of my highest priorities will be to advance that goal.

The United States, Suriname, and other nations in the region share a vital interest in protecting the rule of law. People cannot feel secure if they do not have a legal system they can count on. Close cooperation between duly constituted law enforcement in both countries, and strengthened law enforcement capabilities, are important shared interests. Suriname has made progress in its battle to stop trafficking in persons, arms, and narcotics. Suriname stands to benefit greatly from bilateral and regional assistance under several U.S.-sponsored programs, including the Caribbean Basin Security Initiative (CBSI)—a multiyear, multifaceted initiative that complements the Central American Regional Security Initiative and the Merida Initiative in Central America and Mexico. Under our CBSI partnership with Government of Suriname and other Caribbean neighbors, Suriname will receive significant assistance to improve port security, provide technical training to its law en-

forcement officers, combat money-laundering and financial crimes, and develop biometric screening measures for its ports of entry. Suriname remains a key partner for the United States in our efforts to promote citizen security in the Caribbean.

The administration is working to protect the global environment and to combat the dangers posed by pollution and the risks of climate change. An important part of this effort is working cooperatively with other countries around the world. Some of the people of Suriname, heirs to a wonderful rainforest and other natural areas, see eco-tourism as one way to demonstrate that these environments are worth protecting from destruction by clear-cutting or illegal logging or mining. If confirmed, I will work hard with the Surinamese to help protect their wonderful natural environment, a goal that I firmly believe is in both the interest of the United States and of the people of Suriname.

Suriname is a land of significant natural resources, from bauxite and gold to untapped petroleum reserves. Free trade is a key part of the economic engine that drives progress and growth, and it is in our interest to increase our trade and economic ties with Suriname.

If confirmed, I look forward to representing the United States in Suriname, working with you and your colleagues in Congress on behalf of the administration, while also working closely with the government and the people of Suriname in a genuine spirit of cooperation and mutual respect.

Senator SHAHEEN. Thank you, Mr. Anania. I am pleased to hear about your New Hampshire roots, too.

Mr. Broas.

**STATEMENT OF TIMOTHY M. BROAS, OF MARYLAND, TO BE  
AMBASSADOR TO THE KINGDOM OF THE NETHERLANDS**

Mr. BROAS. Madam Chairman, Ranking Member Barrasso, and distinguished members of the Senate Foreign Relations Committee, thank you for the privilege of appearing before you today. I am deeply grateful to President Obama and to Secretary Clinton for their support and confidence in nominating me to be U.S. Ambassador to the Kingdom of the Netherlands. If confirmed by the Senate, I pledge to devote all my energy to represent the United States to the best of my ability.

If you will permit me, I would like to introduce the members of my family who are here: my wife, Julie Broas, who is from Indiana and worked for Senator Lugar as an intern many years ago; my daughter, Emily Broas, who recently graduated from Dartmouth College; my daughter, Allison Broas, a senior at Boston College; and my daughter—my youngest daughter, Madeline Broas, fresh from her high school graduation this weekend, and bound for Hanover, NH, to follow in her sister's footsteps to Dartmouth. I am happy they could join me today. They have been patient, steadfast, and loving supporters of me throughout this process for which I am forever grateful.

I would also like to thank Senator Kerry for his kind words and his gracious introduction. He is right about the Springsteen connection, and it is something I will never live down, proudly.

Madam Chairman and fellow Senators, all of you know well of the United States long and strong relationship of the Netherlands. The United Provinces of the Netherlands was the second nation to officially recognize the United States when the Dutch Government accepted the credentials of U.S. Minister John Adams on April 19, 1782. Since then, the Netherlands has remained one of our oldest and most reliable diplomatic partners.

More recently, the Dutch have become one of our strongest economic and trade partners, as well as one of the world's most generous development and donor nations. They are our ninth-largest

trading partner and the third-largest foreign direct investor in the United States.

From 2000 through 2010, the Netherlands was the No. 1 destination in the world for U.S. direct investment, far ahead of Canada, Mexico, Singapore, and Japan. Clearly for a country barely the size of Rhode Island with only 16 million people, the Netherlands punches well above its weight. If I am confirmed, I will work tirelessly to maintain and improve our strong economic and trade relations with the Netherlands, consistent with the administration's goal to increase exports and create new jobs.

Our strong relations find harmony on many levels beyond the economic and diplomatic. The Netherlands works closely with the United States to promote security, stability, and justice throughout the world through military support and development aid, support of our strongest allies, and condemnation of our most threatening enemies, and hosting the international tribunals to litigate and resolve the world's most complex and difficult legal conflicts.

Indeed I had occasion to invoke the jurisdiction of the International Court of Justice in The Hague during my legal career on behalf of an American client seeking to recover property and funds confiscated in 1979 by the Iranian regime. That same Iranian regime is now threatening to upend worldwide peace and stability in an attempt to obtain nuclear weapons and threaten the security of its neighbors. The international community is united to impose sanctions on the Iranian Government, and our European partners are crucial to this effort. If confirmed, I will work tirelessly to ensure that our Dutch allies remain shoulder to shoulder with us as we strive to hold Iran to its international obligations.

The Netherlands has risen to the global security challenges of our time and join with the United States and other countries as an active contributor to international security missions. As Senator Shaheen said, the Netherlands contributes to the NATO mission in Afghanistan, and it currently provides the flagship for NATO's counterpiracy mission off the Horn of Africa. The Netherlands has also participated in the alliance's Libya mission. We remain thankful for Dutch commitment to these missions.

The United States and Netherlands are committed to combating terrorism and preventing violent extremism. The Dutch counterterrorism program, which they published in 2011, follows closely plans developed in the United States and the United Kingdom. The Dutch agree that we must never lower our vigilance against the grave threat of terrorism, and that it is important to work with at-risk populations to make sure that young people do not become alienated and susceptible to radicalism. If I am confirmed, I will use the Embassy's resources to reach out to key populations in the Netherlands along these lines.

The Netherlands and the United States also share a strong commitment to the political participation of women. The Netherlands supports President Obama's Presidential challenge on women's political and economic participation. If confirmed, I pledge to advance our collaboration with the Netherlands to promote women in politics and business.

The United States and the Netherlands also share an important commitment to green energy. If confirmed, I will build on the close

cooperation our Embassy has forged with the Netherlands on alternative energy and environmental sustainability.

Madam Chairman, I have spent over 30 years representing clients in a wide variety of complex criminal and civil disputes. While some involved only money and sums small and large, others involved my clients' liberty and freedom and often his or her livelihood. I have managed teams of lawyers, clients, and consultant on cases both large and small, all with the goal of reaching the most favorable result for my client. Along the way, I have encountered legal, factual, and managerial minefields of every possible type, some predictable and some from out of nowhere.

In all of these cases, I was called upon to make critical decisions and manage diverse personalities and points of view. If I am confirmed, I will draw upon this management experience when I assume leadership of the team at the Embassy in The Hague.

Let me close with a personal story. I am one of nine children born to the late William Broas and Anita St. Germain. My only regret here today is that neither of my parents is here to see their son appear before your committee to seek confirmation as an ambassador. They would have been very proud.

My father, of Dutch descent, served honorably in the Marines in the Pacific theater during World War II. My mother lived in Paris until her father, confronted like all French citizens by the Nazi invasion and occupation of France, put her, along with her mother and her five siblings, on a small boat to New York. She eventually met my father after the war, and one of the many things that bound them together was their profound love for the freedom they found in the United States.

The experience of my parents and the love they felt for and showered on this country left a lasting lesson with me. I always believed that if I ever had the chance to serve our country, I would do so whenever the call came. When President Obama asked me to be our next Ambassador to the Netherlands, the country of my father's ancestors, I could almost hear my parents echoing my affirmative reply. If I am confirmed, I will be guided at all times by the pride and love of country that my parents instilled in me from a young age.

Thank you for your time, and I look forward to answering any of your questions.

[The prepared statement of Mr. Broas follows:]

PREPARED STATEMENT OF TIMOTHY BROAS

Madam Chairman, Ranking Member Barrasso, and distinguished members of the Senate Foreign Relations Committee, thank you for the privilege of appearing before you today. I am deeply grateful to President Obama and Secretary Clinton for their support and confidence in nominating me to be United States Ambassador to the Kingdom of the Netherlands. If confirmed by the Senate, I pledge to devote all my energy to represent the United States to the best of my ability.

If you will permit me, I would like to introduce the members of my family who are here today. My wife, Julie Broas; my daughter, Emily Broas, who recently graduated from Dartmouth College; my daughter, Allison Broas, a senior at Boston College; and my youngest daughter, Madeline Broas, fresh from her high school graduation this past weekend and bound for Hanover, New Hampshire to follow her older sister's footsteps at Dartmouth. I am happy they could join me today. They have been patient, steadfast, and loving supporters of me throughout this process, for which I am forever grateful.

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The United States and the Netherlands also share a strong commitment to political participation of women. The Netherlands supports President Obama's Presidential Challenge on Women's Political and Economic Participation. If confirmed, I pledge to advance our collaboration with the Netherlands to promote women in politics and business.

Additionally, the United States and the Netherlands share an important commitment to green energy. If confirmed, I will build on the close cooperation our Embassy has forged with the Netherlands on alternative energy and environmental sustainability.

Madam Chairman, I have spent over 30 years representing clients in a wide variety of complex criminal and civil disputes. While some involved only money, in sums small and large, others involved my client's liberty and freedom and often his or her livelihood. I have managed teams of lawyers, clients, and consultants on cases both large and small—all with the goal of reaching the most favorable result for my client. Along the way I have encountered legal, factual, and managerial minefields of every possible type, some predictable and others from out of nowhere. In all of these cases I was called upon to make critical decisions and manage diverse personalities and points of view. If I am confirmed, I will draw upon this management experience when I assume leadership of the team at the Embassy in The Hague.

I have also had the pleasure of serving as a board member on a number of non-profit institutions, including Partners in Health and the Woodrow Wilson International Center for Scholars. If confirmed, I will draw upon these experiences in my work in the Netherlands, which is such an important partner in promoting democ-

racy, human rights, developmental aid, and economic growth around the world. The Netherlands understands, as does the United States, that military and diplomatic efforts are not the only tools for combating instability; development plays a very important role. If confirmed, I pledge to advance U.S.-Dutch cooperation on democratic development, from Belarus and Ukraine, to the Middle East, and North Africa.

Let me close with a personal story. I am one of nine children born to the late William Broas and Anita St. Germain. My only regret here today is that neither of my parents is here to see their son appear before your committee to seek confirmation as an ambassador. They would have been very proud. My father, fittingly of Dutch descent, served honorably in the Marines in the Pacific theatre during World War II. My mother lived in Paris, France, until her father, confronted like all French citizens by the Nazi invasion and occupation of France, put her—along with her mother and her siblings—on a small boat to New York. She eventually met my father after the war and one of the many things that bound them together was a profound love for the freedom they found in the United States. The experiences of my parents and the love they felt for and showered on this country left a lasting lesson with me. I always believed that, if I ever had the chance to serve our country, I would do so whenever the call came. When President Obama asked me to be our next Ambassador to the Netherlands, the country of my father's ancestors, I could almost hear my parents echoing my affirmative reply. If I am confirmed, I will be guided at all times by the pride and love of country that my parents instilled in me from a young age.

Senator SHAHEEN. Thank you very much. Thank you all for your testimony.

I would like to begin with you, Ambassador Morningstar.

Senator Kerry, you, and I all mentioned Secretary Clinton's recent trip to Azerbaijan, and her concerns that she raised about human rights abuses there. And, as you point out, that is not a new development in the country. It stretches back to at least 2005 when two brothers—Aliyev brothers—were jailed for political reasons, and they remain in prison there, despite two decisions from the European Court of Human Rights that their arrests were unlawful, and their trials were procedurally deficient. And this is just one example of the troubling abuses of human rights that have come out of Azerbaijan.

Can you talk about whether you think conditions there are getting better or worse, and then the opportunities you would have as Ambassador to address these kinds of abuses?

Ambassador MORNINGSTAR. It is hard to gauge and measure improvements. There have been changes in the laws. Those laws have to be implemented, and we have to work closely with them with respect to that.

The case that you mentioned is something that has been of concern to us, and, as I understand it, has been raised on a continuing basis since 2005. It was positive that Bakhtiyar Hajiyev, another prisoner who was released just prior to the visit of Secretary Clinton, is on parole right now. We have to continue to watch that case. And Secretary Clinton actually met with her during her visit, which was very positive and emphasized her concern for the issues. We have to deal with these cases on a case-by-case basis. We will. That will be one of my prime responsibilities if I am confirmed.

I also think that it is very important that we not just say, hey, you know, you ought to do better in this and it is important. We have to be able to convey how much it is in their interest to make changes, and to open up society, and to create, hopefully, greater stability within the society.

One final point is, and that I will be very much involved in, during the work that I did in the 1990s coordinating our programs in

the former Soviet Union, I spent a lot of time, and, in fact, tried to reshape our programs to emphasize more building civil society from the bottom up. And I think that is going to be the, in the longer term, the best way that we are going to see improvement in Azerbaijan.

And one of the things that I am committed to do if I am confirmed is to look at every program that we have there and to work with USAID and other agencies, and with the our Embassy to try to determine what really helps and what does not. What can we do to improve the situation? And try to use some of the experience that I have had from the past to help bring that about.

Senator SHAHEEN. I think that is terrific, the kind of thing we ought to be doing everywhere. You talked about helping or trying to help convey the message that it is in the interest of Azerbaijan to open up and to understand why supporting institutions, rule of law, human rights is good for them. That is one specific way that you can help do that, looking at those programs and what works. Are there other ways beyond just kind of job owning that you will have the opportunity to do as Ambassador that can help convey those messages?

Ambassador MORNINGSTAR. I think it is important to convey the message that the relationship between Azerbaijan and the United States and Azerbaijan and Europe, for example, will be even stronger if we recognize these things. I know that Senator Cardin, who was here a moment ago, is very interested in the whole transparency issue.

There has been some progress in Azerbaijan in that area. They are a member of EITI, the Extractive Industries Transparency Initiative. That can work hand in hand with the Cardin-Lugar bill, which would require the disclosure of project payments and so on. And I think these kinds of activities are going to make it even more possible for Western companies, international companies, to be involved in Azerbaijan, to be able to do so without threat of corruption and the like, and will help over a period of time to pull Azerbaijan further toward models and values that we consider to be important. And we have to just keep being imaginative and working in every area that we possibly can in a constructive way to make progress.

Senator SHAHEEN. Thank you. I am going to come back to this because I am running out of town. But on Nagorno-Karabakh, we are seeing tensions flare there again. Can you talk about what the resolution of this dispute would mean and how some of the other players in the region might be either helping or trying to disrupt an effort to resolve the dispute?

Ambassador MORNINGSTAR. I cannot imagine any specific thing that could help create more stability within the whole Caucasus region than resolution of the Nagorno-Karabakh issue. From the standpoint of creating regional growth, from the standpoint of creating more political stability, it is extremely important.

I will give you an example in a very specific way. I get asked the question all the time, why cannot Armenia participate in the Southern Energy Corridor? Well, the fact of life is that it is impractical because of the dispute with Azerbaijan. If Nagorno-Karabakh were ever settled or resolved, Armenia could become a full-fledged

member working on energy infrastructure, on energy transit, and the like to its great benefit, and to Azerbaijan's great benefit and to the region's great benefit. That would be one example.

Another example. I have to believe that Nagorno-Karabakh is a huge distraction when there are other critical security issues within the region that Azerbaijan faces. The issue of Iran becomes greater every day with respect to Azerbaijan, the whole Caspian Sea area. There are any number of issues. And resolution of Nagorno-Karabakh would allow Azerbaijan to focus even more on some of the other political and security issues that are critically important. I could go on and on. I will stop there, but obviously it would be a very good thing.

Senator SHAHEEN. Thank you. I am out of time.

Senator Lugar.

Senator LUGAR. Thank you very much, Madam Chairman. I thank you, and I thank my colleague, Senator Barrasso, for yielding this time.

Ambassador Morningstar, just last week President Obama made the rare step of endorsing the trans-Anatolian gas pipeline known as TANAP. TANAP would be a major new gas pipeline transiting Turkey and would be largely financed by Azerbaijan. TANAP would replace the need for the proposed Nabucco trunkline section within Turkey, but it would require pipelines to carry gas from Turkey's Bulgarian border onward to Europe, such as through a scaled-down version of Nabucco.

There are several rival pipeline proposals to carry Caspian gas to Europe, and each may have some economic credibility. But they vary greatly in strategic benefit and whether they warrant U.S. Government backing. Specifically, our first priority must be to help relieve our Eastern European allies from their overdependence on Russian gas, and, in doing so, not subject them to European energy companies heavily influenced by Russian-state controlled companies.

Transit decisions made by a BP-led consortium developing Shah Deniz gas and the Government of Azerbaijan will directly impact U.S. policy, including the extent to which projects in the Caspian warrant consideration as strategically important to the United States, vis-a-vis our sanctions regime on Iran.

Could you please clarify the administration's position following the President's comments on TANAP, and describe what have been the primary delays in gas projects advancing in the years since you and I attended the Nabucco treaty signing in Ankara? In short, has the United States endorsed TANAP?

Ambassador MORNINGSTAR. Thank you very much for the question, Senator Lugar. First of all, let me briefly outline what our policy has been over the last couple of years.

It became apparent to us that, at least in the first instance, there is probably not enough gas to make a full 31 bcm Nabucco pipeline commercially viable. The Shah Deniz consortium as a result of that is looking at three alternatives. And by the way, I might add that there will ultimately be plenty of gas, but not in the first instance. So they are looking at two possible smaller pipelines with respect to Central and Eastern Europe, the so-called southeast Europe

pipeline and a scalable Nabucco pipeline, and then one of the pipeline projects to Italy, the trans-Adriatic pipeline.

Our position is that any of those pipelines—the administration's position has been that any of those pipelines can work and would be acceptable with two conditions—one that gas be supplied to the vulnerable countries in the Balkans, and second, that there be concrete guarantees that any such pipeline could be expanded, which will absolutely be necessary as more gas becomes available.

I think that the TANAP pipeline could be very helpful in this way. A final decision will not be made until mid-2013 as to the actual size of the pipeline, but by having a dedicated pipeline across Turkey, that will make it more possible to be flexible and to be able to adjust the size of what can then be taken into Central and Eastern Europe. So I see it as very positive.

There is a commitment on the part of Turkey and Azerbaijan to get an agreement completed by the end of June. You know what that has been like over the last few years, and hopefully that will happen. But it will happen certainly at some point, and I think we should support it strongly.

Senator LUGAR. Well, I thank you for that expert testimony based on years of working through those problems.

Another priority issue. As you know, the Nunn-Lugar Cooperative Threat Reduction Program has been involved in Azerbaijan for a number of years. And recently the focus has been on Caspian energy security and biothreat discussions. I would simply like to ask that you make this work a priority in Azerbaijan when you assume your new responsibilities in Baku, and would ask if you have any thoughts as to how to advance this cooperation when you arrive in Baku.

Ambassador MORNINGSTAR. Excuse me. The first few words?

Senator LUGAR. The Nunn-Lugar Cooperative Threat Reduction Program and the bioweapons threat.

Ambassador MORNINGSTAR. It is something that I would, if confirmed, certainly want to look at. And it relates to, I think, a very interesting policy issue that we have with respect to Azerbaijan, which is how to work through our security assistance to Azerbaijan without in any way—and I emphasize: without in any way—affecting the balance with respect to Nagorno-Karabakh and giving any advantage to Azerbaijan with respect to that situation.

And I think that we need to work very carefully to determine in what areas we can help, including areas relating to things like maritime security, counterterrorism, and training in various ways. And we have to do it in a way in which we are extremely careful. But given the security situation in that area, as you so well know, we have to look at all these issues, and I will if confirmed.

Senator LUGAR. I would like to commend your efforts to advance many critical initiatives as the special envoy for Eurasian energy. Key initiatives such as the Unconventional Gas Technical Engagement Program and opening the Southern Corridor from the Caspian in Eastern Europe, offer opportunities to promote economic growth and shift power dynamics in energy markets in favor of the United States and our allies.

The special envoy position was created by Secretary Rice at the urging of Vice President Biden and myself, and it was propelled

with the strong support of Secretary Clinton. Several former Soviet states will come under tremendous pressure from Russia, and energy is a primary point of leverage.

I am hopeful you will join me today and encourage the continuation of the special envoy role following your departure to Baku. But more to the point, will the special envoy for Eurasian energy continue to report directly to the Secretary of State given the creation of the new Energy Bureau?

Ambassador MORNINGSTAR. You have touched upon an issue that is obviously being discussed within the State Department right now. I can promise you that the functions of our office, my present office, will continue, and we are working to determine what that structure should be. And obviously your points, as always in the energy area, will be very important, and we will continue to work with you and your staff with respect to that issue.

Senator LUGAR. I thank you for your assurance.

Madam Chairman, I have four more questions I would like to submit for the record, if possible.

Senator SHAHEEN. Absolutely, without objection.

Senator LUGAR. Senator Barrasso.

Senator BARRASSO. Thank you, Madam Chairman.

If I could, Ambassador Morningstar, just to continue—a continuation on the line of questioning from Senator Lugar in terms of energy as a point of leverage. Increased development of gas supplies in Azerbaijan can play an important role in helping to diversify European gas supplies. However, it is going to be vital that the development of energy resources not benefit Iran. In Baku, you are going to be about 100 miles from the border with Iran. When you take a look at the map of Azerbaijan and Iran, there is about 100 miles of border between the two.

So can you give a little bit about how Iran is involved in Azerbaijan's gas supply, energy sector, and what we can do to try to prevent Iran in terms of gaining technical or financial benefit from any projects that may be going on?

Ambassador MORNINGSTAR. First of all, the best thing that we can do is develop a Southern Corridor and to develop routes that to go to Europe, because if we are not successful in developing those routes, then Azerbaijan will find other options as to where that gas may go, which one theoretical option or possible option is obviously Iran.

There is right now, I would say, a minor relationship between Iran and Azerbaijan with respect to gas. That includes the fact that gas cannot be supplied directly to the separated Azeri province of Nakhchivan. Basically the gas has to get there through Iran, and there is a swap arrangement with Iran that allows that to happen. And at least at this point—at least I am not aware of any alternatives.

You may be referring also to the fact that in the original Shah Deniz I project, since its inception in 1996, there is a 10-percent ownership interest, and I might say, passive ownership interest, by NICO, which is a subsidiary of the National Iranian Oil Company.

And our position on that—it presents frankly a very difficult policy issue. The Shah Deniz project is a critical project because it is what will allow Azeri gas to get to Europe, but yet there is

a 10-percent ownership interest by an Iranian company. But we believe that if that project were not able to go forward because of that 10-percent passive interest, that the ramifications would be a lot worse than Shah Deniz moving forward, because what it would mean is that the project would be left with partners who would not be particularly friendly, and that that gas would end up going to different places, which we would obviously want to avoid.

I know it is now being considered in legislation as to how to take this into account. I do not discount for a second what a difficult policy issue that is, but, you know, we are certainly hopeful that we will not find ourselves in a situation in which we shoot ourselves in the foot. And in the meantime, we will do everything we can to minimize the participation of the Iranian company in this project, which is now a very passive investment.

Senator BARRASSO. Thank you very much.

Mr. Broas, I want to start off. I enjoyed the story of your parents. My dad would have been 95 today. He would have been shocked, surprised, and very pleased, and I know your father would be not shocked, but very pleased to see you here today in front of this committee. So thank you for mentioning that.

I did want to ask you, historically the Dutch have been strong supporters, I always thought, of European integration. But they voted 2005 against a European Union constitutional treaty. Can you just give us your overview, your thoughts, and understanding of the view today of the people in the Netherlands regarding the European Union?

Mr. BROAS. Thank you, Senator. Thank you for your comments. Is that good?

Senator BARRASSO. Much better.

Mr. BROAS. OK, sorry. As you know, the Dutch were one of the founding members of the EU, and they are strong supporters of the EU, and I do not doubt for a minute that they will continue to be a strong supporter of the EU. And if confirmed, as an ambassador, I will certainly advocate the administration's position that they should continue to be a part of the EU.

You are right that lately there have been some political dustups and some disagreements. And, in fact, we all know that there is a caretaker government in charge right now, and they are waiting for elections in September to see whether they can form a new government. And all I can say, Senator, is that if confirmed, I will advocate the administration's position, and do my best to see that the Dutch remain a part of the EU and a supporting member of the EU.

Senator BARRASSO. Thank you, I appreciate it.

And then, Mr. Anania, your father is here. And, you know, looking at your parents while you were talking about them, your mom was looking on with skepticism, but your dad, that was one of the proudest fathers I have ever seen, and it was great to watch him watch you talking. So thank you, and congratulations.

I want to talk about the relationship with Venezuela and how would you characterize Suriname's relationship with Venezuela? What type of influence does Venezuela have in Suriname?

Mr. ANANIA. Yes, thank you, Senator. That relationship is of great interest to the administration, and President Bouterse has,

in fact, at times made some rhetorical statements in favor of joining the Venezuelan-led ALBA Union. However, the rhetoric fortunately has been quite different than the actions of the government, and so far they have taken no steps to join ALBA.

On the other hand, Suriname is the recipient of some modest quantities of oil via the PetroCaribe program that Venezuela runs. So we continue to watch that relationship very carefully. It is a friendly relationship between the two countries. There is a Venezuelan Embassy in Suriname.

Senator BARRASSO. Thank you. My time has expired. Thank you, Madam Chairman.

Senator SHAHEEN. Thank you.

Senator Menendez.

Senator MENENDEZ. Thank you, Madam Chair. And congratulations to all of the nominees on their nominations.

The focus of my questions are with you, Ambassador Morningstar, as you might guess. I appreciate the fact that this is probably not the assignment you were looking for and that you were happy doing what you were doing. This is something that the Secretary has asked you to do, so I understand that. But it is also an opportunity to discuss policy issues vis-a-vis your nomination here.

Last week, Secretary Clinton was touring the South Caucasus, and her visit to the region coincided with an escalation of cease-fire violations by Azeri forces, including a cross-border incursion that killed three Armenian soldiers and wounded five others, as well as a breach along the Nagorno-Karabakh line of contact. These actions confirm, in my view, the threat by the President of Azerbaijan that Armenia will live in fear.

I look at that statement, "Armenia will live in fear," and I look at the speech that was given in an official state address to his people, in which Azerbaijan's President, Aliyev, stated that, "Our main enemies are Armenians of the world."

Now if confirmed, what steps will you take to address this ongoing problem along the line of contact? And do you think that, based upon those types of statements, that proposed sales of military hardware to be used in conjunction with the Azerbaijan's military helicopter fleet is really in the national interests of the United States?

Ambassador MORNINGSTAR. Well, first of all, let me just preface my comments with just one thing. I want to make very clear that I am very happy and excited to go to Azerbaijan, and it is a country that is extremely important to our national interests. And so I am looking forward to being there.

Senator MENENDEZ. Duly noted.

Ambassador MORNINGSTAR. Second, when I am in Baku, if I am confirmed, and when I deal at the highest levels of the government, whether it be with the President or the Foreign Minister, or the like, I will follow administration policy and work also with Bob Bradtke, our Nagorno-Karabakh negotiator, very closely.

I think it is fair to say that, and I will say, that any language that is counterproductive, you know, such as the language that you have said, that any actions by any party that bring about loss of life, as the Secretary of State said last week, create increased tension, can create escalation that can have unpredictable and un-

foreseeable consequences and make even more difficult the task of achieving a settlement in Nagorno-Karabakh.

I will do everything that I can, looking at it from the Azerbaijan side of things, if confirmed, to discourage that and talk about how unacceptable that is. And I think that goes without saying. And it is important. I think it is critically important. I do not think any party should inflame the situation by either unhelpful rhetoric or by escalating tensions through actions that result in the tragic loss of life.

With respect to the question of the sales of military hardware, it raises a difficult issue, but something that we have to pay incredibly close attention to. We have to comply strictly with the waiver provisions under section 907. I think we also have to recognize that Azerbaijan does live in a difficult neighborhood. There are increasing tensions with respect to other neighbors, particularly Iran. And that we have to provide, I think, security assistance, possibly military assistance, in ways that cannot be used to exacerbate any situation with respect to Armenia or Nagorno-Karabakh. And I think we have to do that—we have to be very strict in doing that. But that still would allow us to do some things that are important, whether it be maritime security in the Caspian, whether it be cooperating on counterterrorism with respect to Iran, with respect to some of the other things we do. I fully appreciate your concern.

Senator MENENDEZ. Well, I did not hear President Aliyev say his main enemy or security concern is Iran. He said his main enemy or enemies are Armenians of the world. And so when we are talking about giving military or selling military hardware to the Azerbaijanis, I think about what the Helsinki Final Act's bottom lines are. When I asked a similar question to former ambassador-designee, Mr. Bryza, because there had been another incident where four Armenians had been killed. He reiterated the three pillars of the Helsinki Final Act: nonuse of force or the threat of force, the principle and territorial integrity, and equal rights and self-determination of people. Well, nonuse of force or the threat of force, obviously that gets enhanced by giving military hardware to the Azerbaijanis, especially when they say our major enemy is the Armenians of the world.

I have a real problem with us going ahead and selling military hardware to Azerbaijanis based upon what has happened. He did not say the Iranians are their threat.

Let me ask you, if I may, with the indulgence of the chair, two other questions. One is, why was Azerbaijan's demolition of the Christian Armenian cemetery in Djulfa not included in the State Department's international religious freedom report? Do you know?

Ambassador MORNINGSTAR. No, I do not know, but I can say that if I am confirmed and if I go to Baku, I will make every effort to visit that cemetery, that any kind of desecration such as that is, you know, unacceptable, outrageous. And I will do my best to get there and see it.

Senator MENENDEZ. So do I take your response to mean—and correct me if I am wrong—that if confirmed, you will personally travel to Djulfa to investigate the destruction of the cemetery?

Ambassador MORNINGSTAR. I will make my best effort.

Senator MENENDEZ. Well, I would assume that your best effort would only be impeded by the Azerbaijanis not letting you go. I want to try and understand what your best effort is. You are going to do everything possible to go.

Ambassador MORNINGSTAR. Yes.

Senator MENENDEZ. OK. Second, what specific steps will you take if confirmed and if you have the opportunity to go, which I would expect you should be, to have the cemetery preserved as a protected holy site?

Ambassador MORNINGSTAR. I think that it is important as one of our major priorities to press for religious freedom in Azerbaijan. It is not an all-negative record. They have been helpful with respect to some communities, but not others. What we need to do is to take very strong positions as an administration and in Baku if I am there to protect the rights of the Armenian church as well as to rectify the situation with respect to the cemetery. And that would be a major part of the agenda.

Senator MENENDEZ. Well, I appreciate that answer. Finally, I do not expect you to answer differently than have previous nominees before this committee. But I do have to ask you whether or not you contest any of the facts of what transpired in 1915 as it relates to 1.5 million Armenians who were brutally massacred or marched to their deaths in the waning days of the Ottoman Empire.

Ambassador MORNINGSTAR. No, I do not.

Senator MENENDEZ. Thank you, Madam Secretary. I look forward to following up with Ambassador Morningstar.

Senator SHAHEEN. Thank you. I am going to give Ambassador Morningstar a little break here and—

Ambassador MORNINGSTAR. No, it is fun.

Senator SHAHEEN [continuing]. Focus on the other two nominees for a few minutes.

Mr. Broas, I want to start with you because as you mentioned and Senator Barrasso mentioned, the Netherlands currently has a caretaker cabinet. Its government is one of those that has fallen as the result of the fiscal crisis in Europe and disagreements over what the austerity measures mean there. The caretaker cabinet that is currently in power agreed on an emergency austerity deal, but elections are coming up in September, and it raises the prospect that a new Parliament might withdraw support for that agreement.

Can you talk about what the implications of that might be for the Netherlands, and the ripple effect that might have throughout the rest of Europe, and also whether we have an official policy on whether we are going to urge the country to support the current austerity deal that has been advocated in Europe, or whether we will have any statement at all relative to that?

Mr. BROAS. Thank you, Senator. I do not know what the administration's position will be, and I will just wait for the elections to see what happens in September. So I do not know sitting here today what position I will be advancing, if I am confirmed as Ambassador.

The eurozone crisis that we are all reading about and hearing about is being felt very deeply in the Netherlands. We, of course, the United States, we are not a member of the eurozone. We do not

have a say in this. We do not have a vote. But we have a huge stake in this. As you know, the EU is our biggest trading partner, so the outcome of these negotiations is critical to the United States. And if I am confirmed to be an ambassador, I will certainly strongly and diligently advance and advocate the position of the administration, to the extent it takes a position with respect to the austerity measures being advanced by the rest of the EU.

Senator SHAHEEN. Certainly I would think that one of our positions is that we hope the Europeans will move expeditiously to do everything they can to address the crisis there. And I appreciate that they have been working toward it. But as you point out, there are significant implications for the inability to positively respond to the crisis, not only for Europe, but for the United States and for the rest of the world.

Mr. BROAS. And, Senator, I fully expect the Netherlands, as one of the few AAA-rated sovereign debt countries in the EU, I fully expect them to be a leader in these negotiations, and that the rest of the EU will look to the Netherlands for support and leadership.

Senator SHAHEEN. And have they taken that kind of a role to date? Have they been aggressive?

Mr. BROAS. To my knowledge, they have been—in light of their caretaker government situation, they have been fairly neutral lately. That is my understanding.

Senator SHAHEEN. OK. One of the things that you pointed out in your testimony is the importance of the trade relationship between the United States and the Netherlands. And certainly even in my home State of New Hampshire, there is a very important bilateral trade relationship with the Netherlands. Can you talk about what role you might play as Ambassador, as the top U.S. official in the Netherlands, to help promote that trade relationship?

Mr. BROAS. Certainly, Senator. Thank you for the question. As I said in my opening statement, they are one of our biggest and most reliable trading partners. And as you know, the Port of Rotterdam is the biggest port in Europe. So many things transship through Rotterdam and through the Amsterdam airport that it is a huge trading center, and it remains one of the biggest investors in the United States. And vice versa we are one of the biggest investors in the Netherlands.

As Ambassador, if I am confirmed, I will certainly have an open door and welcome the Dutch companies, to meet with them, and advance, and advocate for them to continue and to increase their trade relationships with all of our States and vice versa. I will have an open door to American companies. As you know, there are 2,100 U.S. companies with offices in the Netherlands, and they are all doing business with Dutch companies and Dutch consumers. And so I will have an open door, and I will welcome commercial opportunities from the Netherlands and from the United States to maintain that trade relationship.

Senator SHAHEEN. Thank you. So it is fair to say that you will commit to making commercial ties and business advocacy a top priority.

Mr. BROAS. That is going to be one of my top priorities, absolutely, Senator.

Senator SHAHEEN. Great, thank you. You pointed out that the Netherlands was a founding member of the EU. It is also a founding member of NATO, and has been a significant contributor to the alliance. It has participated in supporting the operations in Libya, and, as we mentioned both of us in our testimony, supporting our operations in Afghanistan, although their role there has changed. It is the first non-U.S. NATO ally to contribute to the alliance's new missile defense system. And it also participating in the multinational program to develop the F-35 joint strike fighter, something that has been a very important priority in this country, though not without its detractors and not without controversy.

Can you talk about the opportunity that you will have as Ambassador to learn more about what is going on with the development of the joint strike fighter, and the cooperation that you might advocate for the continued effort toward development of the plane, and what role you see for the joint strike fighter in the Netherlands?

Mr. BROAS. Thank you, Senator. Yes, I would be happy to.

As you know, the Dutch have invested over a billion dollars since 1997 in the joint strike fighter program, and the research, and the development. And they remain one of the key contributors to the development and construction of the joint strike fighter. If I am confirmed as Ambassador, I will certainly advance the administration's position to have the Dutch continue to contribute to the development of the program and to commit to purchase as many of the planes as possible once constructed.

They have committed, so far to my knowledge, to buying 2, but they have also had discussions about buying as many as 85. And as Ambassador, I am going to advocate very strongly that they purchase at least 85.

Senator SHAHEEN. Good, we appreciate that. As we are talking about NATO, I had the opportunity to be in Chicago for the NATO summit, and it was, I thought, a great opportunity for those countries who have participated in NATO to point out the continuing relevance of our alliance, how important it is to our transatlantic partnership, and to so many other countries around the world.

And one of the things that has been challenging, particularly as we deal with the fiscal issues that we are facing both in Europe and the United States, are the resources that are needed to continue NATO's role in the world. One of the things that was touted in Chicago and that is talked about to address those fiscal challenges is the new Smart Defense Initiative that is being promoted.

Can you talk about how this concept of pooling military resources is being received in the Netherlands? And it is my understanding that the Dutch have agreed to purchase new refueling tankers with the French and the Germans and to share those aircraft. And can you talk about how that is being received as well?

Mr. BROAS. Yes, thank you, Senator. Yes. At the Chicago meetings on NATO, the Dutch did commit, as did several other members of the EU, to adopting the smart defense approach, employing technology and missile defense as the top priorities for the future of NATO's alliance. My understanding is that they have also agreed to replace the older Hawk missiles with the Patriot missiles, and that that is something they have committed to.

My understanding is that the Dutch are very enthusiastic and very actively considering all of the commitments and discussions that were in Chicago, and that they are very enthusiastic about the Smart Defense Program.

Senator SHAHEEN. That is great. Thank you. I think, as you point out with the Dutch and was touted in Chicago, that smart defense is something that makes sense as we try and figure out how to use our limited resources. I think we are all concerned that it not become an opportunity for countries to contribute less than their fair share to NATO as well. So I will just say that for the record and not ask you to respond to that.

I want to go now to Suriname. And, Mr. Anania, you pointed out that—you mentioned the new President of Suriname who was elected in 2010. And only as we were preparing for this hearing did I learn how controversial he has been, that he was convicted in absentia by the Dutch for smuggling cocaine in 1999, that he has been on trial over the past 4 years for the 1982 killing of 15 prominent political opponents, although he denies any direct involvement in those killings. The likelihood of any conviction appears slim given that the national assembly has now approved an amendment granting amnesty to offenses committed between 1980 and 1992.

The U.N. High Commission on Human Rights and Amnesty International have both called for the amnesty law to be reversed, and there was a large silent march there in April 2012 to protest the law.

Given the controversial trial, the issues surrounding the President, can you comment on the state of democracy and the rule of law in Suriname and whether there are any efforts under way to urge a repeal of that amnesty law?

Mr. ANANIA. Yes, Senator. Thank you for the question. It is a very important issue of great concern to the people of Suriname at the moment, and you are right to highlight it with your question.

First of all, the United States certainly expects Suriname to actively participate in the Western Hemisphere region's general consensus supporting democracy and human rights, and we certainly do look with concern upon these most recent actions. The President was democratically elected. It is a coalition government that he leads. He has a solid majority in their national assembly. But nonetheless, his past is checkered, and he previously did lead a military coup against the civilian government. So we continue to be very concerned about any actions that the government might take to infringe upon, in this case, an independent judiciary.

In fact, the national assembly did pass an amnesty law which would apply to the murders which took place in 1982. However, the court proceeding has not been terminated, and so at this point the people of Suriname are very carefully discussing the situation. And I think you are right to be concerned that the prosecution will end; however, it has not yet ended, and the court is still considering it.

So for that reason, the Embassy and the administration continue to encourage the Government of Suriname to respect the separation of powers within its democratic structures in keeping with its own constitution.

Unfortunately, the Constitution of Suriname calls for the creation of a constitutional court, but there has never been one

created. And this has further exacerbated the situation and made it difficult to determine what the outcome of this particular amnesty law or what impact it will have on the trial will be.

Senator SHAHEEN. And are there other areas where there are concerns about human rights violations and rule of law in Suriname?

Mr. ANANIA. Well, in general, the Bouterse government does generally respect the rule of law and human rights as they seek to improve Suriname's infrastructure and economic conditions. However, Suriname is a middle-income country, probably trending toward the low end of that scale, and it is quite a large country with not a lot of people in it. So its borders are porous, and the ability of the government to enforce law throughout the country is often very limited. And so there certainly are documented cases of human rights abuses, which have taken place within Suriname. Particularly there is a large informal and, in many cases, illegal gold mining sector, which operates within the interior of the country. And most of the people who are working in that sector are coming from other countries, particularly Brazil.

And so the administration does have concerns about potential trafficking in persons both for labor or the sex trade, and we continue to engage with the Government of Suriname, which has made progress in these areas. They have a fairly good legal regime. There have been some limited prosecutions. And if confirmed, I pledge to you that we will continue to follow these issues closely, and beyond that, seek to assist and advise the Government of Suriname to combat these gorges, which unfortunately do exist in the country.

Senator SHAHEEN. The porous borders also make drug trafficking a bigger concern. And certainly we have assisted Suriname in fighting drug trafficking, and by training antidrug units, police officers, and custom officials. Is there evidence that cooperation has been effective?

Mr. ANANIA. I would say, yes, there is, but the effect is limited, it must be said. As I noted, Suriname is a country with modest means. The government does not have large law enforcement resources. It is a very large country. So while they do have generally a free and independent judicial system, and while they have prosecuted successful many small-time drug traffickers, there is continuing concern that there might be larger scale activities undertaken either unknown to the government or possibly even with the connivance of some officials.

We do have a Drug Enforcement Agency office at the Embassy. It is quite active. And I am pleased to have learned that the relevant law enforcement entities in Suriname do cooperate closely with us. They participate in many of our training programs. And they are very grateful for the support that we offer. And we have, in fact, increased the dollar value of the programs within Suriname, so I would say that this is a bright spot in the relationship.

Senator SHAHEEN. And given that it has had mixed success, are we looking at trying to do anything differently? Is Suriname looking at trying to do anything differently? Is there an effort to get more buy-in from the population there to address the issues around

drug trafficking, or do we think continuing the program as it has existed is what is warranted?

Mr. ANANIA. Well, again, we have to speak of limited resources both on the part of the Government of Suriname, but also from the United States. I was pleased to see that we have increased our training dollars fairly significantly. It should be up to about a million dollars. But I think we have to restrain our expectations for the impact that such a small amount of money could have in a place like Suriname, which, after all, is a very wild country.

Senator SHAHEEN. One of the things that I understand is that President Bouterse is making strengthening ties with China a priority. Have we seen an increase in influence on the part of China in the country? And are there ways in which we should be cooperating or working together to try and look at where there are areas of mutual interest that we could cooperate on, the United States and China, in Suriname?

Mr. ANANIA. Well, that is an important development in the economy history of Suriname. China is very interested in Suriname as they are in many other countries of the world because Suriname does have such a large array of natural resources. So, in particular, logging and mining industries are very attractive to China, and they have obviously devoted some significant resources to building a strong relationship with Suriname.

There are also political elements of that because Suriname continues to support a one China policy, which has, of course, for many years been a major priority for the Government in Beijing.

In terms of cooperation, that is actually an interesting question, and there may be some areas in particular. Unfortunately in many cases, extractive industries lead to damage to the environment, and that is very much a concern in Suriname. I mentioned informal mining that goes on, particularly gold mining. The price of gold is very high now, and there has been an influx of informal/illegal gold miners. And they have caused great environmental degradation because, in particular, I understand that these operators use quantities of mercury in their gold mining operations, and this poisons rivers and destroys the environment.

There is also concern frankly that some Chinese companies may not be interested in preserving the environment, and, therefore, may go in and clearcut forests, rain forests in particular, or otherwise cause damage to the environment. And this is, of course, not an issue that is solely confined to Suriname. This is an issue in many countries in Africa and elsewhere in Latin America as well. So it remains to be seen if we could find common ground.

I must also say, building on one of the earlier questions, that I definitely believe that promoting U.S. industry and economic ties between our countries would be extremely important. And in this area, I guess we could say that China may be the competition, and I would certainly, if confirmed, work to advance the argument that having United States firms working in Suriname would, in fact, be more likely to result in protection of the environment.

Senator SHAHEEN. Well, thank you. You make a very important point. And as you suggest, China is investing in a lot of parts of the world, and we need to think about how we are affected by that growing influence around the world.

Ambassador Morningstar, there are two issues I want to raise with you before closing out the hearing that have not been explored in the kind of detail that I had hoped. One is Iran, and several people have mentioned Iran. But can you talk about how concerned you are about Iran's influence in Azerbaijan, and how extensive that is, and what approach we might take to counteract the influence that Iran is having in Azerbaijan?

Ambassador MORNINGSTAR. Thank you. I think it is a really important question, and Iran is a concern, and it is a concern, I believe, to the Azeri Government. I think they have made that very clear. And they are concerned about the influence that Iran is having internally within Azerbaijan.

We also have to recognize that Azerbaijan is in a difficult situation. Iran is a neighbor. To some extent, I think it has to walk a tightrope. At the same time, they recognize the dangers. And I come back to the point, and not to reiterate too much, but they are looking for our help with respect to Iran, and that we do have to provide help from the standpoint of how from a civil society standpoint they can deal with the Iranian situation, but also from the standpoint of security assistance. And that is recognizing that—I said this before to the questions from Senator Menendez—that we have to very strictly draw the line with respect to assistance that can be in our interest and helpful to Azerbaijan as opposed to assistance that could be used with respect to the dispute with Armenia.

Now that is a difficult line to draw, but we have to make every effort to draw that line in working with Congress and working with the Senate and your staff to ensure that that happens. And I think there is a lot we can do. I believe that when I get there, that is going to be a very major issue, if confirmed.

Senator SHAHEEN. It is interesting to me that Azerbaijan has recently agreed to purchase 1.6 billion dollars' worth of Israeli-made weapons. And there was a March Foreign Policy article that reported that Azerbaijan has likely given Israel access to its military bases for activities targeting Iran, though I think it is important to point out that both countries have denied that report.

So can you talk about how we should we view this weapons deals between Azerbaijan and Israel, and what that growing military relationship between the two countries signals for Iran?

Ambassador MORNINGSTAR. Well, I think we obviously have to watch it very closely. Israel is our close friend and ally, and Azerbaijan is another close friend.

I do not think at this point, at least the best information I have, we do not know much about that arms agreement and what it entails, how much it really does entail, and so on. And I think we need to learn more about it. But it is incumbent upon us, to the extent that there is a relationship that grows, and, again, recognizing that they have denied some of the more explosive allegations with respect to their cooperation, that we need to work closely with both countries to understand what, if anything, is really happening.

Senator SHAHEEN. Thank you. I want to thank all of you for agreeing to take on this responsibility and for your testimony

today. I think we will keep the record open for, what, another 24 hours?

VOICE. Yes, 48 hours.

Senator SHAHEEN. For another 48 hours in case any questions come in from the committee.

But at this time, I would like to close the hearing and, again, congratulate you all. And we look forward to working with you in your future roles in these ambassadorship posts.

Thank you.

[Whereupon, at 4:24 p.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF RICHARD MORNINGSTAR TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Just last week President Obama made the rare step of endorsing the Trans-Anatolia gas pipeline, known as "TANAP." TANAP would be a major new gas pipeline transiting Turkey and would be largely financed by Azerbaijan. TANAP would replace the need for the proposed Nabucco trunkline section within Turkey, but it would require pipelines to carry gas from the Turkish-Bulgarian border onward to Europe such as through a scaled-down version of Nabucco.

There are several rival pipeline proposals to carry Caspian gas to Europe. Each may have some economic credibility, but they vary greatly in strategic benefit warranting U.S. Government backing. Specifically, our first priority must be to help relieve our Eastern European allies from their overdependence on Russian gas, and, in doing so, not subject them to European energy companies heavily influenced by Russian state-controlled companies.

Transit decisions made by the BP-led consortium developing Shah Deniz gas and the Government of Azerbaijan will directly impact U.S. policy, including the extent to which projects in the Caspian warrant consideration as strategically important to the United States vis-a-vis our sanctions regime on Iran.

- Please clarify the administration's position following the President's comments on TANAP and describe what have been the primary delays in gas projects advancing in the years since you and I attended the Nabucco Treaty signing in Ankara? In short, has the United States endorsed TANAP officially?

*Answer.* President Obama sent a letter to President Aliyev congratulating Azerbaijan at the 19th Annual Caspian Oil and Gas Conference. The letter did not specifically mention TANAP but rather recognized the critical importance of Azerbaijan in the role of the Southern Corridor and the signing of gas transit agreements between Azerbaijan and Turkey.

It has become apparent that there is not sufficient gas to fill a full scale Nabucco pipeline by 2017–18. By the early to mid 2020s, there will likely be sufficient gas from Azerbaijan and possibly Turkmenistan and Iraq. The United States supports any commercially viable pipeline that brings Caspian gas to Europe provided the following two conditions are met: (1) a significant portion of the gas must be supplied to our friends and allies in the Balkans and elsewhere in Central and Eastern Europe, which are particularly dependent on a single source of gas; and (2) the pipeline must be expandable, so that additional sources of gas can be accommodated once they become available. TANAP could play an important and valuable role in bringing Caspian gas to Europe.

Delays in opening the Southern Gas Corridor have stemmed primarily from the difficulty of reaching agreement among all of the stakeholders on what export route will best address their commercial and political interests. In my role as the Special Envoy for Eurasian Energy, I have been working diligently on this issue and continue to work closely with all the companies and parties involved to achieve energy security for Europe as soon as possible. With the recent progress in narrowing down potential routes, it appears likely that the Shah Deniz Consortium will reach a decision on a final export route within the next year.

*Question.* As you know, the Nunn-Lugar Cooperative Threat Reduction Program has been involved in Azerbaijan for a number of years. Recently, the focus has been on Caspian energy security and biothreat discussions. I'd like to ask that you make this work a priority in Azerbaijan when you assume your responsibilities in Baku.

- Please indicate how you will advance this cooperation when you arrive in Baku.

*Answer.* The Nunn-Lugar Cooperative Threat Reduction (CTR) Program has been a critical component of our security assistance to Azerbaijan, serving as a vivid example of how our assistance to Azerbaijan bolsters vital U.S. interests in the region. Just this month, the Defense Threat Reduction Agency (DTRA) conducted a successful training session for Azerbaijani officials in Baku on combating proliferation of weapons of mass destruction (WMD). If confirmed, I pledge to ensure that these efforts remain a priority at the U.S. Embassy in Baku.

In another prominent example of our CTR cooperation with Azerbaijan, DTRA Director Kenneth Myers traveled to Azerbaijan last year to attend the opening of a new state-of-the-art disease-monitoring laboratory. The construction of the laboratory was financed by the U.S. Government within the framework of DTRA's Cooperative Biological Engagement Program (CBEP); the lab was the first of 10 regional diagnostic labs to be opened within the framework of this program, which aims to secure dangerous pathogens, promote disease reporting and response, and advance research on pathogens and potential countermeasures. United States-Azerbaijan cooperation has also led to the renovation of two national level diagnostic laboratories for the Ministry of Health and the Ministry of Agriculture, bringing the facilities, equipment, and procedures of these institutes up to international standards. In addition to the upgrades to Azerbaijan's physical infrastructure, the CBEP has completed numerous training events and cooperative research projects, building skills among Azerbaijani scientists in areas such as biosafety, biosecurity, laboratory techniques, epidemiological analysis, and international research standards.

The CTR program also had a successful partnership with Azerbaijan's maritime security forces in bolstering Azerbaijan's capacity to secure its interests in the Caspian. An interagency effort continues to address Critical Energy Infrastructure in the Caspian, and this issue will remain a priority for the Embassy.

If confirmed, I will look forward to continuing these critical efforts to enhance Azerbaijan's capacity to reduce, eliminate, and counter the threat of WMD, a vital U.S. interest.

*Question.* Ambassador Morningstar, I would like to commend your efforts to advance many critical initiatives as the Special Envoy for Eurasian Energy. Key initiatives such as the Unconventional Gas Technical Engagement Program and opening the Southern Corridor from the Caspian to Eastern Europe offer opportunities to promote economic growth and shift power dynamics in energy markets in favor of the United States and our allies.

The Special Envoy position was created by Secretary Rice at the urging of Vice President Biden and myself, and it was propelled with the strong support of Secretary Clinton. Several former Soviet states still come under tremendous pressure from Russia, and energy is a primary point of leverage. The constant presence of a high-level U.S. Envoy demonstrates U.S. commitment to these countries and to energy security at little taxpayer expense.

I am hopeful that you will join me today in encouraging the continuation of the Special Envoy role following your departure to Baku. But more to the point, please indicate whether the Special Envoy for Eurasian Energy continue to report directly to the Secretary of State given the creation of the new Energy Bureau.

*Answer.* Thank you for the support you have given to addressing energy security challenges generally, as well as in Europe and Eurasia particularly. As you know, Secretary Clinton has appreciated your leadership on the integration of energy security with American foreign policy, as these issues directly affect our national security and prosperity. Secretary Clinton has tasked the Assistant Secretary of the Energy Resources Bureau and, until his confirmation in the interim, our Coordinator for International Energy Affairs, Carlos Pascual, to lead our energy issues in Europe and Eurasia to ensure that we sustain the highest level of attention in the Department, while mobilizing the full support of the Energy Resources Bureau. Ambassador Pascual will continue to report to the Secretary directly on these matters.

*Question.* Good governance of oil and gas resources and revenues is fundamental to the future prosperity and democratic development of Azerbaijan. I have had several conversations with President Aliyev on this topic, and he has professed his intention to pursue the "Norway model" in transparency and spending of revenues.

To that end, the State Oil Fund of Azerbaijan has made remarkable progress. However, more needs to be done, particularly to account for SOCAR's [State Oil Company of Azerbaijan] revenues and to improve civil society involvement.

The Cardin-Lugar amendment will require many oil companies operating in Azerbaijan to disclose payments through SEC filings. If confirmed, what will be your

priority areas to further improve transparency in Azerbaijan, and how will you advocate for the purposes of the Cardin-Lugar amendment?

Answer. Advocating for transparency and compliance of international standards and U.S. laws will be a key priority in engaging both the public and private sector at all levels in Azerbaijan. Azerbaijan was the first country to complete Extractive Industries Transparency Initiative (EITI) validation, with the Board finding Azerbaijan EITI compliant in February 2009. Azerbaijan will be up for revalidation in 2014, and we will continue to monitor its compliance and place consistent emphasis on the importance of EITI and the Cardin-Lugar amendment, which is an extremely valuable complement to EITI. Once the SEC issues final regulations, the Embassy will work with the Government of Azerbaijan to create the necessary conditions for companies listed in the United States to be compliant with U.S. law.

Azerbaijan has also signed on to the Open Government Partnership (OGP), a global partnership between governments and civil society in which governments commit to an action plan to promote transparency and fight corruption and submit to independent monitoring on their progress in carrying it out. If confirmed, I will continue to work closely with both the government and civil society groups to help Azerbaijan carry out its commitments under the OGP.

*Question.* What is your view of the Nabucco West proposal? Is Nabucco West premised on TANAP becoming a reality? Would the 2009 Intergovernmental Agreement still be valid for Nabucco West?

Answer. The United States supports any commercially viable pipeline that brings Caspian gas to Europe provided the following two conditions are met: (1) a significant portion of the gas must be supplied to our friends and allies in the Balkans and elsewhere in Central and Eastern Europe, which are particularly dependent on a single source of gas; and (2) the pipeline must be expandable, so that additional sources of gas can be accommodated once they become available.

There will ultimately be large amounts of gas to ship through Georgia and Turkey to Europe. We believe that TANAP could be an excellent project, because it would be a dedicated pipeline across Turkey that would provide greater flexibility as more gas becomes available. Nabucco West, however, is not necessarily premised on TANAP becoming a reality. The parties are discussing how best to utilize the Nabucco IGA as part of the project.

*Question.* What is your view of the Southeastern Europe Pipeline (SEEP) proposal? If reports are correct that SEEP would rely on much existing infrastructure, how would it be able to handle additional gas supplies, if Iraq or Turkmen gas comes online in the future?

Answer. A full Nabucco pipeline may not be the first pipeline, but ultimately there will be significant gas available in the future from Azerbaijan and possibly Turkmenistan and Iraq. The South East European Pipeline (SEEP), as well as the two other pipelines being considered (Nabucco West and the Trans Adriatic Pipeline (TAP)), are still in the running. We would support SEEP, or any commercially viable pipeline that brings Caspian gas to Europe, provided the following two conditions are met: (1) a significant portion of the gas must be supplied to our friends and allies in the Balkans and elsewhere in Central and Eastern Europe, which are particularly dependent on a single source of gas; and (2) the pipeline must be expandable, so that additional sources of gas can be accommodated once they become available.

The final architecture of SEEP is not yet clear. The expandability of SEEP to handle potential future volumes of gas from countries beyond Azerbaijan is an important question, and one that we will be examining closely as the process of choosing an export route for Shah Deniz gas proceeds.

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RESPONSES OF RICHARD MORNINGSTAR TO QUESTIONS SUBMITTED  
BY SENATOR BARBARA BOXER

*Question.* According to news reports, on June 4–7, at least eight Armenian and Azeri soldiers were killed during fighting along the border of Armenia and Azerbaijan. In a troubling development, the fighting—which reportedly began after Azeri forces attempted to penetrate Armenian lines—took place at the same time that Secretary of State Hillary Rodham Clinton was visiting the region.

- If confirmed, how will you respond, publicly and privately, to new acts of aggression that now extend beyond the Nagorno-Karabakh region into the Armenian-Azerbaijani border area?

- How will you specifically work to ensure that the Azerbaijani Government respects the Organization for Security and Co-operation in Europe (OSCE) Minsk Group negotiated cease-fire?

Answer. As a cochair of the OSCE Minsk Group, the United States remains committed at the highest levels to assisting the sides of the Nagorno-Karabakh conflict to reach a lasting and peaceful settlement. During her recent visit to the region, Secretary Clinton made clear that these cycles of violence must end and that the sides should exercise restraint, comply with their obligations under the 1994 cease-fire agreement, and take the steps necessary for peace. The Secretary also expressed concern about the danger of rising tensions, which could have unpredictable and disastrous consequences.

If confirmed, I will work with U.S. Minsk Group cochair, Robert Bradtke, and engage at the highest levels of the Azerbaijani Government to urge respect for the cease-fire and strengthen its implementation.

*Question.* Last year, then-Ambassador Matthew Bryza attempted to visit the Armenian cemetery of Djulfa to investigate the 2005 destruction of Armenian Khachkars, or burial monuments. The desecration of one of the oldest and largest Armenian cemeteries was an affront to religious freedom and was criticized by the European Parliament and international archaeological bodies. Disturbingly, the Azerbaijani Government denied Ambassador Bryza's request to visit the site.

- If confirmed, will you commit to attempt to travel to Djulfa to investigate the destruction of the cemetery? What steps will you take to ensure that other religious sites and monuments in Azerbaijan are protected?

Answer. The United States has publicly condemned the desecration at Djulfa and reiterated our concerns to the Azerbaijani Government on this issue, urging a transparent investigation of the incident. Despite our requests to visit the Djulfa Cemetery, local authorities have so far refused permission to do so. If I am confirmed, I pledge to make every effort to visit the cemetery at Djulfa. I will also amplify our concerns to the Government of Azerbaijan and stress the need to respect and safeguard Armenian religious and cultural sites in Azerbaijan.

As a strong proponent of preserving world cultural heritage, we urged Azerbaijan and Armenian to work with UNESCO to investigate the destruction of these cultural monuments.

*Question.* I am deeply concerned by recent reports of attempts by Iran-linked operatives to kill foreign diplomats, including American Embassy employees and their families, in Azerbaijan. According to news reports, U.S. Embassy officials in Azerbaijan have been alerted to plots against employees at least three times in the past 2 years.

I am also troubled by inadequate security at the U.S. Embassy building in Baku. According to a 2007 report by the Office of the Inspector General report, the Embassy is "lodged in a 100-year-old building and has an unprotected annex 30 minutes away through horrific traffic." For the safety of our citizens serving in Azerbaijan, it is imperative that the Embassy go through the Compound Security Upgrade Program and relocate. In her recent visit to Azerbaijan, Secretary Clinton reminded President Aliyev about the need to build a new, state-of-the-art chancery, which has been under negotiation with the Azerbaijani Government for more than 10 years.

- What will you do to protect U.S. Government employees—particularly regarding threats from Iran—and how do you intend to communicate to the Azerbaijani Government the urgency of this situation?
- What are the existing obstacles to relocating the Embassy and when do you expect that a new facility could be ready?

Answer. If confirmed, my highest priority as Ambassador will be the safety and security of our staff and their families in Baku. Our security cooperation with the host government is a key component of that effort. Azerbaijani authorities have announced the arrest of a number of individuals since the start of this year for allegedly plotting attacks against foreign interests in Azerbaijan. We are appreciative of our cooperation with the Government of Azerbaijan and we continue to work closely with Azerbaijani authorities to provide for the safety and security of our Embassy and personnel in Baku.

The upgrading our Embassy facility in Azerbaijan must be the highest priority, both to improve security and to provide a larger and more modern workspace similar to our other embassies throughout the region. As part of this ongoing effort, we have been working to obtain property for a New Embassy Compound in Baku, fully compliant with current security standards.

Even in my role as Special Envoy for Eurasian Energy, I have raised the issue with President Aliyev in the strongest possible terms. And while in Baku earlier this month, the Secretary also conveyed to the Azerbaijani Government the importance of accelerating the process toward building a modern, secure, state-of-the-art chancery in Baku.

If confirmed as Ambassador, I will continue to stress the importance of this effort to the government and do everything possible to surmount the remaining obstacles and ensure that this project becomes a reality.

*Question.* In February, Azerbaijani President Ilham Aliyev stated in a public speech that was later posted on his Web site that “[Azerbaijan’s] main enemies are Armenians of the world.”

Statements such as the one above foment anti-Armenian sentiment in Azerbaijan, which exacerbates existing tensions and makes it increasingly difficult to reach a permanent peace agreement regarding the Nagorno-Karabakh region.

- If confirmed, what will you do to work with the Azerbaijani Government to counter anti-Armenian sentiment and to further a meaningful peace process?

*Answer.* The United States has joined with the other Minsk Group Co-Chairs to urge that all sides show restraint in their public statements and on the ground to avoid misunderstandings and unintended consequences. Secretary Clinton reiterated these points during her travel to the region earlier this month, and if confirmed I will reinforce this message at the highest levels of the Azerbaijani Government.

As Secretary Clinton and the other Foreign Ministers of the OSCE Minsk Group Cochair Countries noted in a joint statement earlier this year, a new generation has come of age in the region with no first-hand memory of Armenians and Azeris living side by side, and it is important to emphasize that prolonging these artificial divisions only deepens the wounds of war. If confirmed, I will make the case that irresponsible rhetoric is unacceptable and undermines our efforts to achieve a peaceful settlement of the conflict. I will urge the Azerbaijani Government to show restraint in its rhetoric and to prepare its people for peace, not war.

*Question.* Congress has enacted legislation known as “Section 907” prohibiting U.S. assistance to Azerbaijan until it meets a number of conditions, including taking demonstrable steps to cease “offensive uses of force against Armenia and Nagorno-Karabakh.”

Yet just last week, the Azeri military was involved in a violent attack that left three Armenian soldiers dead.

Furthermore, the Azeri Government continually threatens to resolve the conflict by force. According to *The Economist*, the Azeri President—Ilham Aliyev—threatened war to resolve the Nagorno-Karabakh conflict in nine separate speeches in 2010 alone.

- Is the Government of Azerbaijan fully meeting the conditions of section 907?
- Do you support continuing to waive section 907, as the administration has done for the last several years?
- Should the U.S. Government be providing military aid to the Government of Azerbaijan at the same time that it is committing acts of aggression and threatening renewed war against both Nagorno-Karabakh and Armenia?

*Answer.* Since 2002, the President has waived section 907 on an annual basis. Deputy Secretary Burns signed the 2012 waiver on behalf of President Obama again this year. If confirmed, I will support the appropriate application of this waiver authority and any and all other statutory requirements that dictate the conditions of U.S. assistance to Azerbaijan, including section 907.

Azerbaijan is an important security partner for the United States and our assistance to Azerbaijan is provided in this context, helping to further common objectives including counterterrorism, border control, and maritime security. Azerbaijan has over 90 troops stationed in Afghanistan and provides critical support for U.S. and coalition aircraft bound for Afghanistan. U.S. assistance to Azerbaijan has enhanced Azerbaijan’s interoperability with NATO and U.S. forces and advances vital U.S. security interests in the region.

If confirmed, I will advocate for assistance programs in areas that serve these key U.S. interests while ensuring that our security assistance cannot be used for offensive purposes against Armenia and does not undermine ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan.

*Question.* As you know, a goal of U.S. policy in the South Caucasus is to foster regional cooperation and economic integration. Yet, Azerbaijan continues to undermine U.S. efforts in the region.

For example, in May 2011, Azeri President Aliyev stated in his Republic Day address, “As far as Armenia is concerned, we will continue to make efforts to isolate Armenia from all regional projects. We do not hide it. This is our policy.”

- How will you address Azerbaijan’s continued attempts to isolate Armenia?
- How will you work to promote regional cooperation and economic integration?

Answer. The only path to peace, stability, and prosperity in the region is a lasting, peaceful settlement of the Nagorno-Karabakh conflict. As a cochair of the Minsk Group, the United States remains committed, at the highest levels, to helping the sides achieve this outcome. If confirmed, I will emphasize to Azerbaijan’s leadership that it is in Azerbaijan’s interest to accelerate efforts toward peace and regional economic integration.

As part of this effort, the United States and the other cochairs have proposed confidence-building measures, including humanitarian and people-to-people contacts, which should be used to promote mutual understanding among peoples of the region. The sides have agreed to pursue such measures, and if confirmed, I will urge the Azerbaijani Government to move forward with these vital initiatives to help move the region toward peace.

A peaceful resolution of the Nagorno-Karabakh conflict would also allow the essential and long overdue integration of Armenia into the vital energy routes and infrastructure that are developing across the region. If confirmed, I will make the case in Baku that Azerbaijan stands only to gain from such an outcome.

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RESPONSES OF RICHARD MORNINGSTAR TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT MENENDEZ

*Question.* Do you support the proposed sale of military hardware to be used in conjunction with Azerbaijan’s military helicopter fleet for border surveillance and “police-type” activities? What message would this sale send to the Azeris about cross-border incursions and what message does it send about U.S. even-handedness or seriously encouraging Baku to agree to Minsk Group cochair demands that it remove its snipers from the “line of contact” in the Nagorno-Karabakh region?

Answer. The United States reviews all license applications in light of our international commitments and U.S. laws. In this specific case, I understand that the applicant seeking the Department’s approval for a proposed license agreement has now requested that the Department remove Azerbaijan from the sales territory of the agreement. The Department will honor this request from the applicant when it delivers the statutory notification of the sale to Congress.

If confirmed, I will ensure that our security assistance to Azerbaijan cannot be used for offensive purposes against Armenia, and does not undermine ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan.

As a cochair of the OSCE Minsk Group, the United States remains deeply committed to assisting the sides of the Nagorno-Karabakh conflict to reach a lasting and peaceful settlement. We reiterate at every opportunity that there is no military solution to the conflict, and that only a peaceful settlement will lead to security, stability, and reconciliation in the region.

*Question.* Baku has rejected successive appeals by the OSCE and the U.N. Secretary General to withdraw its snipers from the line of contact. Armenia and the Nagorno-Karabakh leadership have consistently said they will withdraw their snipers provided Azerbaijan agrees to do the same.

- What will you do to convince Azerbaijan to support the Minsk Group and U.N. Secretary General’s call to pull back snipers, as both Armenia and the Nagorno Karabakh Republic have agreed to do?

Answer. If confirmed as Ambassador, I will support our U.S. cochair for the OSCE Minsk Group, Ambassador Robert Bradtke, in his efforts to work with the sides to achieve a lasting, peaceful resolution to the conflict in Nagorno-Karabakh. I will urge the highest levels of the Azerbaijani Government to take steps—including the withdrawal of snipers—to improve the atmosphere for negotiations, prevent unnecessary casualties, and strengthen implementation of the cease-fire. I will emphasize at every opportunity that there is no military solution to the conflict, and that only a peaceful settlement will lead to security, stability, and reconciliation in the region.

*Question.* Why wasn’t Azerbaijan’s demolition of the Christian Armenian cemetery in Djulfa included in the State Department’s International Religious Freedom Report? Will it now be documented in future editions of this report?

Answer. The incident remains of great concern to the Department, and if confirmed as Ambassador, I will raise the issue frequently and forcefully with the Azer-

bajjani Government. I will also review reports of the incident and its relationship with the International Religious Freedom Report.

The United States has publicly condemned the desecration at Djulfa and called for a transparent investigation. If confirmed, I pledge to make every effort to visit the cemetery and will emphasize the need to respect and safeguard Armenian religious and cultural sites in Azerbaijan.

*Question.* Will you, if confirmed, personally travel to Djulfa to investigate the destruction of the Djulfa Armenian cemetery? What specific steps will you take, if confirmed, to see the Djulfa Armenian cemetery restored or preserved, to the extent possible, as a protected holy site?

*Answer.* If I am confirmed, I pledge to make every effort to visit the cemetery at Djulfa, including pressing for permission from the appropriate authorities if needed. I will also amplify our concerns to the Government of Azerbaijan and stress the need to respect and safeguard Armenian religious and cultural sites in Azerbaijan.

The United States has publicly condemned the desecration at Djulfa and reiterated our concerns to the Azerbaijani Government on this issue, urging a transparent investigation of the incident. Despite our requests to visit the Djulfa cemetery, local authorities have so far refused permission to do so.

*Question.* If confirmed, will you commit, during your trips to Washington, DC, to consult with members of the Senate Foreign Relations Committee and other Senators regarding United States-Azerbaijani relations and the issues raised during your confirmation hearing?

*Answer.* If confirmed, I will be happy to meet with members of the Senate Foreign Relations Committee, other Senators, and their staffs to discuss United States-Azerbaijan relations and the issues raised during my confirmation hearing. I will also be available for any consultations at any time in Baku.

*Question.* If confirmed, will you commit, during your trips to Washington, DC, to consult with the leaderships of the Azerbaijani and Armenian American communities regarding the issues raised during your confirmation hearing?

*Answer.* Yes. If confirmed, I would look forward to visiting and meeting with members of the Azerbaijani- and Armenian-American communities both in the United States and in Azerbaijan, as my predecessors have done before. If I am confirmed, I would also be happy to meet with both communities prior to leaving for Baku. It would be a valuable opportunity to understand and respond to their concerns, update them on the status of the United States-Azerbaijan relationship, and to exchange views on a wide range of issues.

*Question.* The administration's position has been that the resolution of the Nagorno-Karabakh issue and the normalization of relations between Turkey and Armenia are on separate tracks. The former Ambassador to Baku since leaving that post has contested that assessment and said that we need to manage the two processes together.

- What is your view of the path to resolving each of these issues? Should Baku have a role in negotiations between Armenia and Turkey?

*Answer.* Our interest is in seeing Armenia and Turkey heal the wounds of the past and move forward together in a shared future of security and prosperity. Our policy is guided by this goal. The United States strongly supports the efforts of Turkey and Armenia to normalize their bilateral relationship, and has urged the parties to ratify the normalization protocols without preconditions. We believe the ball is in Turkey's court.

We have consistently emphasized that there is no linkage between the protocols process and the Nagorno-Karabakh negotiations. These are two separate processes.

As a cochair of the Minsk Group, the United States remains firmly committed to achieving a peaceful, negotiated settlement of the Nagorno-Karabakh conflict based upon three core principles of the Helsinki Final Act: the nonuse or threat of force, territorial integrity of states, and equal rights and self-determination of peoples. If confirmed, I would work with U.S. Minsk Group Cochair Robert Bradtke and engage at the highest levels of the Azerbaijani Government to support these efforts.

*Question.* Over 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. 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.

- What concrete steps will be taken to eliminate the Turkish and Azeri blockades of Armenia and Azerbaijan's continued pattern to try and isolate Armenia?

Answer. The United States believes that the only path to peace, stability, and prosperity in the region is a lasting, peaceful settlement of the Nagorno Karabakh conflict. A settlement of the conflict would have a profound impact in promoting regional cooperation and economic integration. As a cochair of the Minsk Group, the United States remains committed, at the highest levels, to helping the sides achieve this outcome.

To support this goal, the United States and the other cochairs have proposed confidence-building measures, including humanitarian and people-to-people contacts, which would promote mutual understanding among peoples of the region. The sides have agreed to pursue such measures, and if confirmed, I will emphasize to Azerbaijan's leadership at the highest levels that it is in Azerbaijan's interest to accelerate efforts towards peace and regional economic integration.

One of the many unfortunate consequences of the conflict is that Armenia has been precluded from participating in regional energy projects and other projects. A peaceful resolution of the Nagorno Karabakh conflict would allow the essential and long overdue integration of Armenia into the vital energy routes and infrastructure that are developing across the region. If confirmed, I will make the case in Baku that Azerbaijan stands only to gain from moving the region forward toward peace, prosperity, and stability.

The United States also strongly supports the efforts of Turkey and Armenia to normalize their bilateral relationship, and has urged Turkey to ratify the normalization protocols without preconditions. We have consistently emphasized that there is no linkage between the protocols process and the Nagorno-Karabakh negotiations. These are two separate processes.

*Question.* You testified before the Senate Foreign Relations Committee in 2009 that "At the heart of our policy is the belief that energy security is best achieved through diversity—diversity of suppliers, diversity of transportation routes and diversity of consumers." On the one hand the United States values the Azeri relationship because of role the Azeris play in providing alternative sources to Russian oil and gas to Europe and Israel and on the other hand the Azeris are continuing to provide natural gas to Iran.

- What is U.S. policy regarding Azerbaijan's gas supply relationship with Iran? How crucial is Azerbaijan to securing alternative energy supplied for Europe? What specific actions can be taken to integrate Armenia into regional energy initiatives?

Answer. We work closely with Azerbaijan on energy security, and we share Azerbaijan's goal of establishing a Southern Corridor for natural gas exports to Europe. Azerbaijan plays a key role in our efforts to promote a diversity of energy routes and sources for European energy consumers. The government in Baku clearly recognizes the benefits that multiple routes to market would bring to Azerbaijan.

The Shah Deniz gas field and potential future developments in Azerbaijan are critical to European energy security, particularly for those countries that are largely reliant on a single source. Azerbaijan has been an active and willing strategic partner for both the United States and Europe in efforts to achieve this important goal. If gas from Shah Deniz does not go to Europe, Azerbaijan would be forced to sell it to Iran, Russia, or further east.

It is our policy to minimize the gas supply relationship between Azerbaijan and Iran, and if confirmed, I will advance this policy. We are aware that Azerbaijan has a swap relationship with Iran whereby Azerbaijan provides gas to Iran in exchange for Iranian gas supplies to the exclave of Nakhchivan. At present, there is no alternative to supply gas to this isolated region of Azerbaijan.

If confirmed as Ambassador in Baku, I will emphasize to the government the benefits that Azerbaijan stands to gain from a peaceful, lasting settlement of the Nagorno-Karabakh conflict, which is the best path toward regional cooperation and economic integration. A peaceful resolution of the conflict would allow the integration of Armenia into the vital energy routes and infrastructure that are developing across the region.

*Question.* By all account the human rights situation in Azerbaijan has declined significantly over the last year. President Aliyev has been in power since 2003. Do you see him become more entrenched and less tolerant of dissent?

Answer. Advancing respect for human rights and fundamental freedoms in Azerbaijan continues to be a key pillar in the bilateral relationship. As the Secretary said during her recent visit to Baku, "The United States remains strongly committed to working with the government and people to advance respect for human

rights and fundamental freedoms.” She urged the government to respect its citizens’ right to express views peacefully, including dissenting views, and to release those who have been detained for doing so in print or on the streets or for defending human rights. If confirmed as Ambassador, I will reinforce this vital message at the highest levels of the Azerbaijani Government.

We continue to believe that respect for these rights is essential for promoting the sort of dialogue between citizens and their government that forms the basis for positive change and the deeper development of a culture of democracy in any society. The United States continues to raise these concerns privately and publicly, including concerns about many specific cases. For example, last year, following the authorities’ efforts to thwart the gathering of opposition groups in Baku, we urged the Azerbaijani Government to uphold its own international commitments to the rights of all its citizens to freedom of assembly and freedom of expression, which are guaranteed under the Azerbaijani Constitution, and which are enshrined in OSCE agreements to which the government has committed.

The 2013 Presidential election will be an opportunity for the government to demonstrate its commitment to these fundamental freedoms, and the United States will continue strong diplomatic and assistance efforts to encourage such progress.

*Question.* In an official state address to his people, Azerbaijan’s President Aliyev stated that “our main enemies are Armenians of the world.” Last year, Azerbaijani citizens were questioned, on national security grounds, simply for suspicion of having voted for Armenian artists in a Europe-wide singing contest. Also, in August 2011, the head of Azerbaijan’s Presidential Administration’s Political Analysis Department Elnur Aslanov told a gathering of hundreds of Azerbaijani students, who were studying abroad, that Ramil Safarov, who was convicted of murdering an Armenian with an axe while he was sleeping in his dorm room in Hungary, is an inspiration and “give[s] special spirit to Azerbaijani youth.”

- What plans do you have for confronting Azerbaijan’s official anti-Armenian rhetoric?

*Answer.* If confirmed, I will make the case that inflammatory rhetoric is unacceptable, dangerous, and undermines our efforts to achieve a peaceful settlement of the conflict. As a cochair of the Minsk Group, the United States has repeatedly called on all sides to show restraint in their public statements and on the ground to avoid misunderstandings and unintended consequences. Secretary Clinton emphasized this message during her travel to the region earlier this month, and if confirmed I will urge the Azerbaijani Government to show restraint in its rhetoric and to prepare its people for peace, not war.

As Secretary Clinton and the other Foreign Ministers of the OSCE Minsk Group Cochair Countries noted in a joint statement earlier this year, a new generation has come of age in the region with no first-hand memory of Armenians and Azeris living side by side, and it is important to emphasize that prolonging these artificial divisions only deepens the wounds of war.



## NOMINATION OF DEREK J. MITCHELL

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WEDNESDAY, JUNE 27, 2012

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Derek J. Mitchell, of Connecticut, to be Ambassador to the Union of Burma

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The committee met, pursuant to notice, at 10:35 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Jim Webb, presiding.

Present: Senators Webb, Inhofe, and Rubio.

### STATEMENT OF HON. JIM WEBB, U.S. SENATOR FROM VIRGINIA

Senator WEBB. The hearing will come to order.

The committee meets today to consider the nomination of Ambassador Derek Mitchell to be U.S. Ambassador to Burma, also known as Myanmar. The nomination of Ambassador Mitchell comes at a historic turning point in Burma's political transition and in our relations with that country. I would say this is one of those moments we will look back on clearly as a historic turning point.

And when such moments occur, history teaches us that we must act in a clear and decisive manner. I am pleased that the administration has responded to positive changes within Burma by upgrading our diplomatic relations to this proper status.

Three years ago when I visited Burma in August 2009, I can safely say that few were considering this prospect. My visit was the first visit to Burma by a Member of Congress or a national leader in more than 10 years. The country was locked in isolation, keeping its government, military, and people from exposure to the international community.

Aung San Suu Kyi remained under house arrest. Numerous other activists remained in prison. Conflicts with ethnic minority groups continued and challenged the unity of the country. The prospects for reform opening up and economic development looked bleak, while the potential for increased isolation and tighter sanctions seemed likely.

Yet during that visit, one could clearly see the promise of a different future. My own interactions with leaders in the military government, as well as with Aung San Suu Kyi, suggested that with

international support and faith, Burma could begin a different path.

In September 2009 with my support, the administration redirected U.S. policy to engage directly with the government, which began sending positive reciprocal signals. Then Foreign Minister Nyan Win visited New York for the U.N. General Assembly and made a private visit to Washington, DC.

The next year, the government announced that elections would be held. And on November 7, 2010, the country held elections for national and regional Parliaments with the participation of multiple political parties. By all accounts, these elections were neither completely free nor fair, but they represented a step toward a new system of governance, a step that many of Burma's regional neighbors have not yet taken.

Additionally, in March 2011, the military government officially transferred power to the civilian government led by President Thein Sein. In his first year of office, President Thein Sein released more than 620 political prisoners, released more than 28,000 prisoners, and reduced the sentences of all prisoners by 1 year. He began a series of economic reforms to prepare the country for trade and investment. Also during this time, the Parliament passed new labor and peaceful demonstration laws, amended the political party laws, and enabled the National League for Democracy to conclude that they would participate in the next elections.

During my August 2009 visit, I specifically observed to Burmese Government officials that at a time when Aung San Suu Kyi was still under house arrest, in order for elections in Burma to be perceived as credible, she and her party should be offered the opportunity to participate fully and openly in the process. Her release in November 2010, the government's compromise on the political party laws, and Aung San Suu Kyi's decision to participate in the April parliamentary election of this year demonstrates the political reconciliation taking place within that country.

Over the past year, many people across the world have followed Aung San Suu Kyi's dramatic transformation from a prisoner under house arrest, to a political candidate, and now to Member of Parliament. As an elected official in the national legislative body, she's now in a position to work within the government to formally affect the reconciliation process.

In the election, the NLD won 43 out of 45 seats, making it the largest opposition party in the Parliament, and placing it in a position to advance policies that support democratic transition.

While much needs to be done to solidify this transition, the combined efforts of President Thein Sein and MP Aung San Suu Kyi have moved the country forward toward promised democracy. I respect them both for their courage, and for their commitment to their country, and also for their foresight in accomplishing political reforms ahead of economic reforms. They have led the country on a different path than many of their neighbors in the region, and we all hope they remain successful in those efforts.

And I think a couple of comparisons are useful given the jurisdiction of this subcommittee. First, within China, democratic activists and ethnic minorities, such as Tibetans or Uighurs face the threats of constant surveillance, detention, and repression. The State

Department estimates in its "Country Reports" of 2011, "Tens of thousands of political prisoners remain incarcerated, some in prisons, others in re-education camps or administrative detention." Notably, China's Nobel Peace Prize winner, as opposed to Aung San Suu Kyi, Liu Xiaobo, remains incarcerated.

China has no free elections. Its leadership transition this year will not be influenced by popular vote. The Freedom House "Freedom in the World Report" for 2012 notes that China is "trending downward in its protection of political freedoms and civil liberties." In the 2012 "Freedom of the Press Report," North Korea is the only country ranked below China for its lack of freedoms of the press. Yet no one is advocating at this time that we impose economic sanctions on China.

The United States lifted its trade embargo against China 41 years ago. It continues to promote U.S. investment there. Last year, our trade totaled \$530 billion, making China our second-largest trading partner.

Second, consider Vietnam, with which I have had a continuous relationship since I was a 23-year-old Marine serving there during the war, and over the past 21 years have participated regularly and continuously in rebuilding the relations between our two countries.

The United States lifted its trade embargo in Vietnam in 1994. Our total trade has grown from \$6.9 million in 1993 to \$21 billion last year. Vietnam has never had popular elections for its leaders or allowed opposition parties. Concerns about censorship of the media, restrictions on the freedom of religion, or detention of political prisoners have not prompted the United States to restrict our trade with Vietnam. In fact, our policy has been based on the premise that increased trade will promote rule of law, transparency, and political freedom. Otherwise, we would not be negotiating a significant trade agreement with Vietnam at this moment, the Trans-Pacific Partnership.

This is not to single out China or Vietnam for opprobrium. On the contrary, it is simply to point out the need for consistency in the logic of those who argue for overly punitive restrictions as we develop our relations with Burma.

Let us not forget that this country has had two peaceful national elections within the last year, released hundreds of political prisoners, negotiated cease-fire agreements with 12 ethnic minority groups, reduced censorship of the media, and supported the development of an effective political opposition. This is a country whose political system remains a challenge, but where positive conduct calls for reciprocal gestures.

We should never take our concerns about political freedoms or individual rights off the table. We should make these concerns central to our engagement with all countries, including with Burma, as I mentioned. But we should also be promoting economic progress to sustain the political reforms that have taken place. It is time to make our policies internationally consistent with our principles.

As was evident during my visit to Burma in April of this year, there is general enthusiasm in the country, but there is also some skepticism inside Burma that Burma and the United States will be able to pull this thing off. People need to see and believe that the

government is working for them and that our government is sincerely dedicated to seeing further change.

I believe that President Thein Sein and other government leaders are sincere in their efforts, but they need our support in building a better foundation for the government and economy to deliver results to their people. For this reason, it is ever more important that our sanctions policies not inhibit this development. In fact, we should take pains to incentivize this development.

Initial steps have been taken. In February, the United States granted a partial waiver to allow international financial institutions to conduct assessment missions in Burma. On April 17, the Treasury Department issued a general license for educational and nonprofit institutions to support development and humanitarian projects. On May 17, Secretary Clinton announced that the ban on U.S. investments and export of financial services would be suspended, a move that has the potential to jump-start United States private sector engagement. However, more than 1 month later, the Treasury Department has not issued a general license for companies to begin this process.

In April before this subcommittee, OFAC Director Adam Szubin testified that the main categories of sanctions imposed by statute or Executive order can be lifted by the President via licenses, rescission of Executive orders, or issuance of waivers on national security. Further, he noted that Executive decisions to remove sanctions can still target and blacklist the assets or activities of people which they refer to as "bad actors" from their previous military junta so that they will not benefit from economic relations with the United States.

I believe this is the right approach to take. I have supported the steps taken thus far, but I believe more needs to be done. Time is of the essence here. If we do not act proactively and soon, we will lose a critical window of opportunity to influence development of financial governance inside Burma. It is critical to implement the decisions that have been announced and to continue to ease additional sanctions, such as the ban on imports.

Ambassador Mitchell, as the special representative and policy coordinator for Burma, has been well situated to observe and influence American policy across agencies during this period of transition. And now if confirmed, he will have a unique opportunity to strongly impact this new approach and to identify new means to incentivize and aid reform. I will look forward to hear your ideas and suggestions on this matter.

And now I would like to recognize Senator Inhofe.

**STATEMENT OF HON. JAMES M. INHOFE,  
U.S. SENATOR FROM OKLAHOMA**

Senator INHOFE. Thank you, Mr. Chairman. I think you are aware of it, but they may not be, that as chairman and ranking member of EPW, Barbara Boxer and I are in the middle of our final negotiations right now as we speak on the highway reauthorization bill. So I am going to have to leave to go to that. But this is very significant. There are some things that I am concerned about, and so I thank you for holding this hearing.

This is kind of historic. This is the first time we will be sending an ambassador there in, what, 20 years, I guess, since 1992. So I want to welcome Ambassador Mitchell, and I understand that we are going to be able to talk in my office tomorrow. We can elaborate a little bit more on this subject.

But as you know, I am very interested in the ability of our American oil and gas industry to compete for business in Burma as soon as possible. Unfortunately, that has not yet happened, and in the meantime, European Union oil and gas companies have been there since the suspension of the EU sanctions against Burma last April. And, of course, China and Russia are already there.

Senator Webb and I wrote a letter on May 4, 2012, to Secretary Clinton, which stated that it would be a strategic mistake to exclude the U.S. petroleum industry in the suspension of U.S. sanctions in Burma. Her response on May 23 was encouraging, I thought anyway, when she wrote that certain sanctions would remain, but there was no mention that the American oil and gas firms would be excluded.

I have heard rumors, however, that there is an intent by this administration to “carve out” the American petroleum industry from doing business in Burma by slow rolling and issuing of licenses to this industry by the U.S. Treasury Office of Foreign Assets Control.

I reiterate that this or any other carve-out strategy would be a strategic mistake. I believe that U.S. companies, including the oil and gas companies, can play a positive role in the effort by demonstrating high standards and responsible business conduct and transparency, including the respect for human rights in Burma.

And I am sure that maybe you can, during your opening statement, could tell me whether or not you agree. And I hope so because this is a direct quote from the State Department, response to my question for the record from our hearing on Burma back on April the 26th. And I could not be more in agreement.

So I thank you again, Mr. Chairman, for holding this nomination. I look forward to hearing your opening statement here, but as I say, since we are in what I consider to be a very significant breakthrough with the highway reauthorization bill, I will have to be leaving early. Thank you, Mr. Chairman.

Senator WEBB. Thank you very much, Senator Inhofe.

Ambassador Mitchell, welcome. Just for the record, Ambassador Mitchell currently serves a special representative and policy coordinator for Burma with the rank of Ambassador.

Prior to this appointment, he served as a Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs. He also worked as a senior fellow at the Center for Strategic and International Studies, a Special Assistant in the Department of Defense, a senior program officer at the National Democratic Institute.

Ambassador Mitchell has a master’s degree from the Fletcher School of Law and Diplomacy, and a bachelor’s degree from the University of Virginia.

And I understand your wife is here with you today. We would like to welcome her.

Ambassador MITCHELL. Yes, my wife is right here.

Senator WEBB. And appreciate both of your dedication to public service.

And, Ambassador, welcome, and the floor is yours.

**STATEMENT OF HON. DEREK J. MITCHELL, OF CONNECTICUT,  
TO BE AMBASSADOR TO THE UNION OF BURMA**

Ambassador MITCHELL. Thank you very much, Mr. Chairman, Senator Inhofe, members of the committee. I am honored to appear before you today as the President's nominee to serve as the U.S. Ambassador to Burma, the first in more than two decades.

I am humbled by the confidence that President Obama and Secretary of State Clinton have shown in me with this nomination. Mr. Chairman, I know you take a particularly keen personal interest in the situation in Burma, as you have discussed, and I commend all you have done during your tenure to advance the relationship between our two countries.

Mr. Chairman, it was almost exactly a year ago that I sat before you and this committee as the President's nominee to serve as the first special representative and policy coordinator for Burma. I noted in my testimony then the many challenges facing Burma and our bilateral relationship. As you said, no one would have thought possible the remarkable developments that have occurred since then. Ongoing reform efforts have created an opening for increased engagement between our two countries, and instill the sense of hope among millions inside and outside Burma who have worked and sacrificed so much for so long for real change.

During my time as special representative, I traveled to the country many times and was able to have open and candid conversations with the government in Naypyitaw and representatives from all sectors of society. I was able to discuss a full range of perspectives on the complexity and diversity of the country, and I thank these interlocutors for their hospitality and their candor.

I have traveled throughout East Asia and Europe to share ideas and coordinate policy approaches. This included meetings with the many men and women in Thailand who have worked tirelessly along the border with Burma for decades to provide the humanitarian needs of Burmese migrants and refugees. With so much attention focused on developments inside Burma, we should not forget the work of these committed individuals.

I have, of course, spent many hours with Daw Aung San Suu Kyi. As we all know, Daw Suu Kyi remains a uniquely iconic figure inside and outside Burma. Upon helping bring her country to this point, she has now entered the field as an elected politician to help guide its next steps toward a secure, democratic, just, and prosperous future. If confirmed, I look forward to many more opportunities for discussions with her about her country and about how the United States can assist its progress going forward.

Perhaps the most important development of the past year, again, as you suggested, Mr. Chairman, in fact has been the partnership between Daw Suu Kyi and President Thein Sein. President Thein Sein has proved to be a remarkable figure. We should never forget to recognize his extraordinary vision and leadership and the many reformist steps he and his partners in government have taken over

the past year, steps that have clearly reflected the aspirations, indeed sacrifices, of millions of brave Burmese over many years.

At the same time, we have no illusions about the challenges that lie ahead. As Secretary Clinton has observed, reform is not irreversible, and continued democratic change is not inevitable. We remain deeply concerned about the continued detention of hundreds of political prisoners and conditions placed on those previously released, lack of the rule of law, and the constitutional role of the military in the nation's affairs.

Human rights abuses, including military impunity, continue, particularly in ethnic minority areas. Recent sectarian violence in Rakhine State demonstrates the divisiveness in Burma cultivated over many decades, if not centuries, that will need to be overcome to realize lasting peace and national reconciliation in the country.

We have been quite consistent and direct in public and private about our continuing concerns about the lack of transparency in Burma's military relationship with North Korea, and specifically that the government must adhere to its obligations under relevant U.N. Security Council resolutions and its other international non-proliferation obligations. If confirmed as Ambassador, I will continue to make this issue of highest priority in my conversations with the government and be clear that our bilateral relationship can never be fully normalized until we are fully satisfied that any illicit ties to North Korea have ended once and for all.

As the Burmese Government has taken steps over the past year, so, too, has the United States in an action-for-action approach. Each action we have taken in recent months has had as its purpose to benefit the Burmese people and strengthen reform and reformers within the system. This engagement should continue and expand. If confirmed, I will do my part in the field to support a principled approach that effectively marries our values with our broader national interests.

Most recently, as you know, Mr. Chairman, Secretary Clinton announced a broad easing of restrictions on new investment and the exportation of U.S. financial services to Burma. As she stated in May, "We look forward to working with the business sector as a new partner in our principled engagement approach." If confirmed, I will promote U.S. business interests in Burma while ensuring companies understand the complex environment in which they will be engaging, and the important role they can play in promoting American values and interests in the country.

It is clear to me from my discussions inside the country that the Burmese people admire U.S. products, standards, and principles. Staying true to them promises to serve both our public and private interests going forward. And I think that would address Senator Inhofe's questions about the carve outs and such. She had talked about a general license that hits all sectors equally, no carve outs according to sector.

Mr. Chairman, members of the committee, as the special representative and policy coordinator for Burma, I made it a priority to provide regular briefings and consultations on Capitol Hill. I also urged the Burmese Government to open its doors to congressional visitors so they may see the changes on the ground for themselves. I believe the administration and Congress have formed an effective,

bipartisan partnership on Burma policy. It is critical to maintain this partnership going forward. Should I be confirmed, I will make every effort to continue to reach out to interested members and staffs, and hope to see you all regularly on our doorstep in Rangoon.

Let me conclude by taking this opportunity to extend my utmost appreciation to my many partners within the executive branch with whom I have worked over the past year as special representative, including at USAID, Treasury, Commerce, DOD, the White House, and, of course, at State.

In particular, I want to commend the excellent career officers, interagency representatives, and locally engaged staff members at our Embassy in Rangoon whom I have gotten to know during my visits. This team has proved again and again to me that we have people of the highest quality in Rangoon and in the Department. They have responded superbly to a rapidly changing tempo of operations in the field, and have done so with professionalism and skill. If confirmed, I will make it a priority to ensure they have the tools and the direction necessary to continue serving our interests in Burma in an exemplary fashion and be proud of the work they do for our country every day.

Thank you for considering my nomination. I will look forward to your questions.

[The prepared statement of Ambassador Mitchell follows:]

PREPARED STATEMENT OF HON. DEREK MITCHELL

Mr. Chairman, and members of the committee, I am honored to appear before you today as the President's nominee to serve as the U.S. Ambassador to Burma, the first in more than two decades. I am humbled by the confidence that President Obama and Secretary of State Clinton have shown in me with this nomination. Mr. Chairman, I know you take a particularly keen personal interest in the situation in Burma, and I commend all you have done during your tenure to advance the relationship between our two countries.

It was almost exactly a year ago that I sat before you and this committee as the President's nominee to serve as the first Special Representative and Policy Coordinator for Burma. I noted in my testimony then the many challenges facing Burma and our bilateral relationship. No one would have thought possible the remarkable developments that have occurred since a year ago. Ongoing reform efforts have created an opening for increased engagement between our two countries, and instilled a sense of hope among millions inside and outside Burma who have worked and sacrificed so much for so long for real change.

During my time as the Special Representative and Policy Coordinator for Burma, I traveled to the country many times. The government in Naypyitaw provided excellent hospitality and demonstrated a willingness to have open and candid discussions with me on each occasion. I also want to thank the many other interlocutors—political party officials, civil society representatives, ethnic minority and religious leaders, former political prisoners, business executives, international diplomats and non-governmental representatives, and many local citizens—for opening their doors to me to discuss a full range of perspectives on the complexity and diversity of Burma.

I have also traveled throughout East Asia and Europe to share ideas and coordinate policy approaches. This included meetings with the many men and women in Thailand who have worked tirelessly along the border with Burma for decades to provide for the humanitarian needs of Burmese migrants and refugees. With so much attention focused on developments inside Burma, we should not forget the work of these committed individuals who help those in need. I am confident that these and many other committed individuals will join ongoing efforts inside the country when conditions are right.

And of course I have spent many hours with Daw Aung San Suu Kyi. As we all know, Daw Suu Kyi remains a uniquely iconic figure inside and outside Burma. Upon helping bring her country to this point, she has now entered the field as an elected politician to help guide its next steps toward a secure, democratic, just, and

prosperous future. I look forward to many more opportunities for discussions with her about her country and about how the United States can assist its progress going forward.

Perhaps the most important development of the past year, however, has been the partnership forged between Daw Suu Kyi and President Thein Sein. President Thein Sein has proven to be a remarkable figure. We should never forget to recognize his extraordinary vision and leadership, and for the many reformist steps he and his partners in government have taken over the past year. These actions have clearly reflected the aspirations, indeed sacrifices, of millions of brave Burmese.

At the same time, we have no illusions about the challenges that lie ahead. As Secretary Clinton has observed, reform is not irreversible, and continued democratic change is not inevitable. We remain deeply concerned about the continued detention of hundreds of political prisoners and conditions placed on those previously released. The rule of law requires an independent and effective judiciary. The constitutional role of the military in the nation's affairs is inconsistent with traditional democratic principles of civil-military relations.

Human rights abuses, including military impunity, continue, particularly in ethnic minority areas. Although there may be some hope for an end to the violence and establishment of serious dialogue on fundamental political issues, mutual mistrust between the government and ethnic minority groups runs deep and a long road lies ahead. Recent sectarian violence in Rakhine State demonstrates the divisiveness in Burma cultivated over many decades, if not centuries, that will need to be overcome to realize lasting peace and national reconciliation in the country.

We have been quite consistent and direct in public and private about our continuing concerns about the lack of transparency in Burma's military relationship with North Korea, and specifically that the government must adhere to its obligations under relevant United Nations Security Council Resolutions and its other international nonproliferation obligations. If confirmed as Ambassador, I will continue to make this issue of highest priority in my conversations with the government, and be clear that our bilateral relationship can never be fully normalized until we are fully satisfied that any illicit ties to North Korea have ended once and for all.

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Most recently, Secretary Clinton announced a broad easing of restrictions on new investment and the exportation of U.S. financial services to Burma. As she stated in May, we look forward to working with the business sector as a new partner in our principled engagement approach. If confirmed, I will promote U.S. business interests in Burma while ensuring companies understand the complex environment in which they will be engaging and the important role they can play in promoting American values and interests in the country. It is clear to me from my discussions inside the country that the Burmese people admire U.S. products, standards, and principles; staying true to them promises to serve both our public and private interests going forward.

As the Special Representative and Policy Coordinator for Burma, I made it a priority to provide regular briefings and consultations with Capitol Hill. I also urged the Burmese Government to open its doors to congressional visitors so they may see the changes on the ground for themselves. I believe the administration and Congress have formed an effective, bipartisan partnership on Burma policy. It is critical to maintain this partnership going forward. Should I be confirmed, I will make every effort to continue to reach out to interested Members and staffs, and hope to see you all regularly on our doorstep in Rangoon.

Mr. Chairman, members of the committee, let me conclude by taking this opportunity to extend my utmost appreciation to my many partners within the executive branch with whom I have worked over the past year as Special Representative—including at USAID, Treasury, Commerce, DOD, the White House, and State. In particular, I want to commend the excellent career officers, interagency representatives, and locally employed staff members of our Embassy in Rangoon whom I have gotten to know during my visits. This team has proved again and again to me that we have people of the highest quality in Rangoon. They have responded superbly to a rapidly changing tempo of operations in the field, and have done so with professionalism and skill. If confirmed, I will make it my priority to ensure they have the tools and direction necessary to continue serving our interests in Burma in an exemplary fashion and be proud of the work they do for our country every day.

Senator WEBB. Thank you very much, Ambassador Mitchell. And since I know Senator Inhofe has to leave fairly quickly, let me begin with a question that I know that Senator Inhofe also will want to address. And then I will get into the more general policy issues that I would like to hear from you about.

In a recent speech before the ILO, Aung San Suu Kyi stated, and I am going to quote, that “The Myanmar Government needs to apply internationally recognized standards, such as the ‘IMF Code of Good Practices on Fiscal Transparency.’ Other countries could help by not allowing their companies to partner with the MOGE, the state-owned oil company, unless it signed up to such codes.”

This raises a number of questions, first, about standardization of policy from the United States, and, second, about officials of a foreign government basically telling us where we should allow our economic interests to apply once we lift sanctions.

It is my understanding that the United States does not require countries to endorse this code or other standards as a prerequisite for U.S. investment. In fact, I asked my staff, you know, whether there were other countries that did not adhere to this code, and among them are China, New Zealand, Singapore, South Africa, and a number of other countries. So it does not seem like this is a standard United States policy as a prerequisite.

And then, second, there is a concern about our being told from the outside where we should allow our companies to invest, and that goes directly to Senator Inhofe’s question.

So could you clarify this matter from your understanding of her statement and what our policy should be?

Ambassador MITCHELL. Thank you, Mr. Chairman. The issue of MOGE is one that we are looking very carefully at. We have concerns about this enterprise and its transparency and the corruption that is associated with it through reports that we have. And, of course, there is corruption and lack of transparency throughout the economy, the current economy in Burma. There are particularly concerns here with connections to the military and such.

We obviously are going to be careful, and we should be careful, as we stated, that however we engage, that we do so with the highest standards of transparency, that we are contributing to reform inside the country, that we are contributing to the highest values, and that we model the type of behavior that we like to see broadly by U.S. companies and by others.

This particular issue, when it comes to the general licenses that are being debated and discussed, obviously it is on the agenda and being looked at. There are no decisions made on this particular question. Clearly, we want to see others raising their level to the standards that not just the American companies so that we are on a level playing field. And as we looked at the general license, we understand the balance between competitiveness and the standards that we want to set.

So this is an ongoing question. There is nothing I can say here definitively on this because it is an ongoing internal discussion—interagency discussion that applies to the general license that will come out.

But, as I said before, we are not looking to exclude any sectors from this, but we are trying to make the balance very carefully.

Senator WEBB. Would you agree that standards that are applied should be the same standards that the United States applies in other countries?

Ambassador MITCHELL. Yes, absolutely. And I know under Dodd-Frank and under Cardin-Lugar as well, there are certain standards there that Dodd and Lugar is law, and we want to act consistent with that, and do not want to—we think that we are looking to do is complementary with those types of standards.

We are encouraged, I should also say—I mean, I want to add here that the Burmese Government has also taken steps itself in terms of transparency and talked about signing up for the EITI, the Extractive Industry Transparency Initiative. There is going to be a delegation coming in at the end of the July, and there have been public statements saying they are interested in more transparency in the extractive industries, including oil and gas.

It is very encouraging. I think it is our role to encourage that, to continue to educate. And I see things moving in the right direction. And Aung San Suu Kyi could certainly play a role inside the country in doing that so that, as you say, everyone has a level playing field.

But I would never dismiss what she says from our thinking. I mean, she is obviously a unique figure representing the people in the country, and she represents the values that we care about. So we will make our own decisions, but we take her thoughts on this as an ongoing conversation that we will have with her.

Senator WEBB. Thank you. I would—let me just summarize my—what I think is my agreement with you here. The United States sets the standards of transparency of our own business environment. You know, I took American companies into Vietnam for 2½ years in the mid-1990s. We had the laws that we have to obey. And it is a little delicate to say that an official from any foreign government should be telling us what sectors that we should invest in and not invest in.

And, Senator Inhofe, I know you have a question here.

Senator INHOFE. I appreciate that very much. Let me—first of all, Senator Webb and I signed a letter back on May 4. I would like to have that part of the record.

Senator WEBB. Without objection, it will be entered into the record at this point.

[The letter referred to follows:]

U.S. SENATE,  
Washington, DC, May 4, 2012.

Hon. HILLARY CLINTON,  
Secretary of State, U.S. Department of State,  
Washington, DC.

DEAR SECRETARY CLINTON: We write you to express our strong belief that it is imperative for the United States to act in a clear, proactive manner to facilitate reforms in Burma through the lifting of economic sanctions. This recommendation is based on years of interaction with the countries of East Asia, including visits to the region and to Burma and meetings with its top leadership, as well as the testimony received at the East Asian and Pacific Affairs Subcommittee hearing of April 26, 2012, regarding “U.S. Policy on Burma.”

We are mindful that the European Union (EU) announced on April 23, 2012, that it is suspending all sanctions against Burma, except for an arms embargo. Other countries that share our political philosophy, including Japan, have enacted similar measures. The countries of the Association of Southeast Asian Nations (ASEAN) have embraced recent political reforms in the country and are unanimously in favor

of immediate changes in economic policies. In short, the United States alone is left holding the most restrictive sanctions on Burma, banning visas, imports, exports, financial services, foreign assistance, and assistance by international financial institutions.

In response to questions raised at the hearing last week, Office of Foreign Assets Control Director Adam Szubin testified that the main categories of sanctions imposed by statute or executive order can be lifted by the President via licenses, rescission of executive orders, or issuance of waivers on national security. Further, he noted that executive decisions to remove sanctions can still target and blacklist the assets or activities of specific “bad actors” from the previous military junta so that they will not benefit from economic relations with the United States. These decisions do not require legislation; importantly, they can also be reversed, should the situation in Burma deteriorate.

We understand that as part of its review of sanctions policy, the Administration is considering lifting sanctions sector by sector, with the possibility that sanctions may be retained on individual industries such as petroleum. We believe that this would be a strategic mistake. The United States should not be picking winners and losers in our economic engagement abroad, but rather should be encouraging the business community as a whole to take on the risk of investing in human development in Burma. Their involvement can foster an open, transparent business environment that supports the rule of law and a level playing field for foreign investment.

Progress in Burma toward the goals we all share—greater freedom and prosperity for the people of Burma—is ultimately tied to the sanctions that are in place. Unlike some other countries in the region, most notably China and Vietnam, Burma’s new leadership has moved forward with political change ahead of economic change. It is important to note that Daw Aung San Suu Kyi herself, speaking as an elected representative of the government of Burma, publicly announced her support for the EU’s decision to suspend sanctions in response to democratic reforms in the country. The process of reform in Burma is still far from complete, but the positive steps that have been taken should be met with a positive response from our own government.

It is also important to note that the lifting of sanctions on Burma does not equal the establishment of full trading relations. The U.S. trade embargo with China was lifted 41 years ago, but permanent normal trade relations were granted only 12 years ago and continue despite ongoing concerns about the detention of political prisoners, repression of religious activity and lack of representative government. Burma has a long way to go, but its leaders—notably President Thein Sein and Aung San Suu Kyi—should be acknowledged for their concrete efforts to take the country in a different direction.

At this critical moment, it is imperative that our policy toward Burma be forward thinking, providing incentives for further reforms and building the capacity of reformers in the government to push for additional change. We urge the Administration to take action under its own authority, and seize this opportunity to support the Burmese people in their efforts to form an open, democratic government that respects and protects the rights of all.

Sincerely,

JIM WEBB,  
*United States Senator.*  
JAMES M. INHOFE,  
*United States Senator.*

Senator INHOFE. All right. We will have a chance to talk about this tomorrow, but I want to get three questions just in the record here and get your responses. It will be very brief.

You talked a little bit about the state-owned oil company there, and I have heard some things concerning their lack of transparency. And I would only say, do you not think that our involvement, the United States, in oil and gas there could add transparency to the system?

Ambassador MITCHELL. I would say, Senator, yes. I think our engagement with them, again, through EITI and other methods can help model the type of behavior and help with this.

Senator INHOFE. I appreciate that. Now there is no one who has more of an intimate knowledge of Burma than you do and the people. And I would only say that if the United States Government

decided not to allow our oil and gas companies to operate there, would those resources go undeveloped, or would they—the companies, some other countries take up that slack?

Ambassador MITCHELL. Well, I think it has been demonstrated from the past the countries will likely take up the slack. But there may be some areas where the United States is uniquely able to exploit. But clearly there are other countries that are ready to pick up the slack.

Senator INHOFE. OK, I appreciate that. And last, do you agree that the U.S. oil and gas companies are more transparent and generally operate in a more free market manner than Chinese, Russian, and many other nationally owned oil companies?

Ambassador MITCHELL. Well, Senator, I am not an expert on that. I believe American companies overall exhibit higher standards than other countries.

Senator INHOFE. I think that is right, and that is good enough.

Senator WEBB. Thank you. Thank you, Senator Inhofe. And let me reclaim my time and ask a couple of questions before we go to Senator Rubio.

As you recall, in my opening statement I mentioned the comparison with political and economic situations in China and Vietnam. And, again, not as a suggestion that we impose sanctions on those two countries, but to try to put what we are doing here into some sort of consistent standard.

I actually held a hearing a couple of years ago on the—what I was calling the situational ethics in American foreign policy where we tend to focus on different countries in different ways, depending on power relationships and economic relationships and where we really need to have a common standard.

And I think we have something in the recent developments in Burma that is fairly unique, and that is that a governmental system has made a political decision to liberalize, to take a great risk before the economic systems are liberalized, before sanctions are raised. And as I mentioned, in China we lifted sanctions 41 years ago. We have proceeded under the hope and the assumption that liberalized economy might encourage a liberalized political system. I think the results in that so far are pretty mixed.

As I mentioned to you, Nobel Prize winner Liu Xiaobo, if I am saying his name right, is still incarcerated while, you know, we have had a positive journey with Aung San Suu Kyi. China has no free elections. Freedom House report for 2012 notes that China is trending down in terms of its political freedoms and civil liberties.

If you look at a listing of the 40 countries in East Asia and the Pacific, China is above only North Korea and actually tied with Burma in terms of media openness. And yet we are not suggesting, and I am not suggesting, that we should alter our economic policies. The same principle applies with the comments that I made about Vietnam.

So what are we doing here that would be inconsistent with what we are doing in China, places like China and Vietnam, and what is the rationale?

Ambassador MITCHELL. Well, it is hard for me in this position to comment on broader policy with Asia. It is not my role, I suppose. But I think you take each context individually. I think the Burma

context has been one where they had a closed system for a long time. They had a unique set of human rights challenges over a consistent period of time, and there are individuals like Aung San Suu Kyi there who have served as a beacon of change, and have represented a certain type of leadership inside the country.

And I think what we tried to do in Burma, we will have a debate on what succeeded and what did not. But I think we tried to have that system changed through pressure, and then over time through more engagement. I think the combination of the two has worked.

And I think, as I suggested in my testimony, and I think you also suggested, this is not irreversible, that we are only a year into this or several—you know, about a year into this. And we need to support the reformers, but also I think be very careful about rushing forward too fast. But at the same time, I think we are doing remarkable things and changing remarkably quickly ourselves and our policy.

So I think the path that we are on has proven to have been constructive, have served our interests, served our goals, served our values. And I do not see us moving too fast or too slow. I think it is just right, and I think we can—this is an ongoing issue. And I think if the Burmese continue, time will tell. If Thein Sein and his partners continue on this path and show more progress, then we will be looking at the infrastructure that is there of sanctions, regulations, and such over time.

Senator WEBB. Well, let me just respond with the personal view that I do not think that there has been any greater challenge in this area in my adult life than Vietnam. Burma has a situation where when we examine the inequities that occurred, we have the ability to personalize them because of Aung San Suu Kyi's unique situation. But look at the aftermath of the Vietnam war, with more than a million Vietnamese jumping into the sea, including my wife's family, by the way. A Stalinist state was clearly taking over that was subsidized by the Soviet Union. A tremendous division inside our own country that had to be overcome before we began to repair relations.

I was one of those—I think as you and I have discussed before—I was one of those who was very opposed to lifting the trade embargo against Vietnam until the mid-1990s after Japan lifted their trade embargo. And just kind of similar to what Senator Inhofe just said, after Japan lifted their trade embargo toward Vietnam, the sensibility of keeping one just lost its place. And the idea was for us to move in in a more proactive way, and I think it has had enormously positive results.

And there is a moment in time here, and I totally agree with you that we are on unchartered ground, but we have seen clear gestures from President Thein Sein and the people he is trying to work with, not just simply in terms of opening up trade relations, but in attempting to learn more about democratic systems from which they were basically firewalled for 20 years.

So I hope we are going to approach this issue with a sense of being proactive, of incentivizing the positive conduct so that we do not lose this moment here and then have people sitting around and saying, well, see, we said this was not real. I mean, this very well

could be a great change, and to the benefit of our country, their country, and also the region.

And let me ask you your thoughts in terms of the motivation of the present government. Do you see the main momentum in this present government as pro-democracy, pro-change?

Ambassador MITCHELL. Mr. Chairman, I think you have to pick and choose within the government. I think there is—the people I meet with, many of them seem quite committed to real change. The Lower House Speaker of the Parliament, Thura Shwe Mann, has been remarkable in his desire, for instance, to have exchanges with the Congress here. And he has gone around to India, and Britain, and, I think, Germany, and sought to learn about legislative processes and how to build an institution—a parliamentary institution. He has empowered that institution remarkably, more than we ever would have expected a year ago.

I think you have, again, the President himself and some other partners and certain ministries that are very much committed to a very progressive agenda. Where it leads we do not know. We just do not know. We do not know how long this leadership will last. We do not know. As you say, expectations are high. We do not know if they can fulfill their remarkable challenge or fulfill the goals given the remarkable challenges they face.

I completely agree with you, and this administration completely agrees with you, that this is a window of opportunity. And Aung San Suu Kyi, people in the opposition, former political prisoners have been released. They all say we must go in and support this government and Thein Sein to try to keep reform going. There is no question about that. I think we have taken those steps to empower the reformers, to help the people of Burma to try to institutionalize the change as best as possible.

But as long as the constitution is as it is, which I mentioned in my opening testimony, the military has a unique role to play, which is not consistent with democratic values. The civil-military relationship is not consistent with what you want to see in a democracy. Until those fundamentals change, you do have the question of whether this can revert or whether the military or others associated with it can reverse what is going on.

So we have to be careful, but I do not think there is any question through or rhetoric publicly or through our activities privately and otherwise that we are on the side of reform. We will partner with them. We will work with them on this, and I should say work with the international community, which is extremely important. It has a tremendous interest in helping Burma. We need to coordinate effectively so that we are doing it in the most productive way possible. And that has been my job, and that will continue to be my job if confirmed on the ground.

Senator WEBB. Would you say that the opposition parties in Burma are legitimately now a part of the government?

Ambassador MITCHELL. I do not know what legitimate would mean in this case. I mean, the elections in 2010 were not credible. There are political parties. I mean, they allowed the National League for Democracy to register, which is obviously a very positive move. There are some parties in some ethnic areas that were

not able to take part in even the most recent elections. In the most recent elections, just 7 percent of the legislature were up for grabs.

So there is still much more that needs to be done on the democratic development side and the civil society side, and, again, to really embed this. The rule of law, the balance of power, the activity of civil society, all this needs to be ingrained. The right things are being done, the right words. But time will tell whether it really takes hold or not.

Senator WEBB. Would you say there are legitimate opposition parties in China?

Ambassador MITCHELL. In China? I think I can say pretty honestly, probably not, no. There are not.

Senator WEBB. Well, we have something to build on, which is really the point I am trying to make. And I hope we do not lose this moment.

Senator Rubio.

Senator RUBIO. Thank you, Mr. Chairman. Ambassador Mitchell, welcome and thank you for your service to our country. I want to build on the topic you touched upon.

The length between economic openings and political openings are two separate things sometimes. And I think it is important to draw that distinction because I think where we can make the biggest influence, not just in Burma, but in all countries around the world, is toward this direction of a political opening. Ultimately it is the right of people to choose any economic model they want. But it is the political opportunities that are most important.

And I think is a unique opportunity for our country to use our sanctions as a leverage point, for lack of a better term, to help bring about or continue to encourage political openings. And so I wanted to walk through with you some of the challenges that we face in that regard with this specific case.

The first is, I was struck by a statement that President Sein made back in 2011 where he said there were no political prisoners in Burma, that all prisoners have broken the law. I do not think that would be our position.

What is the best estimate that we have in terms of the existence of political prisoners? Has that thought process changed? Where do we stand from his point of view and from our point of view on the existence of political prisoners and their prospects?

Ambassador MITCHELL. Thank you, Senator. The President last year did say the traditional view has been the traditional view of the government publicly. And he stayed consistent with that publicly. But to be honest, in private discussions with the government, they acknowledge, however they call them—prisoners of conscience—there are various words or phrases you can use.

We were talking in the same terms, and we saw that when we engaged with them on lists, the types of people we were talking about that were in because of political moves and such. They took it very seriously. They continue—from what I understand, even today they take it very seriously. They have released more than 500, up to 600 back last May, and then last October, and then this past January, including the most—the leaders of the movement.

Senator RUBIO. So how many are still in?

Ambassador MITCHELL. So we think there are still hundreds. There are different lists out there. Our list has several hundred in it, and we have been sharing this with the government. There is an exile group along the Thai border who has several hundred. I think theirs is in the 400 range. Aung San Suu Kyi has her list. And now we are all bringing this to the government.

Senator RUBIO. When you say “released,” are they all back in the country? Were they exiled? What is the status of—

Ambassador MITCHELL. They are back in the country. They were not released unconditionally; they had for the most part, sign. But they are not released unconditionally in the sense that they were—there is still a section 403, I think it is. But they are actually acting as if they are normal citizens in the country. They are not restrained from—in fact, some of them ran for office last April. They are forming civil society.

Senator RUBIO. What are the conditions?

Ambassador MITCHELL. I am sorry?

Senator RUBIO. What are the conditions of their release?

Ambassador MITCHELL. Well, they just said—it was not unconditional in the sense of—if they have—if they commit another crime of some kind, they could be put back in prison and their sentence is resumed. That is on paper. We are watching that very closely. We are making it clear to them we want to see this unconditional. It is still a Damocles sword hanging over their head that is unacceptable that I think is a cloud that they feel psychologically. But in practice, we have been encouraged that they have not been constrained.

The one area I would say that is different, though, they have not been able to travel as freely as I think we would like to see.

Senator RUBIO. Within the country.

Ambassador MITCHELL. Well, no, I think outside the country.

Senator RUBIO. Oh, outside.

Ambassador MITCHELL. Some have tried to, and there have been difficulties getting passports here and there. But we have been working on this issue. It could be as much an issue of internal bureaucracy because they are not a very efficient government yet. But we will work on these issues. It is not over and done with just because they are released.

Senator RUBIO. The second issue, which is related to all of this, is just this terrible history of trafficking in persons that has existed there. Burma has historically been Tier 3 ranking. I think they have been upgraded to a Tier 2. I know the President last year—our President—suspended, if I am not mistaken—I had it here in my notes—suspended or waived Section 110 of the Trafficking Victims Protection Act with respect to Burma, meaning certain sanctions would not be applied.

I am curious to know two things, because it sounds from what I have read that what they are doing on trafficking is all aspirational. What specifically have they done? And it is not just trafficking. They have this horrible problem with child soldiers being conscripted into the armed services. I want to talk about the armed services in a moment.

But what exactly have they done that has been so promising to move them from a Tier 3 to a Tier 2 and lead to the waiving of

these Trafficking Victims Protection Act sanctions. What have they done? What exactly has happened with regards to child soldiers and trafficking and persons that justify this?

Ambassador MITCHELL. There is no question there continues to be severe challenges in the country on forced labor, and child soldiers, and the rest. And the Tier 2 Watch List does not mean that they are given a blank slate on this. What it says is they are moving in the right direction.

I was with Ambassador Cdebaca, who is our Ambassador responsible for trafficking in persons. I was with him in Burma in January. And he went in with very low expectations of what he could get from the Burmese, and it was remarkable actually. He talked about this when he released the most recent report, how they had done a lot internally. They had books and tabs of what they were doing on this issue, particularly on trafficking outside the country, of trafficking in Thailand, trafficking into China. But they also were looking at some issues of forced labor internally.

Since then, and this is what Ambassador Cdebaca had pressed very heavily. There was a law in place from 1907 when the British were there—it is colonial. It is the Village and Towns Act that gave the authority to the government to force labor, to requisition labor for official purposes. And what Ambassador Cdebaca said, you need to get rid of this law. This is official sanction for doing this. You need to get rid of the official sanction. And they did that. They did that in March. So it was actually a fairly substantial move where they took action to say it is not official policy. We are going to work on this.

And what has been very encouraging, I can tell you privately, that they were very happy about being moved up to the Tier 2 Watch List. They felt that was at least recognition that they were trying to deal with these issues. And they said next year we want to be off the list. How can we get off the list? So this is not done.

Senator RUBIO. What was our answer? What did we tell them when they said that?

Ambassador MITCHELL. Oh, we said we will work with you on the types of things we need to see, including on forced labor, including on child soldiers, including accountability for what is going on. So we were going to—we will say you want to get off the list.

Senator RUBIO. My time is running out. I had one more question, so I do not want to belabor this point. But I am very interested to know specifics of what they are doing, what they have done, and what we expect them to continue to do on this issue, because—and I am not accusing them of this. I am, quite frankly, not as aware, and that is why I am asking. But there are cosmetic things that people do to show, and then there are real things that they do on trafficking.

My last concern, and I think it is a broader issue, is the military continues to be unaccountable to the civilian leadership. It seems to me from my reading—I have never visited there—that the military in particular has and many officers in the military have benefited greatly from the crony nature of the economy.

Here is my concern, how big of an impediment in your observation is it to have this continued existence of this very powerful military not accountable to civilian leadership still be able to step in

at any moment and stop this progress? And what are your general thoughts on where that is headed, and how much willingness there is from the civilian areas in government to deal with it.

Ambassador MITCHELL. Well, as I said, it is imbedded in the constitution. As long as that is imbedded in the constitution, it raises questions about how far they are going to go for democratic reform. And they have said repeatedly privately and publicly we are committed to democracy and democratic change. But as long, as you suggest, that the military remains able to act with impunity and has a unique position in the affairs of the nation that is not democratic, then that raises questions. And I think that has been raised repeatedly as a concern, and we will continue to focus on that.

Having said that, I think we need to bring the military in and continue to talk to them about how they see themselves playing in this road to reform.

The final thing I will say on trafficking in persons, we can get Ambassador Cdebaca to come up and talk to you about his observations specifically on Burma, what he sees and what he is not seeing. I do not mean to whitewash. There are obviously a lot of concerns that remain, but it is just that they are making some progress, and we just took them out of a Tier 3 kind of closet and put them in a Tier 2 watch list so we can work more closely with them.

Senator WEBB. Senator Rubio, before we leave you, or before you leave us, I would like to add on to what you just said about this TIP list.

We have been working on this from our staff for 4 years now. And my strong view, and we have communicated to Secretary Clinton on more than one occasion, is that the entire process for developing these TIP lists is fundamentally flawed. What they do in their evaluations is they rank a country against itself year by year rather than compared to an international standard. And the benchmark that they use most frequently is the number of legal actions and the number of legal procedures that have been put into place in order to address the issue.

And you have these unexplainable disparities country by country where you have advanced governmental systems, like Singapore and Japan or Tier 2 Watch Lists, and then last year we had Nigeria, which was Tier 1, because in 1 year they had increased the number of legal actions rather than, you know, the actual state of these trafficking issues inside their country.

And we got literally a blast from the foreign ministry of Singapore about this when they were downgraded talking about how the United States had the audacity to give itself a Tier 1 with all of the trafficking in persons that goes on here with respect to immigration policies and these sorts of things.

So I would welcome the opportunity to have a discussion and show you what we have done on this in terms of remedial legislation. I think it is really—countries around the world do not understand the numbers that are coming out of it.

Ambassador, Senator Rubio mentioned another issue that I would like to get your clarifications on, and that is the numbers of prisoners and the release process, because from what we have been hearing is this present government has been attempting to address

these issues name by name. In other words, if they are given specific names, that they are doing for the most part a good job of trying to separate political prisoners from others who might have committed recognizable criminal offenses.

And, in fact, yesterday I was speaking with my friend and yours, Thant Myint, who is just back from a visit in Bangkok. And he was saying to me—back in Bangkok from a visit inside Burma. And he was saying to me that this is a priority over the next 2 months for their government to try to review the lists as they are being furnished in an attempt to clear the slate. Is that your impression of what is going on?

Ambassador MITCHELL. I have heard the same, and we are going to take advantage of that window to put our list forward and encourage them to take that step. I think it will be a very positive step.

And I do think there are people in the government quite serious about it. Whether they call them political prisoners or common criminals, we do not care. We want these people out because they should not be incarcerated.

Senator WEBB. You can legitimately in any country have someone who has committed acts that are not political acts and still be a political person who is incarcerated.

Ambassador MITCHELL. That is right. There are different definitions that people have, but I think we will stand by our definition of what we consider a political prisoner and seek to get them released unconditionally.

Senator WEBB. All right. I wish you the best. I am very grateful that we are going to have you, barring some unfortunate incident that I do not think is going to occur over the next 24 hours, I think we are going to be very grateful to have you serving as our Ambassador in this very unique and historic time.

It is our intention to try to move this nomination before the end of the week. For that reason, I am asking any members of the subcommittee who wish to get you questions for the record to do so by close of business today, and appreciate your rapid turnaround so that we might request that your nomination be moved before the end of the week.

Also we have statements from the Chamber of Commerce and the U.S. ASEAN Business Council that will be entered into the record at this time.

And, Ambassador, we again appreciate your willingness to continue in public service.

Ambassador MITCHELL. Thank you.

Senator WEBB. This hearing is closed.

[Whereupon, at 11:30 a.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF HON. DEREK MITCHELL TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* What role, if any, can the United States play in Burma's national reconciliation? In the wake of ongoing change within Burma, please describe the strategy being implemented by the United States to communicate with each of the ethnic groups and their respective militias, and/or encourage such an effort by the United Nations.

Answer. Burma's national reconciliation, which will address key political, economic, and cultural issues among the central government and ethnic groups, must be driven by the Burmese people themselves to be successful in the long term. Secretary Clinton, myself, and other U.S. Government officials have met with ethnic groups and their representatives in Burma, throughout the region, and in the United States. Our embassies in the region maintain regular contact with U.N. agencies, international NGOs, and ethnic groups along Burma's borders and inside the country to gauge their concerns and seek current information on the ongoing political process and cease-fire negotiations.

We also meet with Burmese Government officials and consistently convey at the highest levels that, while we understand the sensitivity of the national reconciliation questions, the United States stands ready to assist in effective and appropriate ways to establish a durable solution for peace. We also strongly encourage the Government of Burma to work cooperatively with ethnic groups to find peaceful, lasting solutions to their conflicts and, in the meantime, to negotiate cease-fire agreements by which all sides will abide.

Additionally, in light of ongoing conflict and tensions in ethnic minority areas, including Kachin State and Rakhine State, we urge the government to allow unfettered humanitarian access to Internally Displaced Persons (IDPs). We regularly contact U.N. offices and local and international NGOs operating in Burma to provide assistance to those most in need. In March 2012, we provided \$1.3m to UNHCR to assist Kachin IDPs in the areas of protection, nonfood items, and shelter/camp management. We also collaborate closely with our international partners and the donor community to work with the Burmese Government and ethnic groups to encourage and strengthen the cease-fire negotiations and political dialogue.

*Question.* Have United States officials raised concern with North Korea regarding the country's military and technological exports to Burma, and collaboration with the Burmese military? Are submarines among the exports from North Korea to Burma?

Answer. In our broader bilateral engagement with the North Koreans and with regional partners, we have consistently raised our concerns on proliferation activities. We also consistently raise with the Burmese Government at the highest levels our concerns over military ties with North Korea, and stressed the importance of full and transparent implementation of UNSCRs 1718 and 1874 which prohibit all purchases of military equipment and weapons from North Korea. We take all reports of military trade between the two countries very seriously. We would be happy to offer you a classified briefing to fully address any questions regarding military ties between Burma and North Korea.

*Question.* Have United States officials raised concerns with China regarding North Korea's military and technological exports to Burma, and collaboration with the Burmese military? Have United States officials raised specific concerns to China regarding reports of transshipment of military-defense cargo to Burma from North Korea via China?

Answer. We regularly, and will continue to, address a broad range of proliferation issues, to include links to Burma, with our partners in the region, including China.

*Question.* Please provide a list of political prisoners (or combination of lists of prisoners), which the United States uses as a point of reference in discussions with the Government of Burma.

Answer. We have attached a current list of political prisoners. We consulted with key political parties and civil society organizations in Burma, including members who are former political prisoners and will continue to have ongoing conversations to ensure we have the most accurate and up-to-date information.

[EDITOR'S NOTE.—The list of political prisoners mentioned above was too voluminous to include in the printed hearing therefore it will be maintained in the permanent record of the committee.]

*Question.* When does the United States anticipate that IAEA officials and inspectors will travel to Burma?

Answer. We have regularly urged Burma to improve its cooperation with the IAEA, particularly in support of concluding an Additional Protocol (AP). Universalization of the AP was an important aspect of the 2010 NPT Review Conference Action Plan, which was adopted by consensus and with Burma's support. In addition, the same commitment was made by the 10 ASEAN States at 2011 U.S.-ASEAN's Leaders Summit. While the Government of Burma has indicated a willing-

ness to consider an AP, we have no indication that it has initiated the necessary consultations with the IAEA.

*Question.* How do you envision American institutions of higher learning contributing to the overall reform process within Burma?

Answer. American institutions of higher learning, as well as private foundations and other nongovernment entities, can effectively contribute to the overall process of reform in several ways. Many such institutions are already contributing. One way is to establish faculty exchanges to send American professors to Burma and bring Burmese professors to the United States in order to modernize and reinvigorate the Burmese system of higher learning. Another way is to promote leadership and management training for Burmese diplomats and government officials to develop their capacity to lead both in Burma and at the international level. Additionally, hospital to hospital exchanges or collaborations help ensure the availability of high-quality medical treatment for the people of Burma.

The State Department has been encouraging American institutions to make their own fact-finding trips to Burma to assess opportunities to assist on higher learning activities. Many U.S. educational institutions are considering establishing campuses in Burma or partnering with Burmese educational institutions. We will work, along with our Embassy in Rangoon, to facilitate their efforts. We encourage these institutions to take into serious consideration the views of their Burmese counterparts who, for example, have identified a great demand for English Language Teaching.

*Question.* What are the benchmarks that when achieved, the United States will favor international financial institutions providing technical and financial assistance to the Government of Burma?

Answer. The administration has carefully calibrated its approach on international financial institutions (IFIs) under the “action for action” framework articulated by Secretary Clinton to encourage continued progress on economic and political reforms in Burma. The Secretary of State waived the portion of the Trafficking in Persons (TIP) sanctions that applied to IFI assistance, which remains operable until September 30, 2012. The TIP waiver gave U.S. Executive Directors (USEDs) at the IFIs limited flexibility to support those assessment missions and limited technical assistance to Burma that did not require a Board vote. Burma moved up this year in its TIP Ranking from Tier 3 to Tier 2 Watch List and will not be subject to TIP sanctions in 2013.

However, USEDs are currently directed to vote “no” on IFI financial assistance to Burma, based on existing legislation, including several Burma-specific laws (section 570 of the Burma Freedom and Democracy Act and section 7044 (b) of the FY12 Foreign Operations Appropriations Act). The FY12 Appropriations Act contains no criteria for Burma to meet, nor does it provide waiver authority of any kind for these laws.

We assess that the critical priorities for IFI engagement with Burma at this time include assessment, technical assistance, and capacity-building, but that conditions are not yet appropriate for IFI lending to Burma. IFI engagement in Burma, which Aung San Suu Kyi supports, can be a valuable tool of United States foreign policy, particularly in encouraging economic reform in Burma.

Other major shareholders are already beginning to discuss the preparation of multilateral development bank (MDB) country assistance strategies, and options for the clearance of Burma’s arrears to the MDBs and to certain bilateral creditors. Although the United States will vote “no” on any IFI operations that require a Board vote, the United States cannot unilaterally prevent the IFIs from engaging with Burma, and a strong international consensus is emerging in favor of deeper IFI engagement to cement the positive direction of economic reforms undertaken by President Thein Sein.

The administration is not seeking congressional action on directed vote mandates at this juncture, but it is possible to envisage a future need for the United States to effectively guide IFI engagement in Burma in a manner that meets our shared objectives through the flexible exercise of its voting power.

*Question.* What evidence exists that Burma’s Commander in Chief, Gen. Min Aung Hlaing and his senior officers support political reform in Burma and are willing, at some future time, to accept civilian control over the military and relinquish the military’s privileged status as provided for in Burma’s constitution?

Answer. During my time as Special Representative and Policy Coordinator, I met with Commander in Chief Min Aung Hlaing, Defense Minister Hla Min, and other senior military officials. In those discussions, these officials expressed support for the political reform process initiated by President Thein Sein. Min Aung Hlaing stressed his intention to make the military a responsible, respected, and profes-

sional force, and stated that the armed forces no longer wanted responsibility for governing the country. While the internal dynamics and debates within the military are relatively opaque, and we have ongoing concerns about the authority granted to the military under Burma's constitution, to date, the military has not intervened or taken any other overt action to derail the political and social liberalization that has taken place over the past year.

There are no guarantees, however, that the military in the future will remain supportive of continued political reform, accept de facto control of its affairs by civilian authorities, or relinquish its privileged status under Burma's Constitution. Such steps will be necessary for a full democratic transition and will continue to be factors in U.S. assessments of Burma's reform process.

*Question.* What are the benchmarks that when achieved, the United States will initiate military-to-military interaction with Burma? Once those benchmarks are met, what will be your recommendation(s) as to the specific type of military-to-military contact?

*Answer.* Increased military-to-military ties with Burma would enable greater insight into the Burmese military, and offer opportunities, consistent with U.S. values and interests, to promote a professional, respected, and responsible military force. We have started this process of engagement by renewing joint cooperation on efforts to recover remains of U.S. personnel from the World War II era, suspended in 2004, and the visit of a National War College student delegation to Burma in early May.

Continued violence and human rights abuses against civilians, including women and children, in Kachin and Shan states, and questions about the Burmese military's relationship with North Korea are the major constraints on further development of military-to-military ties.

*Question.* What is the timetable for the completion of guidelines for a general license to authorize new investment and the waiver needed to authorize financial transactions with Burma—as announced by the administration last May?

*Answer.* We are moving forward through an interagency process to complete the steps necessary to implement President Obama and Secretary Clinton's May 17 announcements on easing sanctions on the export of financial services and on new investment. Procedurally we expect to take several steps to ease the ban on new investment in Burma, including by exercising statutory waiver authority and issuing a general license to authorize such investment. We will also seek a separate general license to ease the prohibition on the exportation of financial services to Burma.

We seek to ensure our sanctions easing measures support our overall policy objectives of transparency and accountability and are comprehensible for both the Burmese people and the business community. We will continue to pursue a calibrated approach in our engagement with Burma and will work to promote responsible investing practices.

*Question.* What is the administration's perspective on the status of the Rohingyas? What steps have been taken to address the challenges of injury and death to the Rohingyas resulting from the policies of the governments of Bangladesh and Burma? By name and title, who are the lead State Department officials on matters related to the Rohingyas?

*Answer.* The administration has, and will continue to, express serious concern at the continuing discrimination, human rights violations, violence, displacement and economic deprivation affecting numerous ethnic minorities in Burma, including the stateless Rohingya ethnic minority in northern Rakhine state. We have consistently called upon the Government of Burma to take immediate action to bring about an improvement in their situation, to recognize the right of the Rohingya to nationality, and to protect their human rights.

Soon after sectarian violence broke out in early June between Buddhist ethnic Rakhine and Muslim minorities, including ethnic Rohingya, in Burma's Rakhine state, Secretary Clinton issued a statement condemning the violence and urging authorities to conduct a timely investigation into attacks and a dialogue among all key stakeholders to promote greater religious and ethnic tolerance and understanding.

Embassies Rangoon and Dhaka continue to work in close coordination to monitor the situation in Rakhin state and along the Burma-Bangladesh border and have met with relevant ministers from the respective governments to note our concern and to encourage both governments to work with the international community to restore peace and to provide protection and assistance to those individuals fleeing the violence. We continue to urge the Government of Bangladesh to respect the principle of nonrefoulement as these persons may be refugees or have other protection needs.

We remain deeply concerned and, and if confirmed, I will continue to call for restraint, an end to violence, and the upholding of principles of nondiscrimination, tolerance, and religious freedom.

In the State Department, several bureaus and offices track the Rohingya population in Burma and the region, including the Bureaus of East Asia and Pacific Affairs; South and Central Asia Affairs; Population, Refugees, and Migration; Conflict and Stabilization Operations; and Democracy, Human Rights, and Labor. Senior principals including Assistant Secretary Campbell, Assistant Secretary Posner, Assistant Secretary Barton, and Assistant Secretary Richard, office directors, program officers, and embassies related to the above-mentioned offices work in coordination with the international community to not only address the current violence, but also to develop comprehensive durable solutions to address the Rohingya situation.

*Question.* Officials of Thailand have discussed the forced return of thousands of displaced person to Burma who fled to Thailand. Have U.S. officials discussed this situation with Thai authorities and what is the present position of the Thai Government?

*Answer.* U.S. officials in Thailand and Washington have consistently reinforced with Thai leaders our firm belief that refugees from Burma should only return voluntarily, and when they can do so safely and in dignity. Secretary Clinton raised this issue with Foreign Minister Surapong on June 12. The Foreign Minister, as well as Thai officials from both civilian and military agencies, confirmed to us that the Thai Government will avoid the forcible return of Burmese refugees back to Burma, that there is no timeline for return, and return will only occur when conditions are right in Burma. We will continue to monitor the situation and reinforce our message as appropriate.

*Question.* Some Burmese leaders have been accused of committing or ordering international crimes of humanity against ethnic minorities within Burma. How should these allegations be addressed to ensure accountability and to facilitate reconciliation within Burma? Does the administration support a Commission of Inquiry?

*Answer.* We consistently prioritize concerns with human rights violations and, in our engagement with Burmese Government officials and members of civil society, we have underscored the importance of establishing a mechanism for accountability. We view the establishment of a national human rights commission in Burma in September 2011 an important first step, and we have encouraged the government to draw on international expertise to ensure the impartiality and the credibility of the commission.

As Secretary Clinton noted during her November visit to Burma, the United States supports an appropriate mechanism to ensure justice and accountability. We believe it is important to support the Burmese Government, the political opposition, and civil society in pursuing their own approach toward achieving these objectives. An inclusive process that comprises key Burmese stakeholders is required for a sustainable mechanism to ensure accountability.

*Question.* Has the United State held discussions with the Government of India and the government of Mizoram state to help identify and address protection of the Chin?

*Answer.* India is not a signatory to the 1951 U.N. Refugee Convention, but all refugees, along with foreign residents, tourists, and migrants, are covered by the Foreigners Act. The Indian Government does not afford refugee status to any group.

U.S. Consulate officers from Kolkata have met in Kolkata and in Aizawl with members of Burma's ethnic Chin population and with groups assisting the Chin in Mizoram. During visits to the state, consulate officers consistently raise the Chin issue with members of local government and civil society. Most recently, the Consul General used a June meeting with the Chief Minister to encourage the government of Mizoram and the Government of India to provide more assistance to this population.

The State Department will continue to engage with UNHCR on indentifying durable solutions for Burma's ethnic Chin, including resettlement.

RESPONSES OF HON. DEREK MITCHELL TO QUESTIONS SUBMITTED  
BY SENATOR MARCO RUBIO

*Question.* Beyond the anecdotes provided in the 2012 Trafficking in Persons Report, what specific steps or measures has the Burmese Government taken to move from Tier 3 to Tier 2 Watch List in the 2012 TIP report?

*Answer.* Burma's record on human trafficking, including forced labor and the use of child soldiers, has been a concern for many years. The ILO and other international observers assessed that the government had used the colonial-era Village Act and Towns Act of 1907 to legally sanction forced labor. The government's moves to repeal these antiquated acts, however, and to replace them with a new law that explicitly prohibits forced labor as a criminal offense, were in direct response to U.S. Government requests, and attest to a stronger commitment to cooperate more closely with the United States on human trafficking issues.

Several other significant and unprecedented steps in advancing political reforms corrected Burma's legal framework vis-a-vis human trafficking:

- An interministerial working group on trafficking in persons introduced best practices through collaboration with international partners. As a result, we have seen improved victim protection measures.
- Authorities undertook significant efforts to address the cross-border sex trafficking of women and girls; inaugurated a national hotline to respond better to public complaints of all forms of human trafficking that has since led to the rescue of 57 victims of trafficking; and launched an antitrafficking Web site in February 2012.
- Earlier this year, the government signed a framework agreement with the ILO that commits it to developing and implementing an ambitious new plan of action to eradicate forced labor in the country by 2015.

The government's cooperation with the ILO also achieved progress in addressing conscription of child soldiers in the Burmese military. Of 324 complaints of forced labor in Burma that the ILO received in 2011, 236 involved alleged conscription of children for military service. For the first time in several years, the Ministry of Defense provided data on military personnel disciplined for forced labor offenses: four officers and 37 enlisted personnel were punished for "improper recruitment."

The Ministry of Labor also took a number of unprecedented steps to prevent forced labor of Burmese citizens at home and abroad. In late 2011, the Deputy Minister of Labor negotiated with the Thai Government for the placement of a labor attaché at the Burmese Embassy in Thailand and the opening of five labor assistance centers in Thailand. The centers, which the Thai Government has not yet approved for opening, will help expatriate Burmese workers with obtaining Burmese identity documents and other assistance.

Through several visits by the Special Representative and Policy Coordinator for Burma, Ambassador Derek Mitchell, and Ambassador CdeBaca from the Office to Monitor and Combat Trafficking in Persons, the United States engaged relevant ministries and security forces in Burma to express our concerns and guide the government toward progress in meeting achievable goals.

We recognize there is still much to be done, and Burma's Tier 2 Watch List ranking reflects serious deficiencies. We also remain concerned with continued reports on conscription of child soldiers. We will build upon the foundation we have laid with the government to cooperate on these issues as well as collaborate with Aung San Suu Kyi, who has highlighted the issue of human trafficking as an essential issue to resolve.

*Question.* What are the measures that the Burmese Government must meet for Burma to remain off the Tier 3 list in the 2013 TIP Report?

*Answer.* In order to avoid a Tier 3 ranking in the 2013 TIP Report, the Burmese Government must avoid backsliding on its improvements to date and begin to make progress on implementing a series of recommendations that the Department of State provided in the 2012 TIP Report:

- Complete and implement the terms of the International Labor Organization (ILO) action plan for the elimination of forced labor offenses perpetrated by government employees, particularly military personnel.
- Take additional measures to confront the unlawful conscription of children into the military and ethnic armed groups, including the criminal prosecution and punishment of offenders.
- Increase efforts to investigate and sanction, including through criminal prosecution, government and military perpetrators of internal trafficking offenses, including child soldier recruitment and other such crimes.

- Actively identify and demobilize all children serving in the armed forces.
- Continue improving U.N. access to inspect recruitment centers, training centers, and military camps in order to identify and support the reintegration and rehabilitation of child soldiers.
- Cease the arrest and imprisonment of children for desertion or attempting to leave the army and release imprisoned former child soldiers.
- Enhance partnerships with local and international NGOs to improve victim identification and protection efforts, including victim shelters.
- Develop and implement formal victim identification and referral procedures.
- Focus more attention on the internal trafficking of women and children for commercial sexual exploitation.

*Question.* At the hearing, you mentioned an interest by Burmese authorities to take measures that would lead to their removal from the TIP Report's Tier 2 Watch List. What specific measures would the Department of State expect Burma to take in order to accomplish this? What type of monitoring will the State Department do to ensure these measures are followed?

*Answer.* Each Trafficking in Persons Report narrative contains specific recommendations for a government to consider implementing over the coming year toward achieving a favorable tier ranking. In addition to the country-specific recommendations within the TIP Report narrative, the Department of State provided the Government of Burma with an action plan that is derived from these recommendations. The State Department delivered the action plan to the Government of Burma on June 19. Both the action plan and accompanying recommendations are aimed at providing authorities with guidance related to the minimum standards outlined in the Trafficking Victims Protection Act. In order for Burma to be removed from the Watch List, its Government must make progress on these recommendations.

To help the government achieve its goal of a more favorable tier ranking, we will build on our strengthened engagement, including upgraded diplomatic ties, to work with relevant ministries and authorities on the necessary criteria it must address. We will outline procedures and recommendations from our Trafficking in Persons report and seek progress on core concerns specific to Burma. The Department's Office to Monitor and Combat Trafficking in Persons, in partnership with the Bureau of East Asian and Pacific Affairs and the U.S. Embassy in Rangoon, will assess the Government of Burma's progress in achieving the action plan items through direct discussions with authorities, soliciting feedback from nongovernmental organizations and monitoring media coverage of these issues.

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PREPARED STATEMENT OF THE U.S. CHAMBER OF COMMERCE

The U.S. Chamber of Commerce, the world's largest business federation, representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as State and local chambers and industry associations, is pleased to have the opportunity to submit this statement for the record to the Senate Committee on Foreign Relations in connection with today's hearing on the nomination of Derek Mitchell to be United States Ambassador to Burma.

The Chamber has been very encouraged by political and economic developments in Burma over the past year. Badly needed political and economic reforms in that country are moving forward, in many cases at a pace faster than most observers had expected. Following the landslide victory by the opposition National League for Democracy in the April 1 elections, there is, for the first time in many years, a genuine sense of hope for the future.

It is patently in U.S. interest that the process of reform and liberalization in Burma continue. The Chamber has therefore strongly supported the U.S. Government's responses to developments there, including Secretary of State Hillary Clinton's visit last December, the upgrading of diplomatic relations, and the announcement that some U.S. economic sanctions will be eased.

Many observers question whether the changes in Burma are irreversible. That is the wrong question; little in this world is truly irreversible. The momentum is currently behind reform, but the process will not be linear. As with most major changes, reform of the economic and political system in Burma is fraught with formidable challenges, and there is ultimately no guarantee of success. Therefore, U.S. policy should be geared toward supporting and strengthening the hand of the reformers. Strategic engagement by the U.S. Government, as well as by leaders from the nonprofit and business sectors, is vital to solidifying and broadening these reforms.

For these reasons, we are pleased that the Senate is considering the nomination of Derek Mitchell as U.S. Ambassador to Burma. It has been 20 years since the United States last had an Ambassador in Burma, and his appointment further demonstrates U.S. sincerity in its commitment to ongoing engagement with that country. If we are to have meaningful dialogue and interaction with Burma, there is no substitute for the presence of an ambassador.

U.S. Chamber representatives visited Burma last month and had discussions in Naypyidaw with a broad range of officials, including the Ministers of Finance, Health, Construction, National Planning, and Energy, and the Vice Ministers of Commerce and Railways. In Rangoon, the Chamber met with economic and political advisors to the President, among others.

The message was clear and consistent: They want U.S. investment because they recognize that U.S. companies bring with them a respect for the rule of law and high standards of corporate governance. Leaders understand that these are essential elements for sustained economic growth.

In those meetings, we detected no illusions on the part of anyone we met about the daunting challenges the country faces. Burma is woefully short of technical skills as well as skilled manpower across every part of the economy from the health care system to the financial sector. They need and want help, and they know it, and they freely admit it. And the United States is in a position to offer that help.

Its realization of the difficulty of the path forward is has not deterred Burma from moving down that path. Indeed, the commitment to reform is genuine, and in the view of the Chamber executives who recently visited, it is not a question of pro- vs. anti-reform, but rather a question of the pace of reform. The pace of reform relates directly to the question of capacity.

U.S. business community involvement can play a crucial role here. U.S. companies not only create jobs, but they bring capital, technology, training, community development, high standards for protecting the environment and respecting human rights and the rule of law that will build a foundation for sustained economic growth. Without this foundation, development and improved standards of living for the people of Burma (or any other country) is simply not possible.

How do we build this foundation? Most immediately, the lifting of financial services and investment sanctions—as promised by Secretary Clinton on May 17—will be essential to the sustainable expansion of the Burmese economy and the successful operation of any U.S. business effort. Currently, U.S. companies are unable to conduct many basic research efforts that would enable them to even formulate plans to operate there. Lifting the financial services and investment ban is a prerequisite for enabling any U.S. business to work in Burma. A basic financial services infrastructure is a prerequisite for creating an environment in which businesses can invest, and where other promising sectors, such as tourism, can flourish.

Secretary Clinton's announcement generated great enthusiasm on the ground in Burma, as the Chamber executives who were there at the time saw firsthand. However, it is disappointing that the announcement has not been followed by action. Movement is needed quickly to issue a general license that is needed to authorize new investments in, and financial transactions with, Burma, consistent with the Secretary's May 17 announcement.

This license should apply across the board to all industry sectors and should avoid burdensome reporting requirements or onerous preconditions on any sector. For example, suggestions to restrict engagement with Burma's State-owned oil company, Myanmar Oil and Gas Enterprise (MOGE) would result in a de-facto investment ban. In Burma, like many other countries around the globe, foreign investors are legally required to enter into joint ventures with state-owned companies. Our standard should continue to be to limit engagement with those entities on the prescribed list of prohibited entities and persons known as Specially Designated Nationals (SDN) who have been unjustly enriched in the past, have violated other statutes such as counterterrorism, money laundering, proliferation, counternarcotics prescriptions or who are owned by the military. MOGE has not been listed for any of these violations and is not controlled by the military. Instead, MOGE reports to the civilian-controlled Ministry of Energy.

Effectively prohibiting American companies from dealing with MOGE will only ensure that non-American companies continue to capture additional energy projects. It will not lead to greater transparency over natural resource revenues.

American companies have been at the forefront of a decade-long global effort to promote greater transparency around the flow of natural resource revenues, i.e. the Extractive Industries Transparency Initiative (EITI). Some 35 nations are now implementing countries in this initiative and participate with other stakeholders from industry, international financial institutions and civil society; 14 countries have achieved "compliant" status with the EITI disclosure standard. The United States

has recently applied to join EITI. American companies can and will encourage Burma, as they have encouraged other countries, to join this initiative, which provides the capacity not only to implement the disclosure standard, but to develop the institutions to manage public expenditures over the long term. If the U.S. Government goal is to promote transparency, then our policy should strongly support U.S. companies entering the natural resource space, and engaging with MOGE and the government to embrace EITI.

But these are only first steps. What is needed is a broader and longer term vision about the future of the U.S. relationship with Burma. That vision must address how we can sustain support for a reform process that will likely take many years, see fits and starts, and encounter challenges both foreseen and unforeseen.

That vision must also consider a plan for more comprehensive easing of economic sanctions. Over the past few months, all the major economies that had sanctions in place against Burma have now suspended or eliminated them. A sanctions regime that was multilateral is now unilateral.

As the U.S. Chamber of Commerce has pointed out repeatedly, tying the hands of U.S. companies simply ensures that our competitors fill the void, as they are already doing. As a result, the jobs which could go to American workers will instead go to their counterparts in Asia, Europe, and elsewhere. U.S. companies are already starting from a disadvantage, as numerous entities from other nations have substantially stepped up their activity in recent months.

For example, the AFP noted in a June 19 article that Myanmar has recently signed a series of oil and gas exploration deals with companies from Hong Kong, Switzerland, Malaysia, India, Thailand, Indonesia, and Russia. In recent weeks, a flurry of business delegations from Japan, Singapore, and many European countries have visited the country. Not only have other governments eased sanctions, but many, such as those in Japan and Europe, in fact are helping and partnering with their industries to get them into Burma. Similar efforts on the U.S. side, perhaps led by the Commerce Department, would be helpful.

Ironically, slow-walking the implementation of the administrative steps necessary to suspend sanctions on new investment and financial transactions will not increase transparency, advance respect for human rights, or slow economic activity. It will only mean that U.S. companies that push for better governance and transparency are not involved in shaping the corporate culture and norms that are formed as Burma's private sector is invigorated.

Moreover, the easing announced last month does not limit U.S. policy options. The United States can renew the investment and financial services sanctions should conditions in Burma deteriorate. Other sanctions remain in place and in some cases would require legislative action to undo. Thus, their removal will be neither quick nor easy.

In addition, the SDN list provides a way to ensure that business dealings do not enrich those parties responsible for Burma's decades of suffering, and that those honest entrepreneurs seeking a way to connect with the outside world are not kept in isolation due to the actions of others. This list could be made more accessible and user-friendly, but we are not recommending its elimination. Many countries around the world have individuals and entities on this list, so it is not unique to Burma, and it serves a very important function.

However, our long-term vision must take into account those sanctions and restrictions which are unique to Burma. We need an open and honest dialogue in which we can discuss the efficacy and utility of some of the remaining sanctions and their impact on the Burmese people.

From the Chamber's discussions on the ground, it is clear that a U.S. presence is welcomed in Burma and in a sense, the U.S. is pushing on an open door. A U.S. commercial presence will serve our economic, political, and strategic interests, and will help the people of Burma.

The past 20 years have been a dark chapter in Burma's history. We believe that Burma is trying to turn the page, and the United States must support this process. Deepening our engagement with that country is an important way to do so.

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PREPARED STATEMENT OF ALEXANDER FELDMAN, PRESIDENT, US-ASEAN BUSINESS COUNCIL AND FRANCES ZWENIG, PRESIDENT, US-ASEAN BUSINESS COUNCIL INSTITUTE, INC.

The US-ASEAN Business Council and the US-ASEAN Business Council Institute, Inc are pleased to have the opportunity to submit a statement for the record to the Senate Committee on Foreign Relations in connection with today's hearing on the nomination of Derek Mitchell to be United States Ambassador to Myanmar.

The US-ASEAN Business Council is the premiere advocacy organization for U.S. corporations operating within the dynamic Association of Southeast Asian Nations (ASEAN). ASEAN represents nearly 600 million people and a combined GDP of USD \$1.5 trillion across Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. The Council's members include the largest U.S. companies working in ASEAN, and range from newcomers to the region to companies that have been working in Southeast Asia for over 100 years.

The US-ASEAN Business Council Institute, Inc is a charitable organization whose purpose is to enrich the opportunities for strengthened and deeper engagement by U.S. companies in ASEAN through a variety of educational activities and capacity-building. Broadly defined, this mission also supports humanitarian activities and community engagement to help improve the lives of people in ASEAN where the Council's companies work; support for programs to preserve and expand knowledge about the rich cultural and art heritage of the region in the U.S. and of the U.S. in ASEAN; and other initiatives in the fields of education, governance and rule of law, health, the environment, trade, commerce and investment that the Council's members may propose from time to time.

The Council and its members have been very pleased to see the forward motion in the reform process that has taken place in Myanmar over the past year. This reform has been not only political, as Myanmar has held elections which have included key opposition groups and has expanded the political space for open, sometimes critical dialogue, but also economic, as Myanmar has taken the long-overdue step of allowing a managed floating exchange rate, invited in foreign investment, and begun the process of privatizing state-owned enterprises. President Thein Sein has promised further reforms, and Myanmar has indicated it will continue the process of releasing political prisoners.

These reforms are not irreversible, and need support from all corners in order to be successful. The presence of a U.S. Ambassador will make a substantial difference in the amount of influence the United States can wield in encouraging further reforms.

The Council supports without qualification the confirmation of Derek Mitchell for the position of U.S. Ambassador to the Union of Burma, or Union of Myanmar. Ambassador Mitchell brings experience from his years of government service in the Congress and in the executive branch which will prove invaluable in this position, and is very well qualified for the job. He has demonstrated his commitment and energy to finding a way forward in this rapidly changing environment, and has the temperament, ability, and insight which this challenging position will require. The Council has long believed that the cause of improving the lives of Burmese people was ill-served by the lack of an American Ambassador to Myanmar and the subsequent U.S. insistence that Myanmar downgrade its diplomatic representation in Washington, DC. Levels of representation matter and impact the quality of dialogue, access to key decisionmakers, and quality of information about one another's country. With representation restored to normal levels, we hope the guidance to the Embassy to provide the full array of assistance to American individuals and companies seeking to undertake projects with civil society and business with business and government partners will be adopted. Currently, as this committee knows, the Embassy's ability to provide any assistance to individuals or companies seeking to do business is constrained by State Department policy.

U.S. companies bring best practices in governance, corporate responsibility, safety and environmental standards. We believe they can make an important contribution to the new legal and fiscal frameworks now under discussion, but they must have access to good information as the insights that an active diplomatic presence can provide. We urge the State Department to update their guidance to the Embassy to be consistent with the May 17 announcement by Secretary Clinton that the United States is suspending sanctions on new investment and financial transactions with Myanmar.

The Council is also very encouraged that the administration has decided to suspend sanctions and allow economic engagement. The Council has long believed that engagement can be more effective than isolation in effecting positive change.

The next vital step will be the issuing of a general license that will allow U.S. business to begin to work in Myanmar. Secretary Clinton's May 17 announcement of the suspension of certain sanctions has emboldened reformers, but it must be backed up with action. It is essential that a general license authorizing new investments in and a waiver authorizing financial transactions with Myanmar are issued soon, and that both apply equally across all industry sectors.

Currently, potential U.S. investors remain in limbo, unable even to perform basic research functions while their competitors move forward aggressively. A June 19

article by the AFP indicated that Myanmar has signed oil and gas deals with numerous companies from Asia and Europe, and large delegations of foreign companies have made numerous visits. Each day puts U.S. companies further behind.

Major U.S. companies, including iconic brands like council members the Coca-Cola Company and GE, have indicated that they intend to pursue opportunities in Myanmar once they are allowed.

A key example of the level of business interest in Myanmar is the excitement surrounding the Council's first Business Mission to Myanmar, which will take place in July. Despite the challenges that will face companies looking to do business in Myanmar, 37 leading U.S. companies have agreed to join the mission. The companies participating in the mission include 5 of the Fortune 10, and represent all sectors. Top firms in health care, manufacturing, infrastructure, financial services, energy, and ICT are interested in the opportunities offered by the opening up of Myanmar's economy.

During their visit to Yangon, the delegates will meet with a wide spectrum of the key figures in Myanmar's evolution: key government ministers, members of opposition groups like the NLD, NDF, and the 88'ers, and members of civil society. They will participate in meetings with U.S. Government officials who will travel to Myanmar as part of the State Department delegation which will also visit Myanmar. The business mission will include a panel of NGOs who will describe the conditions they face in operating on the ground, and share their knowledge and experience on the best way for U.S. companies to help move Myanmar forward. Those NGOs will include: PACT, Proximity Designs, Marie Stopes International, and World Vision.

Connecting Burmese citizens to the wider world of global business will be a vital step in helping them build the civil society that will enable them to move Myanmar from the list of failed states into being a member of ASEAN's success story. The Council encourages maintaining, regularly updating, and providing easy to use access to the Specially Designated Nationals list as a way to ensure that business dealings do not enrich those parties responsible for Myanmar's decades of suffering, and that those honest entrepreneurs seeking a way to connect with the outside world are not kept in isolation due to the actions of others.

U.S. companies can create the jobs and economic base needed for the government to jump-start the economy and meet the expectations of the people. U.S. companies bring with them respect for the rule of law, corporate governance structures including adherence to the Foreign Corrupt Practices Act, intellectual property rights, and labor standards unmatched in the world. U.S. companies can and do provide capacity-building, training, and respect for the environment, as well as projects to engage with communities where they work to a substantially greater degree than most of their competitors from other nations. These Corporate Social Responsibility projects include globally successful education, public health, and environmental programs. U.S. companies look forward to vastly expanding their presence in Myanmar.

These are programs which are already clearly reported and documented, and which major U.S. companies view as part of their competitive advantage. Burdensome reporting requirements surrounding CSR work in Myanmar will have the effect of making it more difficult for companies to bring in existing successful programs, and will act as a barrier to entry for small and medium-sized enterprises.

In addition to the efforts of its members, the US-ASEAN Business Council Institute performs a variety of CSR functions. Those efforts have included facilitating and supporting flood relief in Thailand and will include expanding the Council's training program for small and medium-sized enterprises throughout ASEAN.

Myanmar has already been the location of one of the Council's key CSR efforts; the restoration of the Musmeah Yeshua Synagogue. Rangoon was once the home of a thriving Jewish community consisting primarily of Jews from Iraq, Iran, and India. Musmeah Yeshua Synagogue was built in 1893-1896 to serve the growing Jewish population, which, at its peak, numbered about 2,500 individuals. During World War II, and, in the years following, most of the Jews in Burma fled to other countries. The Burmese Government's nationalization of businesses in 1969 caused further migration.

As a result of the community's dwindling numbers, the synagogue has limited funds to support itself. Even before the May 2008 cyclone, the building was in desperate need of restoration and the historic Jewish cemetery nearby was slated to be destroyed by the city. Cyclone Nargis only made the situation more desperate. This historic building still serves as the religious center for Jews visiting Myanmar. Without restoration and maintenance, this unique piece of history would have been lost.

Moses Samuels and his family are among the few Jews in Myanmar. Moses is the Trustee of Musmeah Yeshua Synagogue. Cyclone Nargis rocked the beautiful syna-

gogue, shattered its windows, and destroyed its roof. Without assistance, the Jewish community of Myanmar would have been unable to restore and maintain its place of worship. Even with its own Nargis damage, the Jewish community—led by Moses’s son Sammy—organized several aid missions to help their fellow Burmese in the hard-hit Delta.

The US–ASEAN Business Council Institute, Inc., the US–ASEAN Business Council’s 501(c)(3) tax exempt organization, obtained a license from the United States Department of the Treasury’s Office of Foreign Assets Control (OFAC) to raise funds for the maintenance and restoration of Musmeah Yeshua Synagogue in Yangon, Myanmar. With the OFAC license, the Council achieved a number of things:

- Raised funds to complete restoration and necessary maintenance of the synagogue;
- Raised funds for the synagogue’s monthly expenses consisting of utilities, salaries for workers, and various miscellaneous expenses;
- Raised funds for the maintenance of 700 historic graves and for the construction and maintenance of the new cemetery.

It is unquestionable that U.S. companies are at a disadvantage to foreign competitors who are already operating in Myanmar. Jobs that could be created in the U.S. are instead going to other nations. We hope this testimony will help to show some of the vital and necessary CSR projects that the Burmese people will be denied by the absence of U.S. companies.

We believe Derek Mitchell has a firm grasp of these issues and the importance of welcoming Myanmar back into the global fold.

We respectfully urge his swift confirmation.



**NOMINATIONS OF GENE A. CRETZ, DEBORAH  
R. MALAC, DAVID B. WHARTON, ALEXANDER  
M. LASKARIS**

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**THURSDAY, JULY 12, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Gene Allan Cretz, of New York, to be Ambassador to the  
Republic of Ghana  
Deborah Ruth Malac, of Virginia, to be Ambassador to the Republic  
of Liberia  
David Bruce Wharton, of Virginia, to be Ambassador to the Republic  
of Zimbabwe  
Alexander Mark Laskaris, of Maryland, to be Ambassador to the  
Republic of Guinea

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The committee met, pursuant to notice, at 3:05 p.m., in room  
SD-419, Dirksen Senate Office Building, Hon. Christopher A.  
Coons, presiding.

Present: Senator Coons.

**OPENING STATEMENT OF HON. CHRISTOPHER A. COONS,  
U.S. SENATOR FROM DELAWARE**

Senator COONS. I am pleased to call to order this nomination hearing of the Senate Foreign Relations Committee for the Ambassadors for Ghana, Zimbabwe, Liberia, and Guinea. As always, I am grateful for the supportive service of my good friend and ranking member, Senator Isakson of Georgia, as well as other members of the committee. Senator Isakson and I were just on the floor together where we had a series of three votes, and he wanted me to express his apologies. He hopes to join us briefly, but he may well not be able to join us here for this hearing today. He has been a diligent and reliable partner and has attended literally every single hearing from beginning to end we have had so far. So he wanted me to make those apologies at the outset given the exigencies of trying to make his flight home.

I want to welcome and thank our distinguished nominees, Ambassador Cretz, the nominee for Ghana, David Wharton, who is the nominee for Zimbabwe, Deborah Malac, who is the nominee for Liberia, and Alexander Laskaris, the nominee to serve in Guinea. All four of you bring to the table a vast array of relevant experi-

ence in Africa and around the world, and I look forward to hearing your vision for how to advance U.S. foreign policy objectives in these countries.

Last year, Senator Isakson and I traveled to Ghana, which has experienced remarkable growth and has placed it amongst the top 10 fastest-growing economies in the world. Despite the persistent challenge of widespread poverty, Ghana is largely seen as a regional model for good governance, democracy, stability, and economic success. And I look forward to hearing from you about how we will continue to utilize our resources to encourage greater U.S. trade investment in Ghana, which presents, I think, great opportunities for American business.

As I mentioned at our last subcommittee hearing, I am disappointed that the U.S. Department of Commerce chose not to replace the U.S. commercial service officer, formerly posted in Accra. And I believe it is one of many examples why the administration needs to be better coordinate its strategy for promoting economic engagement with Africa among the many agencies responsible for this task.

Zimbabwe is sadly at the other end of the spectrum from Ghana when it comes to democracy and good governance as demonstrated by the fact President Mugabe has been in power more than 32 years. Since 2009, a transitional coalition government has worked toward reform and power-sharing, mediated by SADC, which is proven to be one of the more effective regional organizations in Africa. While Zimbabwe's political environment remains volatile, the GPA has led to a period of stability and recovery, relatively speaking, after many years of violence and collapse.

I look forward to hearing about how the international community can encourage the constitutional reform process and progress that SADC has made with the Global Political Agreement. I am hopeful all political parties will soon agree on a draft constitution that can pave the way toward successful future elections.

Since its historical elections in June 2010, Guinea has begun to emerge from decades of authoritarianism toward a more open and democratic system, but there are very significant challenges which remain. Legislative elections have been delayed due to disagreements about elections management and distrust. Tensions that escalated during the 2010 elections remain central today, but there also has to be accountability for abuses carried out by the military and government. And Guinea must implement economic reforms to reduce corruption, including in its mining sector where increased transparency and certainty could open the door to increased investment and trade.

Finally, we turn to Liberia, which has experienced economic growth, improved rule of law, and increase stability since the civil war there ended in 2003. In my view, much of Liberia's progress can be attributed to strong leadership, and I am hopeful President Johnson Sirleaf will continue to build on gains made combating corruption and strengthening governance in her second term. I was honored to join the Secretary of State at her second inaugural.

As the U.N. Peacekeeping Force continues its drawdown, Liberia must continue to focus on building its security and justice sectors,

especially the police. Increased recent violence on the border with Cote d'Ivoire underscores the importance of security sector reform.

As I mentioned, in all four countries, we have before us four strong nominees. Since 2008, Ambassador Gene Cretz has served as the United States Ambassador to Libya. He is the current nominee to serve in Ghana. He has previously overseen the closing and reopening of the U.S. Embassy and significant transition that followed the fall of Gadhafi. Previously, Ambassador Cretz served as DAS in the Bureau of Near Eastern Affairs, in addition to posts in Tel Aviv, Damascus, Beijing, and New Delhi.

David Wharton is the nominee to be Ambassador to Zimbabwe. He is currently serving as the Deputy Assistant Secretary for Public Diplomacy in the Bureau of African Affairs following posts in Guatemala, Tanzania, Nigeria, and Kenya.

Alexander Laskaris is the nominee to be Ambassador to Guinea, who most recently served as counsel general at the U.S. consulate in Erbil, Iraq. He has previously served as DCM at Embassies in Kosovo and Burundi, as well as postings in Angola, Botswana, and Liberia.

Finally, last but not least, Deborah Malac is the nominee to serve as our next Ambassador to Liberia, currently serving as Director of the Office of East African Affairs. I have a lot I want to talk to you about. Previously Ms. Malac served as DCM at the U.S. Embassy in Ethiopia, as well as important posts in Senegal and Bangkok and South Africa and Laos and in Cameroon.

I am very pleased to welcome all four of today's distinguished nominees and look forward to your opening statements.

Senator COONS. I would, in the absence of Senator Isakson—do we expect Senator Isakson? We're not sure.

VOICE. The latest I heard was he was going to try to join us later.

Senator COONS. OK. If at some point Senator Isakson's evolving schedule allows him to drive by, please let me know and we will interrupt wherever we are.

I would like to invite, in turn, each of the four nominees to introduce your family, your supporters, your friends, anyone you would like to recognize who might be watching us by Webcast, which is increasingly common. And after that, in order, we will then turn to your opening statements. If we might just simply go in order from right to left.

Ambassador Cretz.

Ambassador CRETZ. Thank you, Mr. Chairman. I would like to introduce my wife, Annette, my daughter, Gabrielle, my son, Captain Jeffrey Cretz of the Air Force National Guard Unit, you will be pleased to know, out of Newcastle, DE.

Senator COONS. Wonderful. I look forward to talking with you.

Ambassador CRETZ. My daughter-in-law, Meghan, and my daughter's fiancé, Justin, as well as friends, the Ludwig family, who recently came from Tunisia, and they will be heading to Cambodia.

Thank you.

Senator COONS. Thank you, Ambassador.

Ms. Malac.

Ms. MALAC. I would like to introduce my husband, Ron Olson, my daughter, Katharine, my oldest son, Nicholas, and my younger son, Gregory, who are here today.

Thank you.

Senator COONS. Thank you, Ms. Malac.

Mr. Wharton.

Mr. WHARTON. Thank you, Senator. I am honored to introduce my wife, Julia, and my son, Sam, who I believe has the proxy vote for our other two children, Sarah and Turner, who could not be here today, but they wanted to be. And to my parents if they are watching on Webcast from North Carolina.

Thank you.

Senator COONS. Thank you, Mr. Wharton.

Mr. Laskaris.

Mr. LASKARIS. Senator, I was in Iraq until Saturday of last week, so this is kind of in a hurry, so my family is watching on the Web throughout the United States and in the old country.

Senator COONS. Thank you so much for joining us today. I am grateful for your willingness to serve. And just at the outset, I would like to thank your families, both the parents or extended families, that made possible your personal commitments to public service in what, in many cases, have been difficult or challenging posts, which are exactly the sorts of places where American values are shown most clearly. And to your families who are with you today or who are watching by Web. I am just grateful for their support for your service. None of you serve alone. You are all sustained by a network of family and friends. And so I just join, I know, with my ranking minority member, who always also makes this comment, to express our gratitude for your careers of public service and for your families who support you.

I would like to now invite each of you to make an opening statement to the extent you would like to.

Ambassador Cretz.

**STATEMENT OF HON. GENE ALLAN CRETZ, OF NEW YORK, TO  
BE AMBASSADOR TO THE REPUBLIC OF GHANA**

Ambassador CRETZ. Mr. Chairman, thank you. I am honored to appear before you today and grateful to President Obama and Secretary Clinton for the confidence they have placed in me as their nominee for Ambassador to the Republic of Ghana.

As I mentioned, I am joined today by my wife, Annette, my son, Jeffrey Cretz, and my daughter, Gabrielle, whose love and support have carried me throughout my 31 years in the Foreign Service. Without them I would not be here today.

In addition, I would note that my son has honorably served his country through three deployments to Afghanistan and the Middle East.

My journey began as a Peace Corps Volunteer in Kabul, Afghanistan, before joining the Foreign Service in 1981. I have served in Islamabad, Damascus twice, New Delhi, Tel Aviv twice, Beijing, Cairo, and most recently as United States Ambassador to Libya. If confirmed as the next U.S. Ambassador to the Republic of Ghana, I will draw upon these experiences to advance U.S. interests in Africa.

I am very proud of the role the United States played to help the courageous people of Libya gain their freedom from the 42-year dictatorial rule of Muammar Gadhafi. One only has to visit Libya today to witness a people breathing freedom for the first time to realize how important our efforts were.

Ghana is a good news country as President Obama stated in his remarks during President Mills' March visit to the Oval Office. A democracy since 1992 and an economic success story with GDP growth rates reaching a historic high of over 13.5 percent in 2011, and sustaining a growth rate of at least 8 percent in 2012, Ghana's record of achievements speaks for itself.

Having successfully completed its first \$547 million Millennium Challenge Corporation Compact in February, Ghana is eligible to receive its second compact focused on improving access to reliable power. We have seen the Ghanaian people benefit from improved schools, health services, roads, and basic infrastructure as a result of sound macroeconomic policy and debt relief. If confirmed, I will maximize the talents and skills of Embassy personnel, advance existing USAID programs, and implement a second MCC Compact, if approved.

United States exports to Ghana have grown 186 percent over the past 5 years, and two-way trade is expected to reach an all-time high, surpassing the \$2 billion mark in 2012 as Ghana continues its impressive economic development. Companies such as GE, IBM, Baker Hughes, Cargill, Archer-Daniels-Midland Company, and others are investing in Ghana precisely because Ghana is a model for economic development in West Africa. I look forward to ensuring that the promotion of U.S. commercial interests remains an integral part of our statecraft.

Home to a lively, free media, an apolitical military, and blessed with cocoa, gold, mineral reserves, and natural resources, Ghana is setting the standard for democracy and economic development on the continent of Africa. If confirmed, I will explore new and innovative approaches to expand commercial ties between the United States and Ghana.

Ghana has held five free and fair national elections since 1992, and witnessed two peaceful transitions from one political party to another in 2000 and 2008. National and legislative elections are scheduled for this December. And if confirmed, I expect to witness Ghana achieve its sixth consecutive peaceful and transparent democratic election.

The people-to-people links made strong through more than 50 years of a continuous and vibrant Peace Corps presence, Fulbright, Humphrey, Community College Initiative, and Kennedy-Lugar Youth Exchange and Study student exchange programs, and military cooperation through our International Military Education and Training Program, the Africa Contingency Operations Training and Assistance Program, the State Partnership Program with the North Dakota National Guard, and Africa Command's Africa Partnership Station are among the initiatives I will continue to advance if confirmed.

Ghana and the United States share an interest in countering terrorism and promoting regional stability. It is one of Africa's premier peacekeeping partners. If confirmed, I will support Ghana's

capacity to promote regional and global stability. This includes combating escalating drug trafficking and human trafficking. Protecting the safety and welfare of U.S. citizens will be a top priority.

Political power in Ghana remains highly centralized, and Ghana faces challenges in managing its oil resources. With a GDP per capita of \$1,286 in 2010, Ghana is a lower middle-income country. The Government is committed to a path of reducing Ghana's aid dependency in the medium to long term. U.S. developments are focused on maintaining sustainable, broad-based economic growth through initiatives such as Feed the Future and the Partnership for Growth.

President Obama chose Ghana as the site for his historic speech in 2009 about a new moment of promise for Africa. Ghana is living up to that promise, and our continued cooperation will enhance the partnership further.

Thank you, Mr. Chairman, and members of the committee for the opportunity to address you today. If confirmed, I look forward to working with you in representing the interests of the American people in Ghana. And I am happy, of course, to answer any questions you have.

[The prepared statement of Ambassador Cretz follows:]

PREPARED STATEMENT OF GENE ALLAN CRETZ

Mr. Chairman and members of the committee, I am honored to appear before you today, and grateful to President Obama and Secretary Clinton for the confidence they have placed in me as their nominee for Ambassador to the Republic of Ghana.

I am joined today by my wife, Annette, my son, U.S. Air Force Captain Jeffrey Cretz, and my daughter, Gabrielle, whose love and support have carried me throughout my 31 years in the Foreign Service. Without them I would not be here today. In addition, I would note that my son has honorably served his country through three deployments to Afghanistan and the Middle East.

My journey began as a Peace Corps Volunteer in Kabul, Afghanistan, before joining the Foreign Service in 1981. I have served in Islamabad, Damascus (twice), New Delhi, Tel Aviv (twice), Beijing, Cairo, and most recently as United States Ambassador to Libya. If confirmed as the next U.S. Ambassador to the Republic of Ghana, I will draw upon these experiences to advance U.S. interests in Africa. I am very proud of the role the United States played to help the courageous people of Libya gain their freedom from the 42-year dictatorial rule of Muammar Qadhafi. One only has to visit Libya today to witness a people breathing freedom for the first time to realize how important our efforts were.

Ghana is a "good news" country as President Obama stated in his remarks during President Mills' March visit to the Oval Office. A democracy since 1992 and an economic success story with GDP growth rates reaching a historic high of over 13.5 percent in 2011, and sustaining a growth rate of at least 8 percent in 2012, Ghana's record of achievements speaks for itself. Having successfully completed its first \$547 million Millennium Challenge Corporation (MCC) Compact in February, Ghana is eligible to receive its second compact focused on improving access to reliable power. We have seen the Ghanaian people benefit from improved schools, health services, roads, and basic infrastructure as a result of sound macroeconomic policy and debt relief. If confirmed, I will maximize the talents and skills of Embassy personnel, advance existing USAID programs, and implement a second MCC Compact, if approved.

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development on the continent of Africa. If confirmed, I will explore new and innovative approaches to expand commercial ties between the United States and Ghana.

Ghana has held five free and fair national elections since 1992, and witnessed two peaceful transitions from one political party to another in 2000 and 2008. National and legislative elections are scheduled for this December, and if confirmed, I expect to witness Ghana achieve its sixth consecutive peaceful and transparent democratic election. The people-to-people links made strong through more than 50 years of a continuous and vibrant Peace Corps presence; Fulbright, Humphrey, Community College Initiative (CCI) and Kennedy-Lugar Youth Exchange and Study (YES) student exchange programs; and military cooperation through our International Military Education and Training Program, the Africa Contingency Operations Training and Assistance Program, the State Partnership Program with the North Dakota National Guard, and Africa Command's Africa Partnership Station are among the initiatives I will continue to advance if confirmed.

Ghana and the United States share an interest in countering terrorism and promoting regional stability. Ghana is one of Africa's premier peacekeeping partners. If confirmed, I will support Ghana's capacity to promote regional and global stability. This includes combating escalating drug trafficking and human trafficking. Protecting the safety and welfare of U.S. citizens will be a top priority.

Political power in Ghana remains highly centralized and Ghana faces challenges in managing its oil resources. With a GDP per capita of \$1,286 in 2010, Ghana is a lower middle-income country. The Government is committed to a path of reducing Ghana's aid dependency in the medium to long term. U.S. development efforts are focused on maintaining sustainable, broad-based economic growth through initiatives such as Feed the Future and the Partnership for Growth. The G8 New Alliance for Food Security and Nutrition, announced by President Obama under the U.S. G8 Presidency, strongly supports private sector investment in agricultural development and nutrition; and Ghana is one of the first three countries where the New Alliance will be launched. If confirmed, my priority will be to work with the Government of Ghana to enhance Ghana's economic vitality and to promote U.S. commercial opportunities in Ghana.

President Obama chose Ghana as the site for his historic speech in 2009 about "a new moment of promise for Africa." Ghana is living up to that promise, and our continued cooperation will enhance the partnership further. As one of only four countries in the world selected for the Partnership for Growth, I intend to work closely with our Ghanaian partners to support Ghana's development efforts, not only in the areas of power and credit as highlighted in the Joint Country Action Plan, but also in areas such as food security and health.

Thank you, Mr. Chairman and members of the committee, for the opportunity to address you today. If confirmed, I look forward to working with you in representing the interests of the American people in Ghana. I am happy to answer any questions you have.

Senator Coons. Thank you very much, Ambassador Cretz.

And thank you for your service and for Jeffrey's service. And I look forward to further questions.

Ms. Malac.

**STATEMENT OF DEBORAH RUTH MALAC, OF VIRGINIA, TO BE  
AMBASSADOR TO THE REPUBLIC OF LIBERIA**

Ms. MALAC. Thank you. Mr. Chairman, I am honored and pleased to appear before you today as President Obama's nominee to be the next United States Ambassador to the Republic of Liberia. I would like to thank the President and Secretary Clinton for the confidence and trust they have placed in me by nominating me for this position.

As I mentioned earlier, I would like to recognize the presence of my husband, Ron Olson, and my three children, Nicholas and Gregory and Katharine. I am deeply grateful for their unstinting love and support, and without it, I certainly would not be sitting here today.

Mr. Chairman, I have been privileged to spend the last 31 years representing the United States as a member of the Foreign Service.

The majority of my career has been spent working in Africa and on African issues, starting with an assignment to Cameroon in 1981. That assignment was followed by assignments to South Africa, Senegal, and Ethiopia, interspersed with time in Washington to work on issues, such as South Africa's transition to democracy, East African issues, agricultural trade and development, and food security.

Mr. Chairman, the United States and Liberia share a strong relationship rooted in our historical ties and preserved through our mutual commitment to democracy, human rights, and economic prosperity. We have always been a friend to the Liberian people, and our commitment is demonstrated through our robust foreign assistance. If confirmed, I will continue to strengthen our bilateral relationship and leverage our resources to help Liberia overcome its challenges to development.

Mr. Chairman, it has been 9 years since the end of Liberia's 14-year civil war, and Liberia has taken significant steps to develop democratically and economically.

Last fall, Liberia held its second free, fair, and transparent national election since 2003. The success of these elections demonstrated Liberia's strong commitment to democracy. President Ellen Johnson Sirleaf was reelected to her second and final term, and she has laid out an ambitious agenda to move Liberia forward. If confirmed, I will work to pursue key shared priorities that include improving the investment climate, increasing access to education, reducing the unemployment rate, and encouraging reconciliation.

Liberia has made progress, but it still faces many challenges. It remains one of the most impoverished countries in the world, with most Liberians having limited access to health care, education, or other government services. There is, however, growing investor interest in Liberia, and over the past several years, Liberia has negotiated nearly \$16 billion in foreign investment. If confirmed, I will leverage our existing resources, most notably our robust USAID programming, to help the Government of Liberia ensure that all Liberians have access to basic rights and services.

I will also encourage the Government of Liberia to continue to create an environment that is conducive to business and investment because sustained economic growth is essential to reducing poverty and stabilizing the country.

Preserving security in Liberia is a priority of both the Liberian and U.S. Governments. The United States has been a major player in security sector reform, and we will continue this role even as a reconfiguration of United Nations Mission in Liberia Forces takes place. If confirmed, I will work with the Government of Liberia to encourage it to take the necessary steps to continue to build the capacity of its security sector.

Addressing reconciliation is also important to the future stability of Liberia. President Sirleaf is committed to reconciliation, and has appointed fellow Nobel Peace Laureate Leymah Gbowee to lead Liberia's new national reconciliation initiative. As this process moves ahead, it will be important that all Liberians participate actively and have their voices heard.

As a partner, the United States can play a supportive role, offering technical or logistical support to the Government of Liberia's efforts. We understand, however, that this process must be Liberian-led and Liberian-owned.

Mr. Chairman, thank you for the opportunity to address you today. If confirmed, I look forward to working with you to represent the interests of the American people in Liberia. And I am happy, of course, to answer any questions you may have.

Thank you.

[The prepared statement of Ms. Malac follows:]

PREPARED STATEMENT OF DEBORAH RUTH MALAC

Mr. Chairman, Ranking Member Isakson, and distinguished members of the committee, I am honored and pleased to appear before you today as President Obama's nominee to be the next United States Ambassador to the Republic of Liberia. I would like to thank the President and Secretary Clinton for the confidence and trust they have placed in me by nominating me for this position.

Mr. Chairman, I would like to take the opportunity to recognize my husband, Ron Olson, and my three children, sons, Nicholas and Gregory, and daughter, Katharine. I am deeply grateful for their strong and unstinting support; without it, I would not be seated here today.

Mr. Chairman and members of the committee, I have been privileged to spend the past 31 years as a member of the Foreign Service, working abroad and here in Washington. The majority of my Foreign Service career has been spent working in Africa and on African issues, although I started my career expecting to focus on issues such as the former Soviet Bloc and missile throw-weights. Instead, the Department of State, in its infinite wisdom, sent me to Cameroon, and I was hooked. That first assignment was followed by assignments to South Africa, Senegal and Ethiopia interspersed with time in Washington to work on South Africa's transition to democracy, East African issues, agricultural trade and development and food security. For the past year, I have served as the Director of the Office of East African Affairs. If confirmed, I look forward to the opportunity to return to West Africa.

Mr. Chairman, the United States and Liberia share a strong relationship rooted in our historical ties and preserved through our commitment to democracy, human rights, and economic prosperity. We have always been a friend to the Liberian people and our commitment is demonstrated through our robust foreign assistance. If confirmed, I will continue to strengthen our bilateral relationship and leverage our resources to help Liberia overcome its challenges to development.

Mr. Chairman, it has been 9 years since the end of Liberia's 14-year civil war and Liberia has taken significant steps to develop democratically and economically. Last fall, Liberia held its second free, fair, and transparent national election since 2003. The success of these elections demonstrated Liberia's strong commitment to democracy. As a result, President Ellen Johnson Sirleaf was reelected to her second and final term, and has laid out an ambitious agenda to move Liberia forward. If confirmed, I will work to address the key U.S. priorities, which also are priorities of the Government of Liberia, and include improving the investment climate, increasing access to education, reducing the unemployment rate, and encouraging reconciliation.

Through a \$15 million Millennium Challenge Corporation (MCC) Threshold program, Liberia is taking the right steps to advance development and economic growth. Liberia's Threshold Program focuses on improving land rights and access, increasing girls' primary education enrollment and retention, and improving Liberia's trade policy and practices. If confirmed, I will work closely with the Government of Liberia to encourage progress on its MCC Scorecard indicators so that Liberia can be eligible for a MCC Compact in the near future.

Though significant progress has been made, Liberia still faces many challenges. Liberia remains one of the most impoverished countries in the world, with most Liberians having limited access to health care, education, or other government services. There is, however, growing investor interest in Liberia and over the past several years Liberia has negotiated nearly \$16 billion in foreign investment. If confirmed, I will leverage our existing resources, most notably our robust USAID programming, to help the Government of Liberia ensure that all Liberians have access to basic rights and services. I will also encourage the Government of Liberia to con-

tinue to create an environment conducive to business and investment, as sustained economic growth is key to reducing poverty and stabilizing the country.

Preserving security in Liberia is a priority of both the Liberian and U.S. Governments. The U.N. Secretary General has recommended reducing the United Nations Mission in Liberia's (UNMIL) troop levels from 7,900 to 3,750 over 3 years while increasing the U.N. police levels by up to three Formed Police Units. The United States has been a major player in security sector reform and will continue this role when UNMIL's reconfiguration takes place. If confirmed, I will work with the Government of Liberia to encourage it to take the necessary steps to continue to build the capacity of its security sector. It will be important that the United States, Liberia, and UNMIL and other donor countries work closely together so that when a reconfiguration does occur, the gradual handover of security responsibility from UNMIL to Liberia will be handled properly.

Addressing reconciliation will also be important to the future stability of Liberia. The conviction of former Liberian President Charles Taylor for his role in the Sierra Leone civil war brings to the forefront the need for Liberia to address the wounds left open from its own civil war. President Sirleaf is committed to reconciliation and has appointed fellow Nobel Peace Laureate Leymah Gbowee to lead Liberia's new national reconciliation initiative. As this process moves ahead, it will be important that all Liberians participate actively and have their voices heard. As a partner, the United States can play a supportive role, offering technical or logistical support to the Government of Liberia's efforts. We understand, however, that this process must be Liberian-led and Liberian-owned.

Last, my highest priority, if confirmed, will be the protection of Americans and American business interests, including mission personnel, living and traveling in Liberia.

Mr. Chairman and members of the committee, thank you for the opportunity to address you today. If confirmed, I look forward to working with you in representing the interests of the American people in Liberia. I am happy to answer any questions.

Senator COONS. Thank you, Ms. Malac.  
Mr. Wharton.

**STATEMENT OF DAVID BRUCE WHARTON, OF VIRGINIA, TO BE  
AMBASSADOR TO THE REPUBLIC OF ZIMBABWE**

Mr. WHARTON. Mr. Chairman, thank you very much. I am honored to appear before you today, and grateful to President Obama and Secretary Clinton for the confidence that they have placed in me as their nominee for Ambassador to the Republic of Zimbabwe.

And as I expressed before, I am also deeply honored by the presence of my wife and my son here, and their representation of others in my family. My family has represented the United States well in our five overseas assignments, and have been a tremendous support to me. So I thank them for that.

Having been raised myself in a family full of stories about, and respect for, the people of Africa, which is a legacy of my grandparents' 35 years as missionaries there, and having raised our own children in Africa during previous Foreign Service assignments, the possibility of returning to Zimbabwe to lead the United States mission is a privilege that is full of personal, as well as professional, meaning for my wife and me.

With full recognition of the complex challenges Zimbabwe faces, I am optimistic about that country's future, and I know that the United States has an important role to play in helping the people of Zimbabwe build a just, free, and prosperous nation.

Though battered by more than a decade of political strife and economic decline, Zimbabwe retains a foundational human and physical infrastructure upon which it can build a strong future. And it is in the interest of the United States to be a partner in that process. If confirmed, I will continue the work of building produc-

tive and respectful relationships with all Zimbabweans of goodwill. And I will look forward to working with the representatives of other friends of Zimbabwe, especially countries in the SADC region in supporting progress on the Global Political Agreement and on the SADC roadmap to elections.

The United States has shown our abiding concern for Zimbabwe through the nearly \$1 billion in humanitarian relief and health-related assistance we have provided just in the last 6 years. But we need to move the relationship beyond aid. The people of Zimbabwe are fully capable of feeding themselves, of meeting the nation's health and education needs, of building a dynamic political system, and restoring their nation's economy. Zimbabwe can and should be a nation of economic opportunities, of respect for the rule of law, and the rights of all people. Those are the values that reflect the core beliefs that Americans share with the people of Zimbabwe, and those are the values that we should pursue together.

United States policy in Zimbabwe is not about regime change. Only the people of Zimbabwe have the right to choose their government. Our policies support principles, not parties or people. However, when the right to self-determination is denied, the United States cannot stand idly by. We will always stand up for the rights of Zimbabweans to speak, write, read, meet, and fully participate in their nation's political processes. That was United States policy in 1980 when we were the first nation to recognize an independent Zimbabwe, and it continues to be our policy. We will not always agree with the Government of Zimbabwe, but we will always attempt to maintain a respectful and open dialogue.

The United States stands ready to alter the current restrictions on the relationship with Zimbabwe and to forge stronger economic and political ties. Full implementation of the Global Political Agreement, progress on the Southern African Development Community's roadmap, and well-managed and credible electoral processes should be triggers for the United States to open a much more dynamic relationship with one of Africa's most important countries.

If confirmed, I will give special attention to the welfare of American citizens in Zimbabwe, and to meeting with people from across the rich spectrum of Zimbabwe's society, making an assessment of the situation there, and offering recommendations on the best way forward.

As we continue to urge democratic development, we must also continue to invest in the people of Zimbabwe in order to preserve the human capital that is needed to rebuild Zimbabwe in the years ahead. I have faith that with this support, the people of Zimbabwe will find the best path forward and pursue it successfully.

Thank you again for the chance to appear before you, and I will be happy to answer any questions you may have.

[The prepared statement of Mr. Wharton follows:]

PREPARED STATEMENT OF DAVID BRUCE WHARTON

Mr. Chairman and members of the committee, thank you. I am honored to appear before you today, and grateful to President Obama and Secretary Clinton for the confidence they have placed in me as their nominee for Ambassador to the Republic of Zimbabwe.

Having grown up in a home full of stories about and respect for the people of Africa—a legacy of my grandparents' 35 years as missionaries in what was then the Belgian Congo—and having raised our own wonderful three children in Southern Africa during previous Foreign Service assignments in South Africa and Zimbabwe, the possibility of returning to lead a U.S. mission is a privilege that is full of personal as well as professional meaning for my wife and me.

With full recognition of the complex challenges Zimbabwe faces, I remain optimistic about the country's future and believe that the United States has an important role to play in helping the people of Zimbabwe build a just, free, and prosperous nation. The trajectory of Zimbabwe's last 15 years should not obscure the nation's tremendous potential. Though battered by more than a decade of political strife and economic decline, Zimbabwe retains a foundational human and physical infrastructure upon which it can build a strong future. It is in the interest of the United States to be a partner in that process and, if confirmed, I will continue the work of building productive and respectful relationships with all Zimbabweans of goodwill.

The United States has shown its deep and abiding concern for Zimbabwe through the nearly \$1 billion in humanitarian relief and health-related assistance we have provided just in the last 6 years. There is no more explicit expression of our support for the people of Zimbabwe than our standing by them through their times of greatest need. But, we need to prepare to move beyond a relationship defined by aid. The people of Zimbabwe are fully capable of feeding themselves, meeting the nation's health and education needs, building a dynamic political system, and restoring what was once one of the strongest economies in Africa. Zimbabwe can and should be a nation of economic opportunities, of respect for the rule of law and the rights of all people. Those are values that reflect the core of what Americans share with Zimbabweans and that we should pursue together.

U.S. policy in Zimbabwe is not about regime change. Only the people of Zimbabwe have the right to change their government. Our policies support principles, not parties or people. However, when the right to self-determination is denied, as it has been in Zimbabwe through restrictions on citizen rights, through political violence, and fraudulent and mismanaged elections, the United States cannot stand idly by. We have taken principled steps to demonstrate our concern about the actions of those responsible for, and those who profit from, miscarriages of the promise Zimbabwe offered at independence. We will always stand up for the rights of Zimbabweans to speak, write, read, meet, organize, and fully participate in their nation's political processes.

If confirmed, I will work to enable Zimbabwe to become a just, prosperous, and democratic state that meets the needs of its people, contributes to development in the region, and plays an important role in world affairs. That was U.S. policy in 1980 when we were the first nation to recognize Zimbabwe's independence, and it continues to be our policy. We will not always agree with the Government of Zimbabwe, but we will always attempt to maintain a respectful and open dialogue.

The United States stands ready to alter the current restrictions on our relationship with Zimbabwe and to forge stronger economic and political ties.

The full implementation of the Global Political Agreement, progress on the Southern African Development Community's roadmap toward elections, and well-managed and credible elections will be a trigger for the U.S. to open a much more dynamic relationship with one of Africa's most important countries. The United States remains open and willing to work with the government to support free and fairly elections.

If confirmed, I will give special attention to the welfare of American citizens in Zimbabwe and to meeting with people from across the rich spectrum of Zimbabwe's society, making an assessment of the situation there and offering recommendations on the best way forward. As we continue to urge democratic development, we must also continue to invest in the people of Zimbabwe—the health, education, humanitarian aid, and business development work—to preserve the human capital needed to rebuild Zimbabwe in the years ahead. I have faith that with this support, once given the opportunity to communicate, organize, and express their will, the people of Zimbabwe will find the best path forward and pursue it successfully.

Thank you for the chance to appear before you and I would be happy to answer any questions that you might have.

Senator COONS. Thank you, Mr. Wharton.  
Mr. Laskaris.

**STATEMENT OF ALEXANDER MARK LASKARIS, OF MARYLAND,  
TO BE AMBASSADOR TO THE REPUBLIC OF GUINEA**

Mr. LASKARIS. Thank you, Mr. Chairman. I am deeply honored to appear before you today, and very grateful to President Obama and Secretary Clinton for the confidence they have placed in me as their nominee for Ambassador to the Republic of Guinea.

For my family and me, this is another milestone in our American dream and our American journey, both of which began in the chaos of post-World War II Greece. My presence here today is made possible by the land of opportunity that embraced my late father in 1946 and my mother in 1960.

I approach an assignment in the Republic of Guinea, if confirmed, knowing that Guinea has sent a large number of immigrants to the United States originally via the horrors of the African slave trade, but later in the manner of my parents, young people seeking better lives for themselves and their future children. Indeed a walk down 125th Street in Harlem today shows part of a prospering and vibrant Guinean-American community with which I will be actively engaged, if confirmed. Together with this diaspora, a large community of returned Peace Corps Volunteers, former missionaries, and other dedicated Americans, serve as committed advocates for Guinean-American relations and for the welfare of the Republic of Guinea.

My first exposure to the African Continent was during a 2-year stint as a volunteer high school teacher in a township parochial school in Galeshewe, South Africa. It was 1989 and 1990, and in those 2 years, I lived the miraculous democratic transition led by men and women of good will. As hitchhiking was my only means of travel, I missed Namibian independence by a few days, but still managed to absorb the career lesson that even the most momentous political changes can take place peacefully and democratically.

My first exposure to the Republic of Guinea was quite the opposite from the inspiration of South Africa. I arrived in Monrovia, Liberia, my first Foreign Service posting in 1991, as the countries of the Mano River Union were falling into chaos and violence. The Guinea I first encountered was host to some 1 million Liberian refugees. Its armed forces served in the West African peacekeeping force, then known as ECOMOG. And its government sought to avoid the abyss from which Liberia and Sierra Leone are only now emerging. This experience suggests to me that if confirmed, I will be working in a country that both supports us and needs our support.

The Republic of Guinea has recently been in the headlines for the best reasons: real democratic progress after a succession of dictators. But the story behind the headlines reveals the longstanding social and economic challenges that impoverish the country and stymie its development.

Have also served in Botswana, Angola, and Burundi, my experience in a number of African conflicts tells me that past performance is indeed an indicator of future performance when it comes to countries emerging from dictatorship and civil conflict. To break the cycle, to keep the Republic of Guinea from lapsing back into authoritarianism, we need to be part of the architecture of democracy, supporting all three branches of government plus media and

civil society. We need engagement with the military to professionalize the force and bring it firmly and irrevocably under elected civilian authority. We need to be engaged in poverty relief and disease eradication, as well as in responsible mineral exploitation and sustainable agriculture.

The Republic of Guinea achieved a landmark election in 2010, its first free and fair democratic Presidential campaign. President Alpha Conde, who spent decades advocating for democratic change, emerged as Guinea's first ever democratically elected head of state, ending 50 years of despotic rule and military repression. However, Guinea's transition to a fully functioning democracy will not be complete until the long-anticipated legislative elections are held. I do not need to remind this chamber on the importance of the legislative branch to sustainable democracy. If confirmed, I will have no higher priority than helping Guinea to seat a new legislature and then helping that branch of government to fulfill its critical role—its critical institutional role.

In the Republic of Guinea, we have a willing but technically limited partner on regional and international issues. If confirmed, I will work with the Government of Guinea on a coordinated approach to regional crises in Mali and Guinea-Bissau. I will do my best to strengthen cooperation on counterterrorism and counter-narcotics issues, as well as other forms of transnational crimes, such as trafficking in persons and money laundering. I will also make promoting the safety and welfare of U.S. citizens my highest priority and seek out commercial opportunities for U.S. companies.

Thank you, Mr. Chairman, for the opportunity to address you today. If confirmed, I look forward to working with you in representing the interests of the American people in Guinea. And I am happy to answer any questions you might have.

[The prepared statement of Mr. Laskaris follows:]

PREPARED STATEMENT OF ALEXANDER MARK LASKARIS

Mr. Chairman and members of the committee, I am deeply honored to appear before you today, and grateful to President Obama and Secretary Clinton for the confidence they have placed in me as their nominee for Ambassador to the Republic of Guinea.

For my family and me, this is another milestone in our American journey and our American dream, both of which began in the chaos of post-World War II Greece. My presence here today is made possible by the land of opportunity that embraced my late father in 1946 and my mother in 1960.

I approach an assignment in the Republic of Guinea—if confirmed—knowing that Guinea has sent a large number of immigrants to the United States . . . originally via the horrors of the African slave trade, but later in the manner of my parents, young people seeking better lives for themselves and their future children. A walk down 125th Street in Harlem shows part of a prospering and vibrant Guinean-American community with which I will be engaged, if confirmed. Together with this diaspora, a large community of returned Peace Corps Volunteers, former missionaries, and other dedicated Americans serve as committed advocates for Guinean-American relations and for the welfare of the Republic of Guinea.

My first exposure to the African continent was a 2-year stint as a volunteer high school teacher in a township parochial school in Galeshewe, South Africa. It was 1989 and 1990, and in those two years, I lived the miraculous democratic transition led by men and women of goodwill; as hitchhiking was my only means of travel, I missed Namibian independence by a few days, but still managed to absorb the career lesson that even the most momentous political changes can take place peacefully and democratically.

My first exposure to the Republic of Guinea was quite the opposite from the inspiration of South Africa. I arrived in Monrovia, Liberia—my first Foreign Service post-

ing in 1991—as the countries of the Mano River Union were falling into chaos and violence. The Guinea I first encountered was host to some 1 million Liberian refugees; its armed forces served in the West African peacekeeping force, known as the Economic Community of West African State Monitoring Group or ECOMOG; and its government sought to avoid the abyss from which Liberia and Sierra Leone are only now emerging.

This experience suggests to me that—if confirmed—I will be working in a country that both supports us and needs our support. The Republic of Guinea has recently been in the headlines for the best reasons—real democratic progress after a succession of dictators—but the story behind the headlines reveals the longstanding social and economic challenges that impoverish the country and stymie its development.

My experience in a number of African conflicts tells me that past performance is indeed an indicator of future performance when it comes to countries emerging from dictatorship and civil conflict. To break the cycle, to keep the Republic of Guinea from lapsing back into authoritarianism, we need to be part of the architecture of democracy, supporting all three branches of government plus free media and civil society. We need engagement with the military to professionalize the force and bring it firmly, irrevocably under elected civilian authority. We need to be engaged in poverty relief and disease eradication, as well as in responsible mineral exploitation and sustainable agriculture.

The Republic of Guinea achieved a landmark election in 2010, its first free and fair democratic Presidential campaign. President Alpha Conde, who spent decades advocating for democratic change, emerged as Guinea's first-ever democratically elected head of state, ending 50 years of despotic rule and military repression. However, Guinea's transition to a fully functioning democracy will not be complete until the long-anticipated legislative elections are held. I do not need to remind this chamber on the importance of the legislative branch to sustainable democracy; if confirmed, I will have no higher priority than helping Guinea to seat a new legislature and then motivating that branch of government to fulfill its critical institutional role.

In the Republic of Guinea, we have a willing but technically limited partner on regional and international issues. If confirmed, I will work with the Government of Guinea on a coordinated approach to regional crises in Mali and Guinea-Bissau; I will do my best to strengthen cooperation on counterterrorism and counternarcotics issues, as well as other forms of transnational crimes, such as trafficking in persons and money laundering. I will also make promoting the safety and welfare of U.S. citizens my highest priority and seek out commercial opportunities for U.S. companies.

Thank you, Mr. Chairman and members of the committee, for the opportunity to address you today. If confirmed, I look forward to working with you in representing the interests of the American people in Guinea. I am happy to answer any questions.

Senator COONS. Thank you, Mr. Laskaris. Thank you to all four of you for those thoughtful, concise, well-rounded summaries of the challenges facing you in the posts to which you go, and for helping me gain some further insight into the things that motivate you to this. Whether it is a family history of missionary service, or personal experience as a Peace Corps Volunteer, or personal experience teaching in a township in South Africa, it is always helpful. You know, I get these profiles and backgrounds. It is always helpful to see and hear the personal experience. And the fact that, literally, you have spent decades in the Foreign Service across the region and across the world further leavens my respect for your willingness to serve.

I am going to ask a series of questions that sort of looking at the interplay between security, democracy, and economic development. And I am interested in a variety of issues. How can we most effectively partner with these nations? How can we work with regional institutions? And what are the things we are doing right, doing wrong. And I will just ask a series of questions in order, if I might.

I have about 20 minutes, and unless another member of the committee surprises by showing up at this point, I am simply going to

keep asking them. I do not think we need to limit me by minutes or rounds or anything like that. We are not used to having that much freedom here.

So if I might, Ambassador Cretz, first, I think you are the one nominee who referenced on the security sector both IMET and the state partnership. I am quite interested to hear from you in the future how you think the State partnership between, I think it is the North Dakota National Guard. Is it North or South Dakota?

Ambassador CRETZ. North.

Senator COONS. North Dakota and Ghana. If I am not mistaken, there is a North Dakota National Guard State Partnership with Ghana. And this is something I have discussed with General Hamm as well as with some of the leaders of the National Guard Bureau. Our own Delaware General Vavala is the current chair of the adjutant's nationally.

I think there is a lot of potential for the State Partnership Program, particularly in nations where you have militaries where accepting civilian rule, as is the case in Guinea, transitioning out of great conflict, as is the case in Liberia, have a lot to offer.

If you have any comments for me about how our IMET work or the State Partnership Program with the National Guards could be more effective, or what promise you think it might hold, I would appreciate that.

Ambassador CRETZ. Mr. Chairman, I think that, first of all, the relationship with AFRICOM is a very important one.

And having worked very closely with General Ward and now over the past year and a half with General Hamm, I am fairly aware of the different kinds of activities that AFRICOM can bring to bear.

We do have a close relationship with the military in Ghana. They are apolitical. They are very professional. They have been a bulwark in terms of the peacekeeping efforts, whether through the African Union ECOWAS or the U.N. throughout the region and throughout the world, in fact.

I think there is a great deal of opportunity to expand that. I think we have seen already that those countries that take advantage of our IMET programs, we find those people return to their countries very respectful certainly of the U.S. military, and certainly wanting to get more of U.S. expertise.

So I think with respect to the relationship and the better coordination that we could do with the States, I certainly am willing to look at how we can develop that relationship further. I think that the National Guard units, of which my son is a member, especially in Delaware, bring to bear a lot of expertise that these countries can use in coping with the various crises, et cetera. And certainly given the issues that Ghana faces, for example, in the explosion of drug trafficking throughout the region, in terms of the problems in the Gulf of Guinea with piracy, et cetera, that there will be ample scope to expand that relationship between our military in the State, AFRICOM, and the Guinean Army as well.

Senator COONS. Well, thank you. I will be interested to stay in touch about regional security, training, what ECOWAS is hoping to do and able to do. I think your experience in Libya will be particularly relevant here. And I think AFRICOM has the opportunity as

a combatant command that does not have a lot of legacy assets that is relatively new to be a leader in how we imagine a new relationship for security with the whole region, where we can deploy assets, such as the National Guard, that have not really been utilized with the strength that I think is possible here.

You mentioned in your statement new, innovative processes for economic growth. And I am particularly in and concerned about our economic relationship with Ghana. I think it is very strong. I am hopeful that the second MCC compact will be quite successful. If I remember correctly, you mentioned it is around power and power generation.

I would be interested in what you see as the opportunities and limitations for economic growth with Ghana. They have had some challenges with extraction recently in terms of their oil discoveries. So, if you would, just to what were you referring in terms of innovative economic development procedures? And how do we make sure that Ghana does not follow the path of Nigeria, but instead is more like Norway? And what are the developmental issues you see tackling?

Ambassador CRETZ. Right. Well, I think, Mr. Chairman, that we—first of all, I think there is a great opportunity for American businesses to invest and trade in Ghana. And just as I have throughout my career, and especially in the last several years in terms of positions when I have had the ability to interact with American companies, this will be a main priority certainly of mine should I be confirmed and take over the mission.

I think we have a lot of tools available to help Ghana improve what—even the dramatic improvements that they have made in trade and investment and in developing their economy over the past several years. We have the Africa Growth and Opportunity Act. We have the West Africa trade hub. We have the MCC, as you said. And I think the idea with the MCC is that we are going to be able to have a more mature relationship as we discuss the possibility of having a second MCC pact with Ghana because it will follow on the agrarian reforms that were undertaken in the first pact. Only this time we are asking them to pay a certain amount of the funding, and we are also asking them for some policy reform as part of that compact. So I think that that would be a very possible, very fruitful area for cooperation.

The Partnership for Growth is also a very important aspect of the economic tools that we can utilize to help Ghana in this way because what it does is with no specific funding, it basically lays out a framework whereby the United States Government adopts a whole of government approach to helping Ghana develop its economy, and says that, look, if you have certain issues, you have certain problems within your economy that need to be improved, such as access to credit, the power infrastructure.

We as the United States are willing to take a look at the various kind of policy changes, adaptations, or see what flexibility we have in response to policy changes that you are willing to take as well.

And I think at the end of the day, if you look at the various economic tools that we have to work with Ghana, what they do is they help open—improve the climate in Ghana so as to make it easier

and more attractive for American companies and others to come in to help them with their infrastructure.

So I think there's tremendous opportunity. And, you know, as you mentioned, the loss of the FCS officer is a blow, there is no doubt. And I experienced the same thing in Libya where Libya is on the verge of an explosion in terms of American business, especially to help them rebuild after 42 years of the devastation of Gadhafi's rule. And we lost that officer.

But there are ways, you know. I leave it to the Department of Commerce colleagues to explain what the rationale behind it is. But we did try to find other ways to do it. But at the end of the day, given the importance of helping these countries move forward, and given the importance of having American business, and help these countries, and invest in them, that the Embassy—other parts of the Embassy and the mission are going to have to pick up the slack because we cannot do without commercial advocacy and getting American trade, you know, increased, especially in a country like Ghana, which is poised for even more great success in that area.

Senator COONS. I agree. Thank you, Ambassador Cretz. And I look forward to staying in contact as you support their work in preparation for the December elections, and as you further develop and implement the second MCC. There is also a long-standing relationship between Delaware actually and GMSA—Delaware State University's leadership and GMSA, which provides critical career training for certain mid-level managers. And Ghana is also of real interest to me.

If I might, Ms. Malac, given the limitations of time, I will move to each of you, if I might.

I am very interested in the National Reconciliation Initiative which you referenced. Given your prior experience, you, I know, can give some insight into how it is similar to or different from the reconciliation commissions that Kenya is currently sort of winding up, one that really was largely a regional model in South Africa and different others in other countries. What do you see as the prospects for reconciliation through this reconciliation initiative, and how will you support it as Ambassador?

Ms. MALAC. Thank you, Senator. We are still waiting for the fuller details on what this newest initiative is going to look like, and we expect that that will be forthcoming very soon. It appears to be something that will look different than the Truth-in-Reconciliation Commission, for example, that has been held before. So at this point, it is very difficult for me to give you any sort of real insight into any estimate of what might happen or how it might play out.

I think, as I said in my comments, the role that the United States can really play is to, as appropriate, and where we can find ways to do so, to provide technical and/or logistical support in order to ensure that those kinds of constraints do not prevent the process from going forward. But it certainly is critical that is a nationwide effort and that Liberians from all parts of the country and all factions are able to participate and feel that they can do so.

Senator COONS. And security sector reform, as you referenced, as the U.N. presence is drawn down, given some recent incidents in

the border with Cote d'Ivoire, and given the tragic national history, what more can we and should we be doing, and to what extent will we be taking advantage of some of the partnerships that Ambassador Cretz also referenced as being relevant to Ghana?

Ms. MALAC. Security is a huge concern for both us and for the Liberian Government. I mean, given the history that the country has, it is clear that we need to continue to be vigilant in the security sector.

I do believe that the Government of Liberia has certainly responded appropriately after the recent incident, has worked with the Government of Cote d'Ivoire, both through UNMIL and through UNOSE, to take steps to move more forces into the region, to try to at least shut down some of that cross-border activity.

But it is going to be an ongoing challenge. It is something that we are going to have to watch as UNMIL starts this drawdown, and certainly President Sirleaf has expressed her concern about this phased withdrawal. There will be a requirement for very close coordination both between the United States, the Government of Liberia, UNMIL, and other donors who are active in this sector to ensure that this all happens in a very manageable and responsible fashion. It is going to be still a long process to get to the point where we have enough capacity within Liberia itself to provide for its own security.

But if confirmed, certainly this will be a very high priority for me and will be something that I suspect will take a great deal of my time and energy.

Thank you.

Senator COONS. Mr. Laskaris referenced the vibrant Guinean diaspora community. There is certainly a strong Liberian diaspora community that just by coincidence has a strong footprint in the State of Delaware. The last time I saw President Johnson Sirleaf, I was referencing that there was a reunion of an Episcopal high school from Liberia that has folks from all over the United States, as well as two very large family reunions happening in Delaware of Liberians.

I think this is an important emerging strategy for economic development, helping access American entrepreneurship, financing, export opportunities. What advantage will you take of the tools available to an ambassador? You mentioned \$16 billion, if I am not mistaken, in foreign direct investment in Liberia.

I was very concerned at my first meeting with President Johnson Sirleaf about her comments about the Chinese and their very sizable infrastructure investments, her desire for partnership with the United States, but our very real lack of available programs or resources outside of MCC or Partnership for Growth.

What advice would you have for me about how we might strengthen those opportunities, and what do you hope to do as Ambassador?

Ms. MALAC. Thank you, Senator. Well, you have raised several very good issues here.

I think on the diaspora side, there is, in fact, a program through—both through UNDP, and USAID itself provides some funding to help try to match individuals and organizations within the diaspora with Liberia to bring particular skills or expertise to

bear in different sectors. And so certainly this is actually something I just learned about in the last couple of days, and have great interest in, and will certainly make it a priority to find out more about this program, having worked with other countries where we have a vibrant diaspora—Somalia comes to mind.

We believe very firmly that they can play a role in a country like Liberia in a post-conflict situation where there is so much need and so much to be done. So I can assure you that at least in that regard, we are looking—I would be looking, if confirmed, to build some of those bridges and work to support efforts that the Government of Liberia itself has put into place to try to tap into that diaspora expertise because there is a lot of potential there.

As for the Chinese, they are a relatively small presence, as it were, in Liberia compared to some places on the continent. But, of course, they are looking, as they always are, to enlarge that footprint. They are currently working on World Bank grants to build road infrastructure in Liberia. I mean, again, there is a lot to be done in terms of infrastructure building, so there is lots of room for everyone.

You can have my pledge that if confirmed, I will do everything I can to identify opportunities for U.S. business, not just in the infrastructure arena obviously, but in all aspects of the economy because there is potential there, I think, for U.S. businesses. And we are only at the beginning end of that.

But we are seeing progress in that regard. U.S. presence on the economic side has been steadily increasing, and I can assure you if confirmed, that it will be a high priority for me.

Thank you.

Senator COONS. Thank you. Mr. Wharton, Zimbabwe is certainly a nation with great economic potential that has gone through one of the worst economic collapses we have seen in recent history. I have in my office—what is it?

I think it is a \$100 trillion bank note. My kids thought it was fake. Sadly, it is not. My sense is they have sort of clawed their way back out by largely adopting the U.S. dollar's working currency.

I would be interested in hearing what you view—I appreciated your statement that our policy is not regime change, but rather the opportunity for self-determination. There have been calls from other of our allies at SADC and U.N. and others for us to either review or relax our sanctions. On what conditions and at what timeline do you think we would consider that, and then how will you support appropriate political progress, hopefully forward progress in Zimbabwe?

Mr. WHARTON. Thank you, Senator. I think that, in fact, those are key issues in the relationship between the United States and Zimbabwe, and in Zimbabwe's way forward.

One of the problems with sanctions that I am sure you are aware of is that they have turned into talking points for the ruling party in Zimbabwe.

I do not think, though, that the evidence supports the thesis that American sanctions have hurt Zimbabwe's economy. I note that the Zimbabwe Democracy Economic Recovery Act has been in force for 11 years now, but in the last 3 years, Zimbabwe's economy has

grown by 7, 8, 9 percent per year. Per capita GDP has grown about 5 percent a year. And the agricultural and mining sectors have grown by nearly 50 percent.

So I think that the key to continued economic development in Zimbabwe actually has more to do with economic policies in Zimbabwe, and establishing a sort of transparent framework and rule of law that will encourage investors, businesses, and Americans, I hope among them, to take another look at Zimbabwe.

I believe that the individual sanctions that we have placed on about 120 individuals and about 70 entities have had an effect. And, again, I would cite recent economic growth as an indication that these specific sanctions and travel restrictions have not hurt the larger Zimbabwean economy.

I believe, though, that we do need to make it clear that our policies are flexible. They are not static. And we should be able to adjust them in response to democratic progress and progress on the rule of law on the ground in Zimbabwe.

Some of the benchmarks that I think would be important I mentioned in my statement: continued progress on the Global Political Agreement, clear progress toward the SADC roadmap on elections. And one of the things that I think would be especially important would be an express commitment from the Government of Zimbabwe to welcome international as well as national election monitoring groups, groups that could come in 6 months or even a year before the election to take a look at and certify, essentially build international confidence that the people of Zimbabwe have, in fact, had the right to choose their own government.

So those are some of the benchmarks that I think would be critical as we look at adjusting our own policy.

Senator COONS. Thank you. Forgive me because I am greatly interested in the transition in Zimbabwe. I have to go preside over the body, the Senate, in 7 minutes. And so I am going to turn to Mr. Laskaris for a final question, if I might.

I was just interested to read about the Guinean mining code of 2011 and some of the other changes that they are making in the direction of post-security sector reform and economic reform. What do you think are the most important steps Guinea can take to stabilize and secure its transition toward both rule of law and predictability and civilian supervision of the military? And what do you think are going to be the most important steps you will take as Ambassador in these areas?

Mr. LASKARIS. Well, thank you, Senator. I think one thing we have learned in the Africa Bureau over the last two decades is that elections are necessary, but not sufficient, for democratic development. We held a successful election, but we realized that what I call the architecture of democracy needs to follow along with that.

And so let us start on the security side. One of the few forms of military assistance that we did not suspend as a result of the coup in Guinea is a security sector reform advisor who is embedded in the Guinean ministry of defense. And that person works with regional, with donors, and local counterparts trying to devise the policy moving forward on reforming the security services. And that is specifically professionalizing it, bringing it firmly and irrevocably

under the control of elected civilian authorities, improving its human rights record, improving its civil military relations.

I think we need to give the Government of Guinea a very clear roadmap on the conditions under which IMET would be resumed. And if we do that, I will report faithfully back to the Department and let the Washington policy community make a determination as if those conditions had been met. If those conditions are met, I would recommend moving to an IMET program, what we used to call expanded IMET, which is the focus on civil military relations, professionalization of the force.

As I mentioned in my statement, Senator, Guinea has been a reliable and consistent troop contributor to regional peacekeeping, both under the ECOWAS umbrella and under the United Nations umbrella. I think it is an area of real mutual interest that we get the Guinean Armed Forces into the peacekeeping function through ACODA and through subregional and international means.

So, again, given a roadmap to the Government of the Republic of Guinea, if they meet the conditions for resumption of that kind of aid, I think we need to be looking at Guinea as a troop contributor and folding it into broader African activities on the continent.

On the rule of law side, sir, No. 1, I think there is a national reconciliation commission in Guinea. From what I can tell, it really has yet to be fleshed out. It has really yet to function. I think one of our key priorities as donors, as the United States Government, is to end the culture of impunity in Guinea, and you do that through a transitional justice mechanism. It can be the Truth-in-Reconciliation Commission model of South Africa or the Rwandan Gacaca model of tribal justice.

Guinea is an overwhelmingly Islamic country. It can come through the institutions of Islam. It can come through the indigenous tribal institutions of the country. What the United States thinks of that is less important than what the Guineans think of the legitimacy of that process. So if confirmed, I will get out there and try to work within the context of Guinean culture to find something that the Guinean people regard as a legitimate means of addressing the crimes of the past.

On the question of the mining law, specifically, and drawing on your question to my colleague about China, I think the United States mining industry should welcome free and fair competition on a level playing field. So I think it is my obligation as chief of mission, if confirmed, to make sure the regulatory system is free, it is transparent, and it meets the world-class standard, is capable of attracting world-class companies, including those from the United States.

Senator COONS. Thank you, Mr. Laskaris.

Mr. Wharton, Ms. Malac, Ambassador Cretz, I am deeply interested in the issues we have raised today and wish I could dedicate more time to it. One of the things I have not done as a Senator is be late to preside, so I hope to maintain that now.

Jeffrey, thank you for your service. I am a past honorary commander of the 166th, and I hope that if there is anything my office or I could do to support you, you will let me know.

To everyone from the families of these four very talented nominees, thank you for being with us here today. And I look forward

to hearing from you as you serve as our Ambassadors in very important regions. I know Senator Isakson and I really enjoy serving together and intend to travel regularly to Africa in the years ahead. It is my hope to continue on this subcommittee for some time, and so developing relationships and knowing how we can support and sustain you in your very important work is of real value to me. And I believe I also speak for Senator Isakson in that regard. We are both very grateful for your willingness to serve.

We will keep the record open for a week for any member of the committee who may wish to submit questions for the record.

Senator COONS. We are otherwise for today adjourned. Congratulations.

[Whereupon, at 4 p.m., the hearing was adjourned.]



**NOMINATIONS OF MARCIE RIES, JOHN KOENIG,  
MICHAEL KIRBY, THOMAS ARMBRUSTER,  
AND GRETA CHRISTINE HOLTZ**

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**WEDNESDAY, JULY 18, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

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Hon. Marcie B. Ries, of the District of Columbia, to be Ambassador  
to the Republic of Bulgaria  
John M. Koenig, of Washington, to be Ambassador to the Republic  
of Cyprus  
Hon. Michael David Kirby, of Virginia, to be Ambassador to the  
Republic of Serbia  
Thomas Hart Armbruster, of New York, to be Ambassador to the  
Republic of the Marshall Islands  
Greta Christine Holtz, of Maryland, to be Ambassador to the Sul-  
tunate of Oman

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The committee met, pursuant to notice, at 2:35 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Jeanne Shaheen, presiding.

Present: Senators Shaheen, Menendez, and Barrasso.

**OPENING STATEMENT OF HON. JEANNE SHAHEEN,  
U.S. SENATOR FROM NEW HAMPSHIRE**

Senator SHAHEEN. Good afternoon, everyone. Welcome. I am pleased to open these nomination hearings this afternoon and pleased to be joined by Ranking Member Senator Barrasso from Wyoming.

Today the Senate Foreign Relations Committee considers the nominations of Marcie Ries to be the U.S. Ambassador to Bulgaria; John Koenig to be the Ambassador to Cyprus; Michael Kirby to be the Ambassador to Serbia; Thomas Armbruster to be Ambassador to the Marshall Islands; and Greta Holtz to be Ambassador to Oman.

We have a wide variety of posts under consideration today and an impressive panel of Career Foreign Service nominees. Each of you will be critical in helping to meet U.S. responsibilities and protecting American interests throughout Europe, the gulf, and the Pacific.

First on the agenda today, the committee is going to examine our relationship with Bulgaria, and as some of you may have already heard, this afternoon there was an explosion in Bulgaria on a bus carrying tourists from Israel. It killed at least seven civilians and wounded many more. Early reports suggest that this was a suicide bomb attack likely aimed at innocent Israeli civilians. If true, it represents the kind of cowardly attack that has been condemned by civilized society across the world. We must all stand together to strongly condemn those individuals responsible for the attack and to hold accountable any associated terrorist organizations or nations who played a role in this heinous and senseless violence against innocent civilians.

There have been a number of attempted attacks against Israeli diplomats in recent months around the world, and if this explosion proves to be a similar attack, it will be part of a troubling pattern that should not be accepted by the international community. I am confident that the United States will do everything in its power to work with Bulgarian and Israeli officials to fully investigate the attack and reveal those responsible. And when we get to the question and answer portion of this afternoon's hearing, I will ask the nominee to be Ambassador to Bulgaria if she would comment.

As a relatively new member of the NATO alliance, Bulgaria has contributed significantly to the military and training effort in Afghanistan and it continues to provide the United States with several of its military bases for joint training exercises in Southeast Europe. As one of the poorest countries in the European Union, Bulgaria faces serious issues with respect to organized crime, corruption, and trafficking which need to be more robustly addressed.

This afternoon we will also consider U.S. policies with respect to the Republic of Cyprus, a critical ally of the United States and an EU Member State that took over the rotating Presidency of the European Union this month. As I and 26 other U.S. Senators attested to in a letter to President Obama last fall, the U.S.-Cyprus friendship remains an anchor of American foreign policy in the strategically important Mediterranean region, and our relationship is based on shared traditions of freedom, democracy, and a market-based economy. In fact, one of the strongest components of our bilateral relationship is the active and vibrant Hellenic-American community in the United States, and if you will forgive me for being parochial, particularly in my home State of New Hampshire where we have the highest percentage of Hellenic Americans in the country.

The ongoing division of Cyprus has lasted for far too long, and a fair and lasting reunification agreement which benefits all Cypriots is in everyone's strategic interest. I hope the United States will continue to encourage all parties, including Turkey, to work toward a fair resolution.

We will also discuss U.S. relations with Serbia, a critically important country in the challenging region of the Western Balkans. Serbia's most recent elections have brought new leadership to the country with Tomislav Nikolic and his Serbian Progressive Party winning the Presidency and leading the new parliamentary coalition there. The new leadership has committed to continue the previous administration's path toward EU integration. I hope that

Belgrade will make progress in the ongoing dialogue with Kosovo and will be a constructive partner with the international community in Bosnia. I share the concerns of our State Department over recent comments by Serbia's new leadership denying the Srebrenica genocide, and I would urge the Nikolic administration to do more to promote reconciliation rather than divisiveness at this important time for the Western Balkans.

Today we will also consider America's relationship with the Marshall Islands, a country in the northern Pacific that has long had a unique free association agreement with the United States since it gained its independence in 1986—the Marshall Islands, obviously, not the United States. The Marshall Islands also provide a critical missile defense base for the United States in the Pacific.

And finally today we will examine U.S. policies with respect to Oman, a strategically located sultanate in the Persian Gulf. The United States has long had a constructive security partnership with Oman, and despite some important political reforms over the course of the last several decades, protests in the early part of last year highlight the importance of the United States doing more to encourage the sultanate to continue to open up its political process and give the people of Oman a voice in its government.

Now, before introducing our panel, I will turn over the chair to the ranking member, Senator Barrasso, for his statement.

**OPENING STATEMENT OF HON. JOHN BARRASSO,  
U.S. SENATOR FROM WYOMING**

Senator BARRASSO. Well, thank you very much, Madam Chairman. And I would like to associate myself with your remarks about the act of violence in Bulgaria and the senseless loss of life of Israeli citizens. So I appreciate your comments and we know it is a heartfelt and great concern.

Today the Senate Committee on Foreign Relations meets to consider five positions from different areas around the globe. Each of your nominations is important to fostering vital relationships and promoting U.S. national interests. There are real challenges ahead, and it is important that the United States continues to be a strong leader across the globe. Should you represent our Nation as a U.S. Ambassador, it is important that each of you, No. 1, provide strong stewardship of American taxpayer dollars; No. 2, demonstrate professionalism and good judgment; and No. 3, vigorously advocate for the priorities of the United States.

I look forward to hearing your goals for each of these countries and your plan for achieving them, and I join Madam Chairman in congratulating each and every one of you on your nominations. And I want to extend also a warm welcome to all of your family and friends who are here joining you today.

Thank you, Madam Chairman.

Senator SHAHEEN. Thank you, Senator Barrasso.

Today we have five distinguished nominees with wide-ranging experience and expertise. All five members of our panel are career members of the Foreign Service who have served extensively in leadership posts around the world and here in Washington. Together the panel represents over 14 decades of experience working

in the Foreign Service. And I must say none of you look old enough to—even combined—represent 14 decades. That is a very long time.

But first, going from right to left—at least my right to your left—up first we have Ambassador Marcie Ries, nominated to be the United States Ambassador to Bulgaria. Ambassador Ries is currently the Principal Deputy Assistant Secretary of State for Arms Control, Verification, and Compliance and has previously served as the United States Ambassador to Albania.

Next, we have John Koenig who is nominated to be our Ambassador to the Republic of Cyprus. Mr. Koenig most recently served as the political advisor to the Allied Joint Force Command in Naples and as the Deputy Chief of Mission in Berlin.

We also have Ambassador Michael Kirby, the nominee to be the United States Ambassador to Serbia. He is currently the Principal Deputy Assistant Secretary of State for Consular Affairs and previously served as the United States Ambassador to Moldova.

Mr. Thomas Armbruster has been nominated to be the United States Ambassador to the Marshall Islands. He is currently a diplomat in residence at City College in New York and was previously the consul general at the United States consulate in Vladivostok, Russia.

And finally today we have Greta Holtz, the nominee to be our Ambassador to Oman. Ms. Holtz is the Deputy Assistant Secretary of State for Public Diplomacy in the Bureau of Near Eastern Affairs, and prior to that, she was the director of provincial affairs at the United States Embassy in Baghdad.

Congratulations to each of you on your nominations. We thank you for taking on these important jobs and look forward to hearing from you this afternoon.

And I would just ask when you are testifying, if you would feel free to introduce any family or friends who are here with you. We understand that we ask a lot of your families when you are serving in our diplomatic core, and we want to have the opportunity to thank them as well for their service jointly with you. So I thank all of you.

I am actually going to begin this afternoon with Ms. Holtz because we are still expecting some people in the audience, and so we are going to left to right. So if you would begin with your testimony.

**STATEMENT OF GRETA CHRISTINE HOLTZ, OF MARYLAND, TO  
BE AMBASSADOR TO THE SULTANATE OF OMAN**

Ms. HOLTZ. Thank you very much, Madam Chairman and distinguished members of the committee. I thank you for the opportunity to appear before you today.

I am very honored to be President Obama's nominee to serve as Ambassador to the Sultanate of Oman. I deeply appreciate the confidence that the President and Secretary Clinton have shown in me.

If confirmed by the Senate, I will employ the full range of our diplomatic tools to help achieve our goal of a stable, secure, and democratic Middle East. I will work with our Omani partners on counterterrorism, counterproliferation, and encourage their efforts to promote transparency, accountability, and reform. With our pri-

vate sector partners, I will encourage expansion of the commercial ties between the United States and Oman, together with efforts to diversify the Omani economy through the development of entrepreneurship and the additional empowerment of women and youth. Finally, I will work with the Government of Oman to promote the growth of independent civil society and deepen the people-to-people engagement that we have between our two countries.

Thank you very much, Madam Chairman, for allowing me recognize my family. I have here today with me my husband, Paco; our two daughters, Victoria and Alexandra; and a dear friend Annie. Our son, Anthony, is in music camp in Michigan and cannot be with us today.

Senator SHAHEEN. Thank you. Can we just ask you all if you would raise your hands? Great. Thank you.

Ms. HOLTZ. Thank you very much.

I want to thank them for their endless support through accompanied and unaccompanied tours in Saudi Arabia, Yemen, Tunisia, Syria, Turkey, and Iraq. They have loved our tours together in the region and have been stoic during long separations.

The United States and Oman have shared a strong and dynamic relationship since the earliest days of our Nation's history. This bond dates back to 1790 when the Boston brig *Rambler* entered the port of Muscat. In 1833, the United States and Oman concluded a treaty of friendship and navigation.

The United States and Oman enjoy an excellent security relationship and work together to pursue shared regional strategic objectives, enhanced border security, and freedom and safety of navigation in vital shipping lanes. Operation Enduring Freedom, Operation Iraqi Freedom, and other contingency operations have benefited from Omani support and cooperation. The Omani military is well trained, pursues a focused strategy, and is regarded as one of the most professional armed forces in the region. If confirmed, I will work hard to broaden and deepen the decades-long security relationship between the United States and Oman.

From the United Nations to the Gulf Cooperation Council and the Arab League, Oman has played an active and helpful role in multilateral diplomacy. In neighboring Yemen, Oman invests significant resources in a strategy of stabilization through political engagement, development aid, and humanitarian assistance. Oman is a strong partner of the United States in countering terrorism and extremism in the Arabian Peninsula.

Since Sultan Qaboos bin Said came to power in 1970, Oman has made dramatic gains in its development, emerging as a modern state with first-class infrastructure and modern educational institutions. In the 2010 U.N. Human Development Report, Oman ranked No. 1 out of the 135 countries studied for progress in the previous 40 years in human development which focuses on education, access to quality health care, and other basic living standards.

The sultan has demonstrated his ongoing interest in partnering with the institutions of higher education around the world, including our own. In 2011, Oman established a new scholarship program through which more than 500 young Omanis have enrolled in higher education in the United States. Last October, the sultan

funded an endowed professorship of Middle East studies at the College of William and Mary.

Madam chairman, with your permission, I will end my oral testimony here and submit the rest as my written statement.

[The prepared statement of Ms. Holtz follows:]

PREPARED STATEMENT OF GRETA CHRISTINE HOLTZ

Madam Chairman and distinguished members of the committee, I thank you for the opportunity to appear before you today.

I am honored to be President Obama's nominee to serve as Ambassador to the Sultanate of Oman. I deeply appreciate the confidence that the President and Secretary Clinton have shown in me. If confirmed by the Senate, I will employ the full range of our diplomatic tools to help achieve our goal of a stable, secure, and democratic Middle East. I will work with our Omani partners on counterterrorism and counterproliferation, and will encourage their efforts to promote transparency and accountability. With our private sector partners, I will encourage expansion of the commercial ties between the United States and Oman together with efforts to diversify the Omani economy through the development of entrepreneurship, and the empowerment of women and youth. Finally, I will work with the Government of Oman to promote the growth of independent civil society, and deepen people-to-people engagement between our two countries.

I would like to pause for a moment, Madam Chairman, to recognize my husband, Paco Cosio-Marron, our children, Victoria, Alexandra, and Anthony, and my sister, Carla Holtz, who are with me here today. I thank them for their endless support through accompanied and unaccompanied tours in Saudi Arabia, Yemen, Tunisia, Syria, Turkey, and Iraq. They have loved our tours together in the region, and have been stoic during long separations.

The United States and Oman have shared a strong and dynamic relationship since the earliest days of our Nation's history. This bond dates back to 1790, when the Boston brig *Rambler* entered the port of Muscat. In 1833, the United States and Oman concluded a treaty of friendship and navigation.

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From the United Nations to the Gulf Cooperation Council, and in the Arab League, Oman has played an active and helpful role in multilateral diplomacy. In neighboring Yemen, Oman invests significant resources in a strategy of stabilization through political engagement, development aid, and humanitarian assistance. Oman is a strong partner in countering terrorism and extremism in the Arabian Peninsula.

Since Sultan Qaboos bin Said came to power in 1970, Oman has made dramatic gains in its development, emerging as a modern state with first class infrastructure and modern educational institutions. In the 2010 U.N. Human Development Report, Oman ranked No. 1 out of the 135 countries studied for progress in the previous 40 years in "human development," which focuses on education, access to quality health care, and other basic living standards.

The Sultan has demonstrated his ongoing interest in partnering with institutions of higher education around the world, including our own. In 2011 Oman established a new scholarship program through which more than 500 young Omanis have enrolled in higher education in the United States. Last October, the Sultan funded an endowed professorship of Middle East Studies at the College of William and Mary.

Oman has made important strides in promoting women's rights and participation in public life. Omani women serve in elected and appointed political offices, including two Cabinet posts. In 2005 Oman was the first Arab country to appoint a woman as Ambassador to the United States, the Honorable Hunaina Al Mughairy, who remains a pillar of Washington's diplomatic community. Omani women comprise over 40 percent of university students, though female illiteracy remains a significant problem. The Government of Oman is making an effort to strengthen legislation that will enhance the resources available for women and children in health and education. The State Department's Middle East Partnership Initiative (MEPI)

has, for many years, supported training and other programming for Omani women, and if confirmed, I look forward to enhancing those efforts.

The Sultan took quick action to respond to demands by the Omani public for greater civic participation early last year. There were elections for the country's Consultative Council, a Cabinet shuffle that incorporated several members of the elected Council into leadership positions in government, and programs to address unemployment. If confirmed, I will encourage Oman, our friend and partner, to continue to respond to the hopes and aspirations of its people.

Economic and commercial ties between our two countries are growing rapidly across a variety of sectors. U.S. exports to Oman were over \$1.4 billion last year, and bilateral trade volume is up over 50 percent since January 2009, when the U.S.-Oman Free Trade Agreement came into effect. If I am confirmed, I will place a high priority on ensuring that U.S. companies have the support needed to pursue new commercial opportunities in Oman.

The important cultural connection between our two countries was demonstrated recently by the 2011–2012 inaugural season of the Royal Opera House in Muscat. Over the past year, world-renowned American artists such as Wynton Marsalis, Yo-Yo Ma and Renee Fleming shared the great American performing arts tradition with sold-out audiences in Muscat. The Kennedy Center will continue its partnership with the Opera House in the coming season, in which American artists will headline nine performances. If confirmed, I look forward to encouraging a blossoming cultural relationship.

I would also like to assure you that, if confirmed, my highest priority will be protecting the safety and security of the dedicated men and women at our mission, as well as all Americans living in, working in, and visiting Oman.

Finally, if confirmed, I also look forward to welcoming the committee's members and staff to Muscat. Madame Chairman, thank you for this opportunity to address the committee. I look forward to your questions.

Senator SHAHEEN. That would be great. Thank you.  
Mr. Armbruster.

**STATEMENT OF THOMAS HART ARMBRUSTER, OF NEW YORK,  
TO BE AMBASSADOR TO THE REPUBLIC OF THE MARSHALL  
ISLANDS**

Mr. ARMBRUSTER. Thank you very much, Madam Chairman and members of the committee. It is a pleasure to appear before you today as President Obama's nominee for the Republic of the Marshall Islands as United States Ambassador. I am thankful for their confidence and would welcome the chance to work with you, this committee, and other Members of Congress, and would be honored to advance American interests in the Pacific.

I would like to introduce my wife, Kathy, and son, Bryan, who are here with me and Kathy's mom, Kitty Chandler, and also my brother, Chris, and his daughter, Natalie. They have joined me on this career path from Hawaii to Finland, to Cuba, Russia, Mexico, Tajikistan. We have all got a lot of mileage.

The Marshall Islands is a key partner in the United States deepening commitment in the Pacific. Secretary Clinton said: "One of the most important tasks of American statecraft over the next decade will be to lock in a substantially increased investment—diplomatic, economic, strategic, and otherwise—in the Asia-Pacific region." And in just a few weeks, Assistant Secretary Campbell and Admiral Haney will travel to the Marshall Islands underscoring our commitment to the region.

The United States and the Marshall Islands have a close and special relationship. The Marshall Islands, as you said, Madam Chairman, became part of the U.N. Trust Territory of the Pacific Islands under the administration of the United States after World War II, and in 1986, the Compact of Free Association came into

force and the RMI, Republic of the Marshall Islands, became an independent state. Accordingly, citizens of the RMI can live, study, and work in the United States without a visa. The compact obliges our two countries to consult on foreign policy, and I am happy to say that the RMI has an excellent voting affinity with the United States in the United Nations, sharing our positions on many contentious issues, including human rights and Israel.

Under the compact, the United States is committed to defending the Marshall Islands. The RMI has no military of its own, and Marshallese citizens serve in the U.S. Armed Forces, volunteering at a higher rate than citizens from any individual State. And Jefferson Bobo was the first Marshallese cadet to graduate from the U.S. Coast Guard Academy in May 2011.

As mentioned, Senator, the Marshall Islands hosts the U.S. Army's Ronald Reagan Ballistic Missile Defense Test Site on Kwajalein Atoll, known as USAKA. The base is the country's second-largest employer. And I met with General Formica and his talented and dedicated team at the Space and Missile Defense Command in Huntsville. I know what an important job they have. The test site plays a significant role in the U.S. missile defense research, development, and testing network. It is used to monitor foreign launches, provides deep-space tracking, and is an ideal near-equator launch site for satellites. If confirmed, I will work to maintain the strong relationship between USAKA and the Marshall Islands Government and promote USAKA's beneficial role for affiliated Marshallese communities.

The United States and the Marshall Islands have a developing economic relationship. To help achieve the goal of self-sufficiency, the United States will provide the Government of the RMI over \$60 million a year in assistance through 2023. The majority of our assistance goes toward health, education, environment, and a jointly managed trust fund will serve as a source of income after that grant assistance expires in 2023.

Despite our aid, Marshallese citizens struggle with health issues, unemployment, and social problems. More has to be done to prepare young Marshallese for today's global economy. I believe education is the key. If confirmed, I intend to do everything I can to ensure that our programs are effective and will lead the country team in a whole-of-government approach.

If confirmed, I will draw on my experience from postings throughout the world to work cooperatively with Marshallese officials and society. We have a lot of interagency departments in the Marshall Islands, and I will be happy to work with them to coordinate that effort.

The Marshallese are great Pacific navigators, and I am sure we can chart a course together. I would like to continue the great work Ambassador Martha Campbell is doing with her staff of 39 officers, local staff, and guards.

Thank you, Madam Chairman, for your consideration, and I welcome questions later.

[The prepared statement of Mr. Armbruster follows:]

## PREPARED STATEMENT THOMAS HART ARMBRUSTER

Madam Chairman, Ranking Member Barrasso, members of the committee, it is an honor to appear before you today as President Obama's nominee to be the U.S. Ambassador to the Republic of the Marshall Islands (RMI). I am thankful to President Obama and Secretary Clinton for the confidence shown in me by this nomination. If confirmed, I would welcome the chance to work with you, this committee, and other Members of Congress to advance American interests in the Pacific.

I would like to introduce my wife, Kathy, and son, Bryan, who along with our daughter, Kalia, have traveled every step of my career path from Hawaii to Finland to Cuba, Russia, Mexico, Tajikistan, and New York serving the United States in the Foreign Service.

The Marshall Islands is a key partner in the United States deepening commitment to the Pacific. Secretary Clinton said: "One of the most important tasks of American statecraft over the next decade will be to lock in a substantially increased investment—diplomatic, economic, strategic, and otherwise—in the Asia-Pacific region."

The United States and the Marshall Islands have a close and special relationship dating back to the end of the Second World War, when the Marshall Islands became part of the U.N. Trust Territory of the Pacific Islands under the administration of the United States. In 1986, the Marshall Islands and the United States signed the Compact of Free Association and the RMI became an independent state. This Compact, which was amended in 2004 to extend economic assistance for an additional 20 years, provides the framework for much of our bilateral relationship. Under the Compact, citizens of the RMI can live, study, and work in the United States without a visa. The Compact obliges the two countries to consult on matters of foreign policy, and the RMI Government has an excellent voting affinity with the United States in the United Nations, sharing our positions on many contentious issues, including on human rights and Israel.

Mutual security of our nations is an underlying element of the special relationship between the United States and the Republic of Marshall Islands. Under the Compact the United States has committed to defend the Marshall Islands as if it were part of our own territory, and the RMI has no military of its own. Marshallese citizens serve in our Armed Forces, volunteering at a higher rate than citizens from any individual state. Jefferson Bobo was the first Marshallese cadet to graduate from the Coast Guard Academy in May 2011. He will do his part to defend global peace and security, in peacekeeping missions, in U.S.-led combat operations, and in patrolling the world's waterways. If confirmed, I will work closely with the host government and the Marshallese people to ensure such mutual benefits of our close relationship are widely recognized.

The United States also enjoys complete access to Marshallese ports, airports, and airspace, a vital asset for our defense and security needs. The Marshall Islands hosts the U.S. Army's Ronald Reagan Ballistic Missile Defense Test Site on Kwajalein (known as USAKA). The base is the country's second-largest employer, second only to government services. I met with General Formica and his talented and dedicated team at the Space and Missile Defense Command Headquarters in Huntsville and know how important their work is. The test site plays a significant role in the U.S. missile defense research, development, and testing network. It is used to monitor foreign launches and provide deep-space tracking and is an ideal near-equator launch site for satellites. Under the Amended Compact, the United States has access to Kwajalein through 2066 with the option to extend until 2086. Continued access is important, but as important is a good relationship with the Marshallese. If confirmed, I will work to maintain the strong relationship between USAKA and the Marshall Islands Government and to promote USAKA's beneficial role for affiliated Marshallese communities.

The United States and the Marshall Islands also have an important economic relationship. To help achieve the Compact goal of economic self-sufficiency, the United States will provide the Government of the RMI over \$60 million a year in economic assistance through FY 2023. The majority of this assistance is provided as grants directed toward six sectors: health, education, infrastructure to support health and education, public sector capacity-building, private sector development and the environment. In addition, U.S. federal agencies operate more than 20 different government programs in the Marshall Islands. Another very important aspect of the Compact is a jointly managed Trust Fund that will serve as a source of income for the Marshall Islands after annual grant assistance expires in 2023. If confirmed, I will promote economic development and strongly advocate that the Marshallese work vigorously toward economic self-sufficiency, which is one of the primary goals of the Compact, as Amended.

Maintaining a solid partnership requires work on both sides. Education is a priority sector under the Amended Compact, but more has to be done to prepare young Marshallese for today's global economy. Despite our aid every year, Marshallese citizens are struggling with health issues, unemployment, and social problems. It is in our interest to help the Marshall Islands become more self-reliant and retain their talented and ambitious citizens to foster development and economic growth at home. As I mentioned, many U.S. Government agencies are working to advance those goals. If confirmed, I intend to do everything I can to ensure that our programs are effective in achieving their objectives and will ensure that the interagency is also working harmoniously in a "whole of government approach."

If confirmed, I will draw on my experiences from postings throughout the world to work cooperatively with Marshallese officials and society. For example, joint efforts like the Border Liaison Mechanism that I cochaired with my Mexican counterpart were effective in coordinating policy. In Moscow, as nuclear affairs officer, I coordinated with a range of U.S. agencies to safeguard Russia's nuclear materials. And in negotiating an emergency response agreement with Russia, I forged a close relationship with the Russian negotiator to have that agreement signed and in force to the benefit of both countries.

If confirmed, I will work closely with colleagues in other Pacific countries to advance U.S. interests regionally. In that spirit I led a counternarcotics team from Tajikistan to Kabul and a business delegation to Konduz, Afghanistan, to strengthen regional ties to the benefit of the United States in Central Asia. Furthering citizen services, I currently serve as an auxiliary police officer with the New York Police Department in Manhattan and I have assisted Americans in prison in Cuba, Mexico, and Russia.

If confirmed, my interagency experience will be a critical asset in the RMI, where so many domestic federal agencies—such as the U.S. Postal Service, the Federal Aviation Administration, and the National Weather Service—operate side by side with foreign affairs and defense colleagues. If confirmed, I will work closely with these agencies, and particularly with the Department of the Interior, which has primary responsibility for implementing the Compact's economic provisions, to ensure that assistance efforts are appropriately coordinated and implemented with transparency and accountability.

Working in several embassies around the world, I know how critical local staff is to our success. Our mission in the Marshall Islands depends, not just on the written text of the Compact of Free Association, but also on creating a bilateral relationship based on partnership and mutual respect between Marshallese and the American people. The Marshallese are great Pacific navigators and I'm sure we can chart a course together. If confirmed, I will work hard to ensure that my staff has the resources and support it needs to meet our mission in the Marshall Islands. I would like to continue the great work Ambassador Martha Campbell is doing with her staff of 39 officers, local staff, and guards.

Senator SHAHEEN. Thank you.  
Ambassador Kirby.

**STATEMENT OF HON. MICHAEL DAVID KIRBY, OF VIRGINIA,  
TO BE AMBASSADOR TO THE REPUBLIC OF SERBIA**

Ambassador KIRBY. Thank you, Madam Chairman. It is a privilege to appear before you today as President Obama's nominee to serve as United States Ambassador to the Republic of Serbia. I am honored by the confidence placed in me by the President and Secretary Clinton. If confirmed, I look forward to working with this committee and the Congress in advancing United States interests in Serbia.

I am pleased to have my wife, Sara Powelson Kirby, here with me today. Foreign Service families are unsung heroes and true diplomats themselves. My wife and daughters, Katherine and Elizabeth, neither of whom could be here with me today, have been living, working, and going to school overseas for most of their lives, serving as examples of American values to their friends and colleagues.

I would also like to note the presence of my mother, Dolores Kirby. She has been a great help to my siblings and to me. She also contributed greatly to the career of my father who was in the Foreign Service for 30 years.

I had the privilege of serving for the past 4 years as the Principal Deputy Assistant Secretary in the Bureau of Consular Affairs of the State Department. Prior to this, as U.S. Ambassador to Moldova, I worked with my team to manage a range of issues, including the frozen conflict in Transnistria, improving the climate for multiparty democracy, furthering U.S. business interests, and trying to reduce corruption. I believe these experiences have prepared me well to serve as chief of mission in Serbia.

The Serbia-United States relationship is 130 years old. In fact, we marked the anniversary on July 5. Our cooperation, friendship, and close commercial ties are anchored by a vibrant Serbian diaspora community here in the United States. While our ties were strained in the 1990s, for the past 12 years, we have worked with successive Serbian governments to overcome recent challenges and to build a new, strong partnership with a country that we see as critical to regional stability.

Over the past 4 years, the United States has worked closely with the outgoing government to help Serbia realize its goal of attaining candidate status in the European Union. We now look forward to helping Serbia meet the standards the European Union has set out in order to obtain a start date for accession negotiations. Serbia has made significant progress by undertaking democratic reforms and strengthening institutions to solidify the rule of law. In addition, the military services have undergone fundamental restructuring with the goal of building a modern, civilian-directed force that can play a positive, stabilizing role in the region. Serbia joined NATO's Partnership for Peace with our support, and its military has established a robust cooperation with ours. Its partnership with the Ohio National Guard serves as a model for the region. Together, the United States and Serbia have made significant strides in recent years to repair and rejuvenate our relationship, and if confirmed, I look forward to working with President Nikolic and the new government, once constituted, to build on this strong foundation and continue to deepen our partnership.

While much progress has been made in Serbia, Kosovo remains a significant challenge to our bilateral engagement. We have made clear that on the matter of Kosovo, we can agree to disagree on Kosovo's status as an independent state. We understand that for now Serbia will not recognize the Republic of Kosovo. However, we have also made clear that Serbia must begin to come to terms with today's realities and move toward normalizing its relationship with Kosovo. As the European Union stated in its council decisions in December 2011 and subsequently confirmed, Serbia's path into the EU passes through normalization of its relationship with Kosovo. This is in Serbia's interest, as it is the only way to ensure the Kosovo issue does not continue to interfere with Serbia's relations with its neighbors, the EU, or the United States.

If confirmed, I will also seek to bring resolution to two important challenges to our bilateral relationship. The murderers of the three Bytyqi brothers, New York residents who were executed by Serbian

Ministry of Interior personnel in 1999, have never been prosecuted. The U.S. Government cannot accept that the murderers of three of its citizens go unpunished. Likewise, those who authorized the attacks on the United States and other Western embassies in February 2008 have never been arrested. While we welcome the recent indictments of 12 of the perpetrators who participated in the attack on our Embassy in Belgrade, we also expect Serbia to thoroughly complete its investigation and ensure that all who were involved are brought to justice regardless of their rank or position.

This is a challenging agenda but it is also achievable. If confirmed, I am committed to working to make this vision: a Serbia at peace with all of its neighbors, firmly set on a path of European integration.

Thank you once again for granting me the opportunity to appear before this committee today, and I look forward to your questions. [The prepared statement of Ambassador Kirby follows:]

PREPARED STATEMENT OF MICHAEL D. KIRBY

Madam Chairman, Ranking Member Barrasso, and members of the Senate Foreign Relations Committee, it is a privilege to appear before you today as President Obama's nominee to serve as the United States Ambassador to the Republic of Serbia. I am honored by the confidence placed in me by both President Obama and Secretary Clinton. If confirmed, I look forward to working with this committee and the Congress in advancing U.S. interests in Serbia.

I am pleased to have my wife, Sara Powelson Kirby, here with me today. Foreign Service families are unsung heroes and true diplomats themselves: my wife and daughters, Katherine and Elizabeth—neither of whom could be with me today—have been living, working, and going to school overseas for most of their lives, serving as examples of American values to their friends and colleagues. I would also like to note the presence of my mother, Dolores Kirby. She has been a great help to my siblings and me. She also contributed greatly to my father's more than 30-year Foreign Service career.

I have had the privilege of serving for the past 4 years as the Principal Deputy Assistant Secretary in the Consular Affairs Bureau of the State Department. Prior to this, as U.S. Ambassador to Moldova, I worked with my team to manage a range of issues, including the frozen conflict in Transnistria, improving the climate for multiparty democracy, furthering U.S. business interests, and trying to reduce corruption. I believe these experiences have prepared me well to serve as Chief of Mission in Serbia.

The Serbia-United States relationship is 130 years old—in fact, we marked its anniversary on July 5. Our cooperation, friendship, and close commercial ties are anchored by a vibrant Serbian diaspora community here in the United States. While our ties were strained in the 1990s, for the past 12 years we have worked with successive Serbian governments to overcome challenges and build a new, strong partnership with a country that we see as critical to regional stability.

Over the past 4 years, the United States has worked closely with the outgoing government to help Serbia realize its goal of attaining candidate status in the European Union. We now look forward to helping Serbia meet the standards the European Union has set out in order to obtain a start date for accession negotiations, the next step in the process leading to EU membership. Serbia has made significant progress by undertaking democratic reforms and strengthening institutions to solidify the rule of law. In addition, the military services have undergone fundamental restructuring with the goal of building a modern, civilian-directed force that can play a positive, stabilizing role in the region. Serbia joined NATO's Partnership for Peace with our support, and its military has established a robust cooperation with ours. Its partnership with the Ohio National Guard serves as a model for the region and has helped to encourage civilian partnerships between Serbia and the State of Ohio. I take great pride in the Ohio roots of my parents—both native Clevelanders—and will seek to deepen the Ohio-Serbia bonds. Together, the United States and Serbia have made significant strides in recent years to rejuvenate our relationship, and if confirmed I look forward to working with President Nikolic and the new government, once constituted, to build on this strong foundation and continue to deepen our partnership.

Our economic ties also continue to grow. An economically prosperous Serbia can serve as an engine for the region. Like many countries around the world, Serbia is suffering from the consequences of the global recession. But Serbia has enormous economic potential, including a well-educated and talented workforce, which make it a potentially attractive source for foreign direct investment by U.S. as well as European companies. Over the past several years, with assistance from the EU and the United States, Serbia has undertaken real economic reforms designed to demonstrate its commitment to long-term economic growth and harmonization with EU norms. There is still much work left to be done, however, to streamline the process of doing business, reduce bureaucratic impediments, and combat the corrosive consequences of corruption. The United States has worked closely with the Serbian Government to aid this effort, particularly in supporting the implementation of the government's anticorruption strategy and action plan. If confirmed, I look forward to continuing this work.

While much progress has been made in Serbia, Kosovo remains a significant challenge to our bilateral engagement. When Vice President Biden visited Belgrade in May 2009, he emphasized that the United States wanted to move beyond the recriminations of the past and looked toward the future, to a fully European-integrated Serbia partnering with us in the pursuit of common interests in the region. We understand that, for now, Serbia will not recognize the Republic of Kosovo. However, we have also made clear that Serbia must begin to come to terms with today's realities and move toward normalizing its relations with Kosovo. As long as there is instability in the region, Serbia and all the other countries of the region are held back from realizing their full potential. As the European Union stated in its Council decisions in December 2011 and subsequently confirmed, Serbia's path into the EU passes through normalization of its relationship with Kosovo. This is in Serbia's interest, as it is the only way to ensure the Kosovo issue does not continue to interfere with Serbia's relations with its neighbors, the EU, or the United States. And it is in the interest of Kosovo Serbs, as it will improve the daily lives of citizens, irrespective of ethnicity, on both sides of the border. Serbia needs to understand that Kosovo's status and border are decided and that partition is off the table. At the same time, we have assured Serbia that the United States, in partnership with the EU, will remain vigilant in working with the Kosovo Government to ensure that the far-reaching rights of Kosovo Serbs are fully protected under Kosovo's Constitution and laws.

If confirmed, I will also seek to bring to resolution two important challenges to our bilateral relationship. The murderers of the three Bytyqi brothers, New York residents who were executed by Serbian Ministry of Interior personnel in 1999, have never been prosecuted. The U.S. Government cannot accept that the murderers of three of its citizens go unpunished. Likewise, those who authorized the attacks on the U.S. and other Western embassies in February 2008 have never been brought to justice. While we welcome the recent indictments of 12 of the perpetrators who participated in the attack on our Embassy in Belgrade, we also expect Serbia to complete a thorough investigation and ensure that all who were involved are brought to justice, regardless of their rank or position.

This is a challenging agenda, but it is also achievable. If confirmed, I am committed to working to make this vision a reality: a Serbia at peace with all of its neighbors, firmly set on a path of European integration.

Senator SHAHEEN. Thank you.  
Mr. Koenig.

**STATEMENT OF JOHN M. KOENIG, OF WASHINGTON, TO BE  
AMBASSADOR TO THE REPUBLIC OF CYPRUS**

Mr. KOENIG. Madam Chair, thank you very much. Members of the committee, thank you for giving me the opportunity to be with you here today. It is a great honor to appear before you. It is also my great honor to be nominated by President Obama to serve as the next Ambassador of the United States to the Republic of Cyprus. If confirmed, I look forward to working with the committee and Congress to advance the interests of the United States in Cyprus.

I would like to introduce my wife, Natalie, who has joined me here today, along with my sons, Theodore and Alexander, and my

Cyprus desk officer, Lindsay Coffey from the State Department. I would also like to mention my friends, Bob and Ellen Cory and Will Embrey, who have attended this hearing today.

My wife and sons have been living, working, and going to school overseas for much of their lives. We look forward to serving our Nation overseas once again. Both of my sons started school in Cyprus and they, like Natalie and me, have fond memories of the island and its people.

I believe the 28 years I have spent in the Foreign Service have helped prepare me for this important assignment. I served previously in Cyprus, an experience which I believe will enhance my effectiveness as chief of mission, if I am confirmed.

In addition, my two tours in Greece deepened my understanding of regional issues. From my time spent working at the U.S. mission to NATO and as political advisor to the Allied Joint Forces Command in Naples, I understand the importance of NATO in maintaining peace and stability throughout Europe and beyond.

If I am confirmed, my top priority will be to support efforts to reunite Cyprus into a bizonal, bicomunal federation. The long-standing division of the island must come to an end through a just and lasting settlement. Since 2008, the leaders of the Greek Cypriot and Turkish Cypriot communities have made important progress in the Cypriot-led negotiations under the auspices of the U.N. Good Offices Mission coordinated by Special Advisor Alexander Downer. However, much more must be done to end the de facto division of the island. Although this is a Cypriot-led process, the United States will remain actively engaged. The reasons are clear. The status quo is unacceptable. It threatens effective NATO-EU cooperation and affects regional stability and also remains an obstacle to Turkey's EU accession process, which the United States and this administration have long supported.

If confirmed, I look forward to continuing to build our bilateral relationship with the Republic of Cyprus and strengthening cooperation in our many areas of common interest. I am pleased to see increased investment by U.S. companies in Cyprus especially in the energy sector. Our countries have also been working together to safeguard Cypriot cultural heritage, prevent pillaging, and stop the illegal trafficking and sale of antiquities. In addition, Cyprus has been a generous host for an increasing number of U.S. Navy ship visits, which has driven growing cooperation in antiterrorism and port security.

The Republic of Cyprus is facing a number of challenges: assuming the rotating Presidency of the European Union, responding to the European financial crisis, and managing newly discovered natural gas resources. Although Cyprus has the third-smallest economy in the EU, its financial sector is heavily exposed to Greek debt. If confirmed, I will work closely with the Government of Cyprus to explore ways the United States can assist Cyprus as it seeks to meet these challenges. We must also work together to address serious issues such as possible terrorist threats and trafficking in persons.

The administration recognizes the Republic of Cyprus' right to develop its Exclusive Economic Zone. We believe that its oil and gas resources, like all of its resources, should be equitably shared

between both communities in the context of an overall settlement. The discovery of natural gas underscores the urgent need for a settlement, but it need not hinder the talks.

I also look forward to engaging the Turkish Cypriot community. If confirmed, I will be accredited to one government, that of the Republic of Cyprus. That said, we need to maintain a constructive relationship with the Turkish Cypriot community. I am pleased that they share our goal of peaceful reunification of the island. We must continue to work with them to help prepare for reunification by strengthening civil society and reducing economic disparities across the island.

Madam Chair, members of the committee, if I am confirmed, my foremost priority will be promoting United States interests in Cyprus while working to advance a comprehensive settlement. The United States stands only to gain from a reunited Cyprus that is peaceful, prosperous, and fully benefits from EU membership.

Thank you for this opportunity to appear before you. I would be pleased to answer any questions you may have later.

[The prepared statement of Mr. Koenig follows:]

PREPARED STATEMENT OF JOHN M. KOENIG

Madam Chairman and members of the committee, thank you for giving me the opportunity to be with you here today. It is a great honor to appear before you. It is also my great honor to be nominated by President Obama to serve as the next Ambassador of the United States to the Republic of Cyprus. If confirmed, I look forward to working with the Committee and Congress to advance the interests of the United States in Cyprus.

If you will permit me, I would like to introduce my wife, Natalie, who has joined me here today, along with my sons, Theodore and Alexander, and Cyprus desk officer, Lindsay Coffey. My wife and sons have been living, working, and going to school overseas for much of their lives. We look forward to serving our Nation overseas once again. Both of my sons started school in Cyprus, and, like Natalie and me, have fond memories of the island and its people.

I believe that the 28 years I have spent in the Foreign Service have helped prepare me for this important assignment. I served previously in Cyprus, an experience which I believe will enhance my effectiveness as Chief of Mission, if I am confirmed. In addition, my two tours in Greece deepened my understanding of regional issues. From my time spent working at the U.S. Mission to NATO and as political advisor to the Allied Joint Forces Command in Naples, I understand the importance of NATO in maintaining peace and stability throughout Europe and beyond.

If I am confirmed, my top priority will be to support efforts to reunite Cyprus into a bizonal, bicomunal federation. The longstanding division must come to an end through a just and lasting settlement. Since 2008, the leaders of the Greek Cypriot and Turkish Cypriot communities have made important progress in the Cypriot-led negotiations under the auspices of the U.N. Good Offices Mission and coordinated by Special Advisor Alexander Downer. However, much more must be done to end the de facto division of the island. Although this is a Cypriot-led process, we will remain actively engaged. The reasons are clear. The status quo is unacceptable. It threatens effective NATO-EU cooperation and affects regional stability, and also remains an obstacle to Turkey's EU accession process, which the United States and this administration have long supported.

If confirmed, I look forward to continuing to build our bilateral relationship with the Republic of Cyprus and strengthening cooperation in our many areas of common interest. I am pleased to see increased investment by U.S. companies in Cyprus, especially in the energy sector. Our countries have also been working together to safeguard Cypriot cultural heritage, prevent pillaging, and stop the illegal trafficking and sale of antiquities. In addition, Cyprus has been a generous host for an increasing number of U.S. navy ship visits, which has driven growing cooperation in antiterrorism and port security.

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smallest economy in the EU, its financial sector is heavily exposed to Greek debt. If confirmed, I will work closely with the Government of Cyprus to explore ways the United States can assist Cyprus as it seeks to meet these challenges. We must also work together to address serious issues such as possible terrorist threats and trafficking in persons.

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I also look forward to engaging the Turkish Cypriot community. If confirmed, I will be accredited to one government, that of the Republic of Cyprus. That said, we need to maintain a constructive relationship with the Turkish Cypriot community. I am pleased that they share our goal of peaceful reunification of the island. We must continue to work with them to help prepare for reunification by strengthening civil society and reducing economic disparities across the island.

Madam Chairman and members of the committee, if I am confirmed, my foremost priority will be promoting U.S. interests in Cyprus while working to advance a comprehensive settlement. The United States stands only to gain from a reunited Cyprus that is peaceful, prosperous, and fully benefits from EU membership.

Senator SHAHEEN. Thank you.  
Ambassador Ries.

**STATEMENT OF HON. MARCIE B. RIES, OF THE DISTRICT OF COLUMBIA, TO BE AMBASSADOR TO THE REPUBLIC OF BULGARIA**

Ambassador RIES. Madam Chairman, Ranking Member Barasso, members of the committee, it is an honor to appear before you today as President Obama's nominee to serve as the United States Ambassador to the Republic of Bulgaria. I am grateful for the confidence placed in me by the President and by Secretary Clinton.

The United States and Bulgaria share a very strong partnership and friendship both between our governments and our peoples. If confirmed, I will work with Congress and this committee to further strengthen the relationship and to advance United States interests in Bulgaria.

I am delighted and proud that my husband, Charlie, who was a fellow officer in the Foreign Service for more than 30 years, as well as my son, Alexander Ries, and his friend, Susan Ziff, are here with me today. My mother, Mona Berman, who is a continuing inspiration to all of us, plans to accompany me to Bulgaria if I am confirmed. Although unable to attend this hearing, I would also like to mention my daughter, Meredith, who was along on postings in Ankara, Brussels, and London. While it was an honor and a privilege for us together to represent our country abroad, I am especially grateful for my family's encouragement, even when I was posted without them in Kosovo and Albania, and for their unwavering support when my husband and I were assigned together in Baghdad.

This summer marks the 109th anniversary of diplomatic relations between Bulgaria and the United States. This is worth noting because our relationship with Bulgaria, a member of NATO and the European Union, exemplifies the sort of transatlantic cooperation that has been the cornerstone of our common security. Bulgaria has generously contributed to NATO and EU missions, notably in Afghanistan. If confirmed, I will apply my prior experience, especially as Principal Deputy Assistant Secretary for the Bureau

of European and Eurasian Affairs, to further enhance our security cooperation with Bulgaria.

I learned during my time as chief of mission in Pristina and Ambassador to Albania that ensuring the rule of law is both fundamental and a long-term endeavor. Bulgaria has made progress in rule of law, including taking important steps to pursue judicial reform, combat corruption, and fight organized crime. Bulgaria's new asset forfeiture legislation is a positive example of such progress. However, much more needs to be done, and if confirmed, I will do my best to support Bulgarian efforts to move forward via robust law enforcement cooperation and engagement with the Bulgarian Government and civil society.

The Roma population in Bulgaria, as elsewhere in Europe, has not fully benefited from Bulgaria's progress. The Bulgarian Government has launched a new integration strategy and worked with civil society to develop an action plan. If confirmed, I will work hard with the Bulgarian Government and the Roma communities to support and encourage effective implementation.

Bulgaria has taken noteworthy steps toward diversifying and securing the country's energy supplies while protecting the local environment. If confirmed, I will make working with the Bulgarian Government, business, and civil society toward achievement of this goal a high priority.

Bilateral trade with Bulgaria jumped from US\$429 million in 2010 to \$672 million in 2011. This includes a 33-percent increase in U.S. exports directly supporting American jobs.

In conclusion, Bulgaria is a country with great potential for economic advancement, a proud history going back to ancient times, and warm feelings toward the United States. If I am confirmed, I will work with Congress and this committee to expand and develop the strong partnership we have with Bulgaria, building on the fine work of outgoing Ambassador, James Warlick, and our country team at U.S. Embassy Sofia. As Ambassador, my highest priorities will be to advance U.S. interests in Bulgaria, including working together to counter organized crime and corruption, promoting economic growth and prosperity in both our countries, and strengthening security cooperation both bilaterally and within the NATO alliance.

Madam Chairman, and members of the committee, thank you for this opportunity to appear before you. I would be pleased to answer any questions that you may have.

[The prepared statement of Ambassador Ries follows:]

PREPARED STATEMENT OF MARCIE B. RIES

Madam Chairman, Ranking Member Barrasso, and members of the committee, it is an honor to appear before you today as President Obama's nominee to serve as the United States Ambassador to the Republic of Bulgaria. I am grateful for the confidence placed in me by the President and by Secretary Clinton. The United States and Bulgaria share a very strong partnership and friendship, both between our governments and our peoples. If confirmed, I will work with Congress and this committee to further strengthen the relationship and to advance U.S. interests in Bulgaria.

If you will permit me, I would like to introduce my family members who are here with me today. I am delighted and proud that my husband, Charlie, who was a fellow officer in the Foreign Service for more than 30 years, as well as my son, Alexander Ries, and my mother, Mona Berman, are with me today. Although unable to attend this hearing, I would like to mention my daughter, Meredith, who was also

along through postings in Ankara, Brussels, and London. While it was an honor and a privilege for us to represent our country abroad, I am especially grateful for my family's encouragement even when I was posted without them in Kosovo and Albania, and for their unswerving support when my husband and I were assigned together to Baghdad in 2007 and 2008.

This summer marks the 109th anniversary of diplomatic relations between Bulgaria and the United States. This is worth noting because our relationship with Bulgaria, a member of NATO and the European Union, exemplifies the sort of transatlantic cooperation that has been the cornerstone of our common security, freedom, and prosperity. Bulgaria has generously contributed to NATO and EU missions, including in Afghanistan, Kosovo, Bosnia, Libya, Georgia, and off the coast of Somalia. If confirmed, I will apply my prior experience in NATO and EU matters, especially as Principal Deputy Assistant Secretary for the Bureau of European and Eurasian Affairs, to further enhance our cooperation with Bulgaria. I will also encourage Bulgaria's efforts to develop a military that is modern, deployable, and fully interoperable with its European and American partners.

Our relationship with Bulgaria is based upon much more than security cooperation. Bulgaria's experience transitioning from authoritarian rule to democracy and persevering through many challenges is commendable and provides positive lessons for others making democratic transitions. Today, Bulgaria plays a constructive role in promoting stability in the Western Balkans and supporting emerging democracies in the Middle East and North Africa, including by sharing these lessons.

I learned during my time as Chief of Mission in Pristina and Ambassador to Albania that ensuring the rule of law is both fundamental and a long-term endeavor. Bulgaria has made progress in rule of law, including taking important steps to pursue judicial reform, combat corruption, and fight organized crime. Bulgaria's new asset forfeiture legislation is a positive example of such progress. However, more needs to be done, and if confirmed I will do my best to support Bulgarian efforts to move forward via robust law enforcement cooperation, the Open Government Partnership, and engagement with the Bulgarian Government and civil society.

The Roma population in Bulgaria, as elsewhere in Europe, has not fully benefited from Bulgaria's progress. The Bulgarian Government has launched a new integration strategy, worked with civil society to develop an action plan, and is organizing a resource framework. If confirmed, I will work with the Bulgarian Government and the Roma communities to support and encourage effective implementation.

Bulgaria has taken noteworthy steps toward diversifying and securing the country's energy supplies while protecting the local environment. If confirmed, I will make working with the Bulgarian Government, business and civil society toward achievement of this goal a high priority.

Bilateral trade with Bulgaria jumped from 429 million U.S. dollars in 2010 to 672 million in 2011. This includes a 33-percent increase in U.S. exports, directly supporting American jobs. Though Bulgaria is a small market of 7.3 million consumers, there are considerable commercial opportunities due to an educated work force and a strong work ethic, membership in the European Union, and approximately 7 billion euro in EU funds to be spent in the coming years on infrastructure development and modernizing the country's institutions.

In conclusion, Bulgaria is a country with great potential for economic advancement, a proud history going back to ancient times, and warm feelings toward the United States. If I am confirmed, I will work with Congress and this committee to expand and develop the strong partnership we have with Bulgaria, building on the fine work of outgoing Ambassador James Warlick and our country team at U.S. Embassy Sofia. As Ambassador, my highest priorities will be to advance United States interests in Bulgaria, including working together to counter organized crime and corruption, promoting economic growth and prosperity in both our countries, and strengthening security cooperation both bilaterally and within the NATO alliance.

Senator SHAHEEN. Thank you all very much for your testimony.

Ambassador RIES, I would like to give you an opportunity to comment on the crime that was perpetrated against innocent Israeli victims today in Bulgaria. I know that reports are still coming in. So it is difficult to get the facts, but I do want to ask you if you would like to comment.

Ambassador RIES. Thank you very much, Madam Chairman.

Of course, I do not want to get ahead of the people who are on the ground in Bulgaria and who have direct access to the informa-

tion, but I certainly do want to add my voice to all those who would condemn such attacks on innocent people in the very strongest possible terms. And certainly all of our thoughts and prayers are with the family and friends of the victims, as well as with the people of Israel and the people of Bulgaria.

I am certain that our Embassy in Baghdad will offer to assist their counterparts in any way possible, as I would do in the same circumstances.

Thank you very much.

Senator SHAHEEN. Thank you.

As I indicated in my statement and I am sure you are aware, this is one in a series of troubling attacks. Well, in January there was a package found on a bus carrying Israeli tourists from Turkey to Bulgaria. I wonder, are you confident that the Bulgarian local police will work closely with us and with Israel in trying to get to the bottom of these attacks and that they have the technical expertise to be able to engage in this kind of investigation?

Ambassador RIES. Madam Chairwoman, yes. I do believe that we will certainly work very closely with the Bulgarians to attempt to get to the bottom of this matter. We enjoy very strong law enforcement cooperation with the Bulgarians on a continuing basis. That includes training and all kinds of exchanges and work together, and I am sure that that will be helpful as we work together to get to the bottom of this.

Senator SHAHEEN. Thank you.

Mr. Koenig, in your testimony, you mentioned the new natural gas find off the coast of Cyprus, and as I understand it, the President of Cyprus has committed to sharing this resource with all Cypriots, including the Turkish Cypriot community. And as you point out, this is another critical reason for the Greek and Turkish communities on Cyprus to come together to find a just resolution to the divisions in Cyprus.

Unfortunately, Turkey has called on the major international oil and gas companies to withdraw their bids to seek a license for development of those gas deposits in Cyprus saying it will not allow exploration to go ahead and threatening to ban those companies from Turkish energy projects.

Can you tell us whether you agree that the discovery of natural gas within Cypriot waters could, with some leadership, help to bring a resolution to the division in Cyprus? And can you put the Turkish response in context for us? Are you concerned that Turkey's response will contribute to a further deterioration of relations between Turkey and Cyprus? And finally, how can the United States and our EU counterparts work to help as this situation unfolds?

Mr. KOENIG. Thank you, Madam Chair.

This is, indeed, a very important discovery and a very important new factor in the region, the presence of these resources in the offshore area in the eastern Mediterranean.

We believe that the existence of this new resource, these new riches in that region should spur the parties to think of new ways of cooperation, and we very much appreciate President Christofias' statements that he is interested in sharing this resource with all the people of Cyprus with both communities. We see that as impor-

tant to realize in the context of an overall settlement of the Cyprus issue.

With regard to our position on the EEZ and Cyprus' right to exploit resources in the EEZ, we have been very clear, and I think that has helped a great deal in responding to the actions of others, including Turkey. Cyprus is exploiting these resources in a manner that is cooperative with Israel. We recognize Cyprus' right to delimit the EEZ and to enter into such bilateral arrangements. So the clarity that we have expressed on this, I think, has been unmistakable.

The administration is very pleased to see that American companies are engaged in the exploration and development of these resources and other energy opportunities in Cyprus. I believe the administration is committed to supporting these companies in their work, as we do with other companies interested in such situations, and if I am confirmed, I will certainly support those efforts very energetically.

Senator SHAHEEN. Well, so can you elaborate a little more on Turkey's reaction and what additional response might be needed either to reassure the companies who would like to bid on these projects or Cyprus that we are serious about engaging on this issue and helping to make sure that the development can occur in the waters around Cyprus?

Mr. KOENIG. Yes, Madam Chairman. The United States has engaged with—first, let me say that the United States does not believe that any country in the region or any party involved in the situation on Cyprus should do anything to heighten tensions or to create new problems. The situation on Cyprus is already difficult enough. So we have been engaging with Turkey and with others on this very consistently and hope that our message is understood.

Senator SHAHEEN. Thank you.

Senator BARRASSO.

Senator BARRASSO. Thank you, Madam Chairman.

If I could start, Ms. Holtz. I wanted to visit with you a little bit about Iran sanctions and wondering if Oman is complying with United States sanctions, international sanctions against Iran. If not, how would you address the issue with the Government of Oman, and what is Oman's current relationship and economic ties and trade endeavors with Iran?

Ms. HOLTZ. Thank you very much, Senator, for that question.

Oman is a regional player. It is a member of the Gulf Cooperation Council, Arab League, and as a regional player, it shares our concerns about Iran's destabilizing activities, including their acquisition or attempt to acquire nuclear weapons capability. They are compliant and supportive of the international sanctions on Iran. They are deeply concerned, as are we, about the tensions and instability in the region. So they have been a very effective partner for the United States in addressing those issues.

Oman does have a unique relationship with Iran given its geographic proximity and its policy of having good relations with its neighbors. But as we see the tensions in the region increasing, it has been very beneficial for the United States to have a partner like Oman who is able to de-escalate some of the tensions that are out there because of Iran. So if I am confirmed, I will continue to

work very hard to partner with our Omani ally on Iran's destabilizing role in the region.

Senator BARRASSO. Because I had some concern. I understood there was an agreement signed between Oman and Iran and they had some joint military operations together last year. Is my understanding correct?

Ms. HOLTZ. Yes, they did sign an agreement and I believe they held one exercise.

Senator BARRASSO. OK, thank you.

Mr. Armbruster, in terms of United States priorities in the Marshall Islands, you mentioned Secretary Clinton and some of the comments that she had made. So I just wonder what the top three United States priorities are with respect to the Marshall Islands and what initiatives you might have to implement them.

Mr. ARMBRUSTER. Thank you, Senator.

And now with Secretary Clinton breaking travel records, maybe she will visit the Marshall Islands.

The top three priorities, I would think—the first would be our strategic relationship. The Marshall Islands is a good friend of ours in the United Nations, and in terms of our Pacific strategy, I know that the Defense Department is talking about rebalancing and looking at the Pacific as a very important part of their overall global strategy. So the USAKA base and the strategic part I think would be the first priority.

Second would be education. The Marshallese are not able to compete globally and the education system needs work frankly. Many Marshallese migrate to the United States, and if they are coming to the United States, I think they have to be better prepared to work here and contribute, as I know that they can.

And the third priority, Senator, I think would be something that I know you are interested in and that is health. They have some challenges: dengue, Hansen's disease, TB, and so on. But I have received good news that we are working on telemedicine to try to take care of some of their health challenges in the Marshall Islands, and that would be something that, if confirmed, I would work very closely with my colleagues on.

Senator BARRASSO. Thank you.

Ambassador Kirby, recent reports indicate that Serbia's new President is seeking to clarify some of the agreements previously signed by the previous government with Kosovo. Do you believe that Serbia is going to go back on any of the agreements signed between Serbia and Kosovo, and what steps are you going to take to ensure the new government remains committed to negotiations from a previous administration?

Ambassador KIRBY. Thank you, Senator.

If confirmed, I would—the agreements that were reached were never fully implemented in any case. We will have a dialogue because Serbia is committed. The new President has said that he is committed to getting Serbia into the EU. That path leads through a more normalized relationship with Kosovo. So I think, working with our European partners, we would stress that the United States is firmly committed to Kosovo with its borders, and I think that that would give us a lot of leverage.

Senator BARRASSO. Ambassador Ries, during Secretary Clinton's trip to Bulgaria in February, she stressed the importance of energy security and energy independence for the country of Bulgaria. Can you talk a little bit about why energy independence is so important for Bulgaria and for the broader European energy sector?

Ambassador RIES. Thank you for the question, Senator.

We believe that energy diversity both of sources and routes for supply is very important for Bulgaria, as it is for all of the countries in the region. Bulgaria has had some discussions with other countries in the region about interconnectors. We are encouraging them to pursue those discussions with respect to sources of supply. We are encouraging them to pursue sources such as from the Caspian area and to look at unconventional sources of gas.

Senator BARRASSO. I believe Bulgaria currently has a moratorium on shale gas exploration and production. Do you believe that they should maybe lift that moratorium as a way to diversify their energy supply?

Ambassador RIES. You are correct, Senator. They do have a moratorium on shale gas exploration, and they have appointed a parliamentary committee to examine the question. Eventually they will need to make a decision, which should be based on economic factors, environmental factors, and research and scientific matters. It will be their sovereign decision, but we are encouraging them to take all those things into account.

Senator BARRASSO. Thank you.

Mr. Koenig, when you think about Cyprus and the two distinct solutions that are often mentioned as ways to resolve the dispute, either reunification or complete partition, does the administration back either of these options? And if not, what solution does the administration support?

Mr. KOENIG. Senator Barrasso, the administration strongly supports the efforts to reunify the island as a bizonal, bicommunal federation, and we are very, very supportive of the effort that is Cypriot-led and is being coordinated by the U.N. Secretary General's Good Offices Mission.

Senator BARRASSO. Thank you.

My time has expired, Madam Chairman. Thank you very much.

Senator SHAHEEN. Thank you.

Senator Menendez.

Senator MENENDEZ. Thank you, Madam Chairlady.

Congratulations to all of you on your nominations.

First, I want to say my thoughts and prayers are with those Israeli citizens who died today in Bulgaria and those who are injured.

And I want to ask you, Ambassador Ries, even though I know these are unfolding events, so I do not expect you to have information. But on the broader question of Bulgaria, do you view them as a cooperative security ally of the United States vis-a-vis Iran?

Ambassador RIES. Senator, I think that Bulgaria is a very good and effective security partner for us. In addition, I mentioned earlier that they are deployed in Afghanistan. They are also in Kosovo, in Bosnia. They mustered a frigate on short notice for the situation in Libya and Georgia and off the coast of Somalia. They voted with us on the Iraq war. I do not have any specific information to speak

to the question that you asked, but I must say that as a security partner, the Bulgarians really are very effective.

Senator MENENDEZ. We have a wide range of interests as it relates to Iran. As the author of the sanctions on the Central Bank of Iran, I am concerned that some countries are not cooperating with us in that regard. I am also concerned, within the context of today's attack, how seriously the Bulgarians take to the whole question of our efforts to ensure that Iran does not achieve nuclear weapons. Are they in concert with us, do you believe?

Ambassador RIES. Senator, I cannot speak for the Bulgarians myself, but—

Senator MENENDEZ. I am asking for your observation of them, not for their official view.

Ambassador RIES. Yes, sir. I think that would be consistent with the positions that they have taken on many of these subjects and their willingness to stand with us in all of these other conflicts which they have done in the past.

Senator MENENDEZ. We look forward to your being able to follow up on this and I will be looking forward to having a conversation with you when you are on the ground.

Ambassador RIES. Yes, sir. I would look forward to that.

Senator MENENDEZ. Mr. Koenig, I am very interested in Cyprus. I have spent a good part of my time both on the House International Relations Committee and on this committee addressing this issue. Thirty-eight years after the occupation and invasion, it is beyond the mindset of anyone to believe that we would still be in this set of circumstances today. And so this assignment in my mind is incredibly important to the national interests of the United States. Cyprus has been a good ally of the United States in critical times when we have needed them, including providing refuge for our citizens at different times. And so I want to get a sense from you of your positions on a number of issues. I listened to your responses earlier. Let me go through a series of questions.

No. 1, I assume that you believe that the solution to the Cyprus issue must be based on a Cypriot-run, Cypriot-determined basis and that our goal, as with the Cypriots, is to have a single sovereignty with an international personality, a single citizenship with independence and territorial integrity safeguarded and comprising all of those elements that are relevant in Security Council resolutions. Is that the view that you would take with you to Cyprus if you are confirmed?

Mr. KOENIG. Yes, sir, that is. These are the principles behind the bizonal, bicomunal federation as well.

Senator MENENDEZ. Now, how do you view the two new conditions laid out by Turkish Cypriot leader Eroglu 2 weeks ago that talks can only resume if there is an introduction of a deadline for negotiations and the lifting of embargos placed on Turkish Cyprus?

Mr. KOENIG. Sir, we do not see any reason why talks cannot resume immediately. We do not want to set artificial deadlines or anything like that. We think it is important that the parties work toward a solution as soon as possible but that there is no need to impose artificial deadlines on these talks. And these other issues regarding Turkish Cypriot contacts with the outside world—these

are subjects that can also be discussed in the framework of these discussions that we would like to see resumed as soon as they can.

Senator MENENDEZ. So I look at that view, and then I look at the continuing colonization, I will call it, of northern Cyprus. I am sure that you are aware that in 1974 the demographic composition of Cyprus was estimated to be about 506,000 Greek Cypriots and about 118,000 Turkish Cypriots. Today the demographic composition of the Republic of Cyprus is estimated to be 672,000 Greek Cypriots, 89,000 Turkish Cypriots, and 200,000 to 500,000 Turkish citizens transferred by Turkey to live permanently in Cyprus.

Do you feel that Turkey's efforts to colonize the north constitutes a violation of article 49 of the Fourth Geneva Convention which states, "the occupying power shall not deport or transfer parts of its civilian population into the territory it occupies"?

Mr. KOENIG. This is clearly a very, very important issue, sir, and it is one of the tragic consequences of the division of the island and the events of 1974 which all of us lament so greatly.

The administration sees the best way to resolve this issue is to actually achieve a settlement based on a bizonal, bicomunal federation which would deal with the question of who really belongs on the Island of Cyprus, who has an entitlement to citizenship, who—

Senator MENENDEZ. I still see tens of thousands of people who were never there, who have no history with the Island of Cyprus and I see them from Anotoli and elsewhere, and there is no family background, no roots, no hereditary background here. And all we have is an enormous transfer of people. How do we expect there ever to be a solution?

It seems to me that part of what we should be saying is that there should be a ceasing of the colonization of northern Cyprus because, if not, at the rate that we are going, it will almost make it impossible for us to work with the real Cypriots in my mind, Turkish Cypriots and Greek Cypriots, who I think if we left to their own devices, would find a solution. But if you are going to get hundreds of thousands of people transferred and at the rate we are going, that is where we are headed, then how do we achieve our goals here?

Mr. KOENIG. I recognize that this is a very sensitive issue, a very big challenge. I would be very interested in knowing more about your views. If confirmed, I would like to get out to the island and maybe we could discuss this further and we could look at ways that we can be helpful.

Senator MENENDEZ. With the chair's indulgence, let me ask you. Are you aware that the Turkish leadership in the north has rejected the Council of Europe's request to conduct an islandwide census to accurately determine the current demographic composition of the island's population?

Mr. KOENIG. Yes, I am aware of that, Senator.

Senator MENENDEZ. So you are aware that they have rejected that.

Now, I can only assume that one would reject a census because the very essence of my question is the concern that is being driven here. Are you aware of recent press reports in the news which illustrate that thousands of remaining Turkish Cypriots have been

demonstrating against Turkey, some of them actually carrying banners that read “Ankara, get your hands off of our shores.” Are you aware of those press reports?

Mr. KOENIG. Yes, sir, I am aware of those press reports.

Senator MENENDEZ. You said earlier that while you will only be credentialed to one country and that is the Republic of Cyprus, the only one that is internationally recognized and the only one that we recognize as the United States, you also said that it is important to have meetings with the Turkish community in the north. Will you focus those meetings also with Turkish Cypriot groups?

Mr. KOENIG. Yes, of course, sir. All of our efforts—all of these contacts are focused on our effort to support—on the administration’s effort to support reconciliation and reunification of the island.

Senator MENENDEZ. Also, if I may, Madam Chair, I have concerns that for some time while you are the Ambassador, there is going to be a host of people who are there with different interests. I hope that when you become the Ambassador, you will come to your own independent conclusions. In my many visits, I have often found that there is somewhat of a historical bias here in which there is an inbred view versus looking at the view from where we are today, all of the pertinent factors considered. So I hope when you become the Ambassador, presuming that you get confirmed, that you will commit to the committee to go there with an independent view. Of course, you will have a staff to talk to, but I want to hear from you that you are going to approach the many issues that we have in Cyprus with a fresh, independent view, and while you may listen to the views of existing staff at the Embassy, you are going to come to your own independent judgment as to what is the set of circumstances that bedevils us after 38 years. Is that something that we can get you to commit to the committee?

Mr. KOENIG. Yes, Senator. Of course, I will go there with an open mind, and I will do my best to reach sound judgments based on everything that I learn there. And I also look forward to staying in touch with you and others on the committee to help me understand the Cyprus situation.

Senator MENENDEZ. And my very last question is will you commit to the committee that, if confirmed, you will engage with the Cypriot diaspora here in the United States prior to your departing to Cyprus to get some of their perspectives. They are very much engaged with their original homeland. They are U.S. citizens who have every right to express a point of view. Is that something that we would expect of you?

Mr. KOENIG. Absolutely, sir. If confirmed, I would be very eager to do that to understand the points of view of people who are deeply committed to this issue and have in many cases felt the pain of the situation on the island.

Senator MENENDEZ. Thank you, Madam Chair.

Senator SHAHEEN. Thank you, Senator Menendez.

Ambassador Kirby, last year I had the opportunity to travel to Serbia to represent the U.S. Senate at the OSCE Parliamentary Assembly, and during that trip, I went for a day to Bosnia and, while I was there, participated in a very moving ceremony on the 16th anniversary of the Srebrenica massacre which commemorated

the nearly 8,000 Bosniac men and boys who were killed in that awful event.

And I have been very troubled to see some of the statements from Serbia's new President claiming that these acts were not genocide. In fact, as you know, the International Criminal Tribunal for the former Yugoslavia has confirmed with some of its verdicts that the events of Srebrenica were genocide. I think it is important that that not be denied.

And so I wonder if you could give us your perspective on how you think we should interpret these recent statements from President Nikolic and where Serbia might be on the efforts to continue the reconciliation with Bosnia and the impact on the stability there in Bosnia.

Ambassador KIRBY. Thank you, Madam Chairman.

President Nikolic's comment both on Srebrenica and, frankly, also on Vukovic were unhelpful, and that was, of course, of concern to the administration. I would note that his statements subsequently, particularly related to his inauguration, were much more helpful. He has said useful things in terms of wanting to cooperate in the region. I think he got off on the wrong foot by saying things that were troubling in the region and troubling here and inconsistent with the international community's view.

But I think we can work with him. I think that we will have conversations certainly, if confirmed. I will share your concerns, note that you were there. But we have to move forward. Serbia plays a very important role in the region and long-term stability in the region rests also through a good dialogue with the President and the future government.

Senator SHAHEEN. And can you talk about how those comments were viewed in the Republic of Srbsca and Bosnia and whether we should be concerned about potential mischief there as the result of the change in administration in Serbia?

Ambassador KIRBY. Of course, I was here at the time.

Senator SHAHEEN. Right.

Ambassador KIRBY. And certainly, if I am confirmed, I will get a better view of that.

There are a variety of opinions in Serbia, as there are in many places, but I would note that the recent election results supported parties that were committed to a European trajectory, committed to joining the EU, and I think with that commitment comes an understanding that they have to deal with and go beyond what happened in the past in the breakup of the former Yugoslavia. So I think that they were unfortunate but I think we can work with the government. We will. We have to move forward and he has said some positive things since then that we should also balance with that.

Senator SHAHEEN. You talked about the importance of making progress on Kosovo in terms of the EU admission. Are there other challenges that face Serbia that will be important as it works to be welcomed into the EU?

Ambassador KIRBY. Well, I think the first challenge they have right now is very difficult economic conditions. They have unemployment of over 25 percent and they have youth unemployment that is in some cases double that. They have some poor regions in

the country that have to come forward and prosper more economically. So that for the new government is going to be a very important step.

Clearly there are issues of corruption, not just in Serbia but in the region, and they will have to deal with that and to make more effective government. The corruption impedes good governance. And so those, I think, are a couple of the items that I think are most important that have to come along with EU membership, and EU membership and that kind of stuff can help it along, help it forward.

Senator SHAHEEN. And is there a reason to be hopeful about the potential to address some of the economic challenges facing Serbia?

Ambassador KIRBY. Well, first, I am optimist. I think we have to be. There is a number of countries that are going through difficult times in Europe. Serbia had launched itself on an export-driven growth that has not done so well in the last year as there have been problems in the region between Greece, Spain, Italy, and other countries in the EU. But I think that the idea of using private industry and private development to spur the economy is the right idea. So I think there is some optimism there, but I think it is related also to—some of their troubles are related not just domestically but to the international situation.

Senator SHAHEEN. Well, as you point out, Serbia is very important in the region. I have been a friend of Serbia since I arrived here. I have shared the interest and seen it succeed and will continue to do everything that I can as chair of this subcommittee to support those efforts.

As we are talking about the financial challenges facing Europe, Mr. Koenig, I know that you are watching Cyprus very closely because it became the fifth country in the eurozone to apply for financial support. Can you assess for us their current economic situation? You talked about the relationship with Greece and the amount of Greek holdings in Cyprus that have affected their economic situation, but can you elaborate a little bit on that?

Mr. KOENIG. Yes, thank you, Madam Chair.

The Cypriot financial sector grew very, very rapidly during the last decade, and one of the places where large Cypriot banks were heavily exposed was in Greece so that the consequences of the serious problems, things like the so-called haircut and so forth in the Greek economy have been felt very, very strongly in Cyprus. And this has created big problems on the balance sheets of two of the largest three Cypriot banks.

This is one of the reasons why Cyprus did become the fifth country to seek a eurozone bailout arrangement. Those discussions between Cyprus and the troika, the EC, the European Central Bank, and the IMF, are still underway, but those are the reasons why there is such an acute situation in Cyprus. They also need to undertake reforms, and that would be part of an EU bailout package.

Senator SHAHEEN. So should we be comfortable that Cyprus is moving forward to take those steps to address the recommendations from the EU, or are there going to be obstacles in trying to get that done?

Mr. KOENIG. We should encourage them I think—and I will do that if confirmed—to take these tough decisions about reform, but

the current discussions are the right framework in which to sort out the requirements in order to take advantage of the European support funds.

Senator SHAHEEN. Thank you.

Ms. Holtz, you mentioned in your testimony the role of women in Oman. I wonder if you could talk about what is currently going on in terms of women's participation in Omani politics and government. Has there been progress? Should we be pleased about what is happening there or should we be concerned?

Ms. HOLTZ. Thank you very much, Madam Chairman. I appreciate your asking this question because I think it highlights the importance that the U.S. Congress and the American people place on women's empowerment for our allies and friends and throughout the world.

I believe that the sultan, since he took over in the 1970s, has opened his society and has really advocated for an equal role for women. They have the right to vote. They run for the Majles, the Parliament equivalent. The Omani Ambassador to the United States is a woman. Forty percent of the college students in Oman today are women. Oman is a traditional society. So there are areas for improvement, but they have equal treatment under the law.

So I think that, if I am confirmed, of course, I will advocate for greater participation, work with the Government of Oman on its reform goals, work closely with the NGO partners that we have in Oman, the civil society advocates who also advocate for a greater role for women. We have the Middle East Partnership Initiative office in Oman which for many years has done work to empower women, education of women.

So I think the trajectory is very good. The intention is there. The sultan of Oman gave an interview this February wherein he said that men and women are like the two wings of a bird, and without one wing, the bird cannot fly. So I think that shows his intention. But, you know, additional progress can be made, absolutely.

Senator SHAHEEN. And you said that women are equal under the law. Do we see that, in fact, in things like ability to inherit ownership of property, rights to divorce, and being able to have children in divorce that are able to stay with the mother?

Ms. HOLTZ. So thank you very much for the question.

I am not an expert yet on Omani law. They have many different types of law. They have civil law. They have sharia law I am not yet familiar with what part of that law would apply to women. If I am confirmed, I will, of course, welcome further engagement from you on these issues and advocate for equal rights under all parts of the law.

Senator SHAHEEN. Thank you.

Mr. Armbruster, as you know, the United States has provided the Marshall Islands with compensation for damages stemming from nuclear weapons testing in the 1940s and 1950s. Can you tell us what the current status is with respect to compensation for those affected by radiation as a result of the tests that were done there and also, if you could, speak to the ongoing effort to address monitoring of citizens who have been exposed?

Mr. ARMBRUSTER. Yes. Thank you, Madam Chair, for that question.

The United States has provided full and final compensation for the Pacific Island nuclear series of tests that took place in the 1940s and 1950s, some 67 nuclear explosions. The Marshallese asked for a review of that compensation package asking that we look at changed circumstances, and the State Department did review the claims and determined that the circumstances had not changed. So in terms of the compensation, that package has been paid.

However, we do, through the compact of free association, have ongoing payments and assistance to the Marshall Islands in a range of programs. The last nuclear test took place some 50 years ago. So there are survivors who are monitored and whose health is screened very thoroughly by the Department of Energy. So it is a legacy and a problem that we review with the survivors, and I think it is something that I know Ambassador Campbell has taken part in the commemorations of the anniversary of those tests. But as far as the compensation package itself, that has been settled, Senator.

Senator SHAHEEN. And are there issues that have occurred in the next generation of people who were exposed?

Mr. ARMBRUSTER. Senator, I am not aware of issues that I could speak to authoritatively about issues, but I know that it is a very small population, some 60,000 people. And the health issues that are most prominent now are often lifestyle issues, obesity, as I mentioned TB, dengue, those types of challenges, but that is a question that I will become more fully informed on.

Senator SHAHEEN. Well, I know that the Marshall Islands is already experiencing the effects of climate change and that it is having an impact on rising sea levels, contamination of water, damage to homes and crops. Are we taking steps to help the Marshall Islands citizens cope with these effects of global warming, and are there any actions that you have heard that you think we should be taking that we are not?

Mr. ARMBRUSTER. Thank you, Senator.

I know that it is a very strong concern of the Marshallese. They took part in the recent Rio summit. So they have reached out to many partners, including the United States, in having a look at this issue. We are fortunate to have in the State Department the Office of Oceans, Environment, and Science, and we have very strong experts who can work with the Marshallese on these questions. Whether the programs in place right now are considered sufficient by the Marshallese, I do not know, but I know that that would be one of the top issues that we would be working on.

Senator SHAHEEN. Thank you.

Mr. ARMBRUSTER. Thank you.

Senator SHAHEEN. Ambassador Ries, Senator Barrasso raised the question about energy for Bulgaria, and in March Bulgaria canceled a project to build two Russian nuclear reactors in the country. Can you elaborate on the reasons for the cancellation of this project and both the impact that it might have had on Bulgaria's relationship with Russia, as well as the energy requirements and where the source of that energy is going to come from in the future?

Ambassador RIES. Senator, the Bulgarians did decide this year not to continue the project of building the Belene nuclear power

plant. They came to this decision after some consideration and I am sure a thorough examination of the economic factors involved in going ahead with it. As I mentioned, we have been encouraging very strongly energy diversity in Bulgaria which would include further development of their nuclear capacity. They do have another nuclear plant at Kosloduy, and I imagine that they will be using that one as well.

Senator SHAHEEN. Thank you.

You talked about the rule of law challenges facing the country. The EU has suspended funding to Bulgaria due to some of the ongoing corruption concerns in the country. Can you explain what those suspensions were for and whether we should expect to see further suspensions from the EU or whether Bulgaria is moving to address some of those issues of corruption that have been raised?

Ambassador RIES. Bulgaria has, with the EU, a cooperation and verification mechanism through which Bulgaria has an ongoing dialogue with the EU about rule of law issues. As it happens, the EU has just issued a report on 5 years of Bulgaria's performance under this mechanism. It just came out today, and I have not yet seen the complete report. It discusses a number of areas of concern.

I must say that the Bulgarian Government itself has identified rule-of-law matters as of concern to them and certainly of civil society. And one of the good things that has happened as a result of this is that there is a robust public discussion of rule-of-law matters.

I cannot speak to penalties that have been assessed. I do not have any specific information on that. I would be glad to look into it. But certainly having this relationship with the EU, this dialogue has had several positive effects. One is, as I mentioned, that there is a broad discussion in the society of these matters, and certainly any improvements that accrue as a result of this mechanism will be all to the good.

Senator SHAHEEN. Thank you.

In response to Senator Barrasso, I think you talked about some of the military cooperation between Bulgaria and the United States, and I do want to acknowledge, before we close our discussions, the contribution that Bulgaria has made to the NATO efforts in Afghanistan. I know that has been very important to the United States and we very much appreciate that, and I hope you will share that, when you are confirmed and you get to Bulgaria, with the people of the country.

Ambassador RIES. Yes, ma'am, I certainly will.

Senator SHAHEEN. I just have one final question for you, Ms. Holtz, before closing the hearing, and that is with respect to regional cooperation in the gulf because at a GCC leadership meeting in May, Saudi Arabia proposed a plan to strengthen the political unity of the GCC members and that move would indirectly give the Saudis greater control over the GCC. Can you let us know what the Omani position was with regard to the Saudis' plan, and do they support that? Are they signed on or do they have some concerns about it?

Ms. HOLTZ. Thank you, Madam Chairman. A very good question.

Oman has occasionally taken a somewhat independent role and voice in the GCC deliberations and decisions, and I believe in this

case that they are still debating the issue but have concerns about the relative weight that the other gulf countries apply within the GCC role. So we are in a constant dialogue with all the GCC partners about the security architecture and beefing up the regional capacity to deal with issues as a political union, as a security union. So, yes, you are correct that Oman has occasionally been somewhat independent in that body. They support the strategic goals of the GCC, of course: regional stability, resolution of conflict, de-escalation of tensions, and all those things.

Senator SHAHEEN. And does our State Department think that the Saudis should have greater control over the GCC?

Ms. HOLTZ. I do not think we have taken a position on that at all. I think we want to enhance the ability of the GCC to address the issues regionally, but I do not think that we have indicated that any one particular GCC member should be dominant over the rest.

Senator SHAHEEN. Thank you.

Well, thank you all very much for your testimony this afternoon, for your willingness to take on these new challenges.

And I will just announce that the record for this hearing will be open until close of business tomorrow. So there may be other questions that come in during that time.

Again, thank you all. Thank you to your families.

And the hearing is now ended.

[Whereupon, at 4: p.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

##### RESPONSES OF GRETA C. HOLTZ TO QUESTIONS SUBMITTED BY SENATOR JOHN F. KERRY

*Question.* The U.S.-Oman Free Trade Agreement entered into force in January 2009. In a review of the potential effects of an FTA with Oman, the U.S. Trade Representative indicated that the FTA would likely have negligible impact on U.S. employment.

- Since its implementation in 2009, how has the FTA changed the nature and level of trade between Oman and the United States?
- What categories of trade have seen the greatest growth, and how have the U.S. and Omani economies been affected by the FTA?

*Answer.* Bilateral trade volume has grown by over 50 percent since the FTA was implemented, from \$2.2 billion in 2008 to \$3.6 billion in 2011. U.S. exports to Oman were up 56 percent in the first quarter of 2012, measured year on year. U.S. firms are involved in large-scale cooperative construction projects, such as Oman's new international airport. The FTA has enabled U.S. firms to export high-quality products at very competitive prices. U.S. chemical exports increased 196 percent from 2008 to 2011 while U.S. agricultural exports increased 176 percent in the same time period. Embassy Muscat is facilitating joint ventures in health care, port development, and marine research. If I am confirmed, continuing to promote American businesses in Oman will be one of my priorities. In addition, I will work with the Omani Government on full implementation of the agreement.

*Question.* The Sultan of Oman has been leading his government through a series of political reforms for many years, including a parliamentary election in 2011.

- How much progress has the Omani Government made in securing political and civil rights for its citizens and ensuring that Omani leaders are accountable to their citizens?
- How can the United States continue to facilitate the gradual reforms already underway?

*Answer.* In 2010, a United Nations Development Program report ranked Oman No. 1 globally in human development over the previous 40 years. In addition, Sultan

Qaboos has addressed Omani citizens' requests for a more active role in government by appointing seven members of the Majlis al-Shura, or Consultative Council, to the Cabinet in 2011. Immediately following the 2011 Council elections, he granted the Council new fact-finding and regulatory powers. The Sultan has raised the level of government accountability by replacing several ministers and enhancing the State auditing institution's power of review, as well as increasing the authority of elected representatives to call ministers to account for performance. Increased women's participation in government is also an encouraging sign.

If confirmed, I will work with the Omani Government to actively expand and strengthen civil society and political participation, judicial reform, media independence, and progress on gender issues.

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RESPONSES OF THOMAS H. ARMBRUSTER TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question #1.* Please provide a copy of the minutes of the meetings of the Joint Economic Management and Accountability Committee for calendar 2009, 2010, and 2011.

Answer. Thank you for your question. The documents you requested are maintained by the Department of Interior. I refer you to them for this request.

*Question #2.* Please describe the nature of the U.S. Department of the Interior and the U.S. Department of State relationship in the Marshall Islands. In what area(s) does the Interior Department take the lead in matters involving the U.S. Government and the Marshall Islands?

Answer. The U.S. Department of the Interior and the U.S. Department of State enjoy a unique and productive relationship in the Marshall Islands. This inter-agency cooperation is critical to continuing progress in our engagement with the Marshall Islands. As Chief of Mission, the Ambassador oversees the overall bilateral relationship with the Marshall Islands, and is responsible for all executive branch employees while in the Marshall Islands. Under the terms of the Compact as Amended, the Department of the Interior is responsible for administering most financial assistance provisions under the Compact. The Ambassador confers frequently with the Department of the Interior's Grant Management Specialist working in the Embassy as well as other Interior officials in Hawaii and Washington, DC, on issues related to oversight of Compact assistance as well as policy issues such as the financial impact of Compact State migrants on U.S. jurisdictions. The Director of Insular Affairs at the Department of the Interior chairs meetings of the Joint Economic Management and Financial Accountability Committee and the Trust Fund Committee for the people of the Republic of the Marshall Islands.

*Question #3.* Please provide a list of U.S. Government civilian positions, by Departments/other entities, in the Marshall Islands.

Answer. The U.S. Embassy employs 39 individuals, including four direct hire U.S. State Department employees, one direct hire representative from the Department of the Interior, and one Personal Services Contract employee of the U.S. Agency for International Development. The remaining 33 are local-hire Embassy employees, 17 of which are the guard force. The Department of Energy employs 22 local hire employees in the RMI at its office in Majuro, 2 employees in Kwajalein, and 13 local workers in Rongelap, Utrik, Bikini, and Enewetak (including full-time, part-time and casual field workers). Marshallese citizens staff the whole body counting facilities in Majuro, Rongelap, and Enewetak. The National Oceanographic and Atmospheric Administration (NOAA) funds one position to manage the regional NOAA weather station in Majuro. The U.S. Department of Agriculture has one local hire position in the RMI to manage the agency's housing loan program.

On Kwajalein, the U.S. Army Installation on Kwajalein Atoll is led by 14 uniformed members of the U.S. military and 39 Army civilians. The remaining workers on the installation include 778 U.S. contractors and 873 local Marshallese workers.

*Question #4.* U.S. grant assistance to the Marshall Islands under the Compact targets the areas of education, health, infrastructure, public sector capacity-building, private sector development, and the environment.

- What mechanisms are in place in each sector to provide transparency and accountability in the use of U.S. funds?

Answer. The Department of the Interior employs one full-time grant oversight officer, working out of the U.S. Embassy in Majuro, to ensure that Compact funds are properly managed and reported. In addition, the Department of the Interior's

Office of Insular Affairs in Honolulu sends representatives to Majuro every quarter to review accounting reports and ensure all funds are properly administered.

Articles V, VI, and VII of the Agreement Concerning Procedures for the Implementation of United States Economic Assistance provided in the Compact, as amended, of Free Association Between the Government of the United States of America and the Government of the Republic of the Marshall Islands (the Fiscal Procedures Agreement) stipulate the mechanisms that are in place in each sector of the Compact, as amended, to provide transparency and accountability in the use of U.S. funds.

Requirements under Article V include the submission by the Government of the Republic of the Marshall Islands (GRMI) of a Medium-Term Budget and Investment Framework (MTBIF) and amended every 3 years; the submission of an annual proposal for the division of the annual economic assistance among sectors; and annual U.S./RMI Budget consultations in July of each year prior to the Annual JEMFAC Meeting in August of each year.

Article VI stipulates the Standards for Financial Managements Systems, Quarterly Financial Reporting Requirements, Annual Financial Reporting Requirements, Accounting Basis, Period of Availability of Grant Funds, and Procurement Regulations.

Article VIII requires that the GRMI conduct a yearly financial and compliance audit, within the meaning of the Single Audit Act, as amended (31 U.S.C. 7501 et seq.). More detailed information can be found in the attached sections of Articles V, VI, and VIII of the Compact's Fiscal Procedures Agreement.

*Question #5.* During the last 3 years what have been the areas of greatest progress in anticorruption efforts in the Marshall Islands pertaining to the flow of U.S. funds, and other areas as well?

Answer. Although more work remains to be done, the Republic of the Marshall Islands (RMI) have worked to improve capacity and accountability for the flow of U.S. and other bilateral funds. In 2011, the RMI identified \$539,888 in fraudulent transactions involving U.S. federal grants, and the RMI Office of the Attorney General continues to prosecute the individuals involved. These prosecutions—the first in RMI history related to misuse of foreign donor assistance—send an important message that the country is committed to improving accountability. In 2012, the RMI also increased the staffing of the Office of the Auditor General and has begun conducting performance audits and other regular audits of public accounts.

*Question #6.* During the last 3 years, what are the other major aid donor countries with which United States officials have had direct discussions to coordinate and to promote sustainable development in the Marshall Islands? Please provide a comparison, by country, of aid provided to the Marshall Islands.

Answer. The United States, through our Embassy in Majuro, routinely consults with the other largest bilateral donors—Taiwan and Japan—resident in the Marshall Islands and Australia, resident in the Federated States of Micronesia, as well as with multilateral organizations such as the Asian Development Bank and the United Nations Development Program. The United States has also, on occasion, met with and discussed donor issues with other nonresident diplomatic representatives visiting the Republic of the Marshall Islands (RMI), such as New Zealand, the European Union, France, and Sweden. Embassy officials have information suggesting the RMI also receives donor assistance from Israel and the United Arab Emirates, but we have not had the opportunity to meet with their representatives, who are not resident in Majuro. In December 2011, the RMI hosted a Development Partner Meeting for bilateral and multilateral donors.

The RMI does not currently have an office to coordinate donor assistance or provide a breakdown of assistance received by country. A recent recommendation from the Pacific Islands Forum during a 2012 visit was the creation of an aid management unit with a mandate to monitor aid flows and develop and implement a development assistance policy to better coordinate international donor assistance.

*Followup to Question #1.* Does the State Department not have a copy of the minutes of the meetings referenced even though the Department is represented on the JEMFAC?

Answer. The Department of the Interior holds the final, official copies of the minutes of JEMFAC meetings. The Department of State is on the board of the committee, and we collaborate closely with the Department of the Interior in oversight of RMI funding. The Ambassador attends JEMFAC meetings as an observer.

As a result of Senator Lugar's request and followup question, the Department of State consulted with the Department of the Interior about releasing copies of the meeting minutes requested. The Department of the Interior has no objection to re-

leasing the documents through the Department of State to Senator Lugar, and the minutes of the meetings have been attached.

[EDITOR'S NOTE.—The JEMFAC meetings documents mentioned above were too voluminous to include in the printed hearing therefore they will be maintained in the permanent record of the committee.]

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RESPONSES OF MARCIE B. RIES TO QUESTIONS SUBMITTED  
BY SENATOR BENJAMIN L. CARDEN

*Question.* The situation of the Roma may present the most serious human rights issues in Bulgaria.

- First and foremost, are you prepared to speak out and speak out publicly in the event of significant intraethnic violence of the kind that erupted before the local elections last fall?

*Answer.* In reaction to the protests, the administration strongly encouraged efforts by the Bulgarian Government authorities to ensure respect for the rule of law and the protection of all citizens. If confirmed, I will continue to vigorously advocate for respect for the rule of law, and in the event of significant incidents of interethnic violence, to condemn them publicly.

*Question.* Bulgaria, like a number of other countries, has failed to adequately ensure that all of its Romani citizens have proper identity documents. Separately, Bulgaria has also failed to adequately regularize the legal status of significant amounts of housing in which Roma live. It now appears that these two problems are spiraling together to create yet a third: a new law requires people to own property or have a tenancy agreement in order to get identity documents, and without identity documents, they can't vote. I don't have any indication that the disenfranchisement of Roma was an intended consequence, but it is a terrible result.

- Will you engage with Bulgarian authorities on all three of these issues: identity documents, regularizing housing, and voting rights for Roma?

*Answer.* As Secretary Clinton told young Roma leaders when she met with them in Sofia on February 5, protecting and promoting the human rights of Roma everywhere has long been a personal commitment of hers and remains a priority for the Obama administration. If confirmed, I will advocate for nondiscrimination and equal protection of all citizens, including the Roma, and will encourage strong, effective Romani civil society capable of advancing and defending its own interests.

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RESPONSES OF MICHAEL D. KIRBY TO QUESTIONS SUBMITTED  
BY SENATOR BENJAMIN L. CARDIN

*Question.* I want to thank the State Department for keeping the unresolved case of the Bytyqi brother murders on the bilateral agenda.

- What steps will you take as Ambassador to ensure justice in this case?
- There are other unresolved cases from the late Milosevic era as well; do you believe the Interior Ministry should be targeted for reform that would remove the holdovers from the 1990s and deny them their current protection from prosecution for past crimes?

*Answer.* The ongoing failure of Serbian authorities to investigate adequately, and hold accountable those responsible for the murder of the Bytyqi brothers continues to pose a challenge to the deepening of our bilateral relationship. Secretary Clinton, Deputy Secretary Burns, and other senior officials have urged Serbian authorities to bring those responsible to justice, including most recently Assistant Secretary Philip Gordon during his July 8–9 visit to Belgrade.

The failure of the Serbian Government to prosecute not only those who ordered and carried out the Bytyqi killings, but also those who permitted the attack on our Embassy in Belgrade in 2008 and those responsible for such crimes as the murder of Slavko Curuvija in 1999—who was shot and killed not long after he testified before the Helsinki Commission in 1998—is deeply troubling. The United States will continue to advocate strongly for justice in these cases. These failures point to continuing weaknesses in the rule of law in Serbia, a critical criterion for Serbia's advancement in the EU accession process.

The United States expects the Serbian authorities to take necessary steps to investigate properly these cases, to continue undertaking necessary reforms within the Interior Ministry to break down this "wall of silence," and to ensure that those

complicit in Milosevic-era crimes are brought to justice. If confirmed, I will make it a priority to seek justice in these cases.

*Question.* What can we be doing now to ensure that Serbia will not abuse its chairmanship of the OSCE in 2015 to advance its own national agenda in the Western Balkans? Given the longstanding OSCE focus on Roma, will we use the upcoming 2015 chairmanship as a mechanism to press Serbia to respect the rights of Roma, especially as authorities address the housing disputes which recently have increased tensions and led to violence?

*Answer.* Each OSCE Chairman-in-Office is expected to uphold the values, principles, and institutions of the OSCE during its chairmanship. The United States will expect no less from Serbia. The 2014 Chairman-in-Office, Switzerland, is working closely with Serbia to establish continuity across their two chairmanships. We expect that their proposed program of work will focus on the core issues facing the organization, including how to ensure and enhance our collective efforts to meet the OSCE's commitments in an era of tight budgets. In addition, during Serbia's chairmanship, Switzerland will appoint a Swiss envoy on Balkan issues to avoid any perceptions of a conflict of interest, given Serbia's vested interests in the region, in particular in Kosovo and Bosnia and Herzegovina, which currently host the OSCE's two largest field missions.

Chairing the OSCE is Serbia's opportunity to demonstrate it is ready to take a position of leadership in world affairs. This also means leading by example. Living up to its OSCE commitments will show all concerned that Serbia is ready for its chairmanship, and if confirmed I will engage at all levels of the Government of Serbia to assist them in this endeavor.

The United States will expect Serbia to live up to its commitments in the human dimension, including those that concern minority populations such as Roma. This administration remains committed, a fact reinforced by Secretary Clinton's announcement that the United States will be an observer in the Decade of Roma Inclusion, to continuing to champion the human rights of members of the Roma minority and reminding Serbia and other OSCE participating states of their commitments to protect and promote the inclusion of Roma.

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RESPONSE OF GRETA C. HOLTZ TO QUESTION SUBMITTED  
BY SENATOR ROBERT P. CASEY, JR.

*Question.* Oman is one of our closest allies in the Persian Gulf, and also maintains a friendly relationship with Iran.

- How does Oman balance relations with the United States and Iran?
- How does Oman support U.S. and international policy on Iran, including compliance with sanctions?
- If confirmed, how will you work with Oman on Iran?

*Answer.* The Sultanate of Oman is one of our oldest and most dependable friends in the Arab world. Oman values its close relationship with the United States and has expressed its appreciation for U.S. cooperation on a range of issues. With a long-standing policy of maintaining open avenues of communication and working relations with all of its neighbors, Oman has also served as a helpful interlocutor between the United States and Iran in the past. The Omanis have conveyed to Iran the possible consequences of its behavior. We work with Omani officials on issues related to Iran. The Omanis share our concern about a nuclear Iran and have cooperated with the United States on U.S. and international sanctions.

The Government of Oman has made it clear that it is in Oman's national interest to maintain peace and security in the region. This includes keeping the region free of a nuclear-armed Iran and other Iranian provocations. Oman also shares the interest of the United States and the international community in maintaining the free flow of commerce and freedom of navigation in the Strait of Hormuz, which falls within Omani territorial waters, as well as other international waterways. As a member of the Gulf Cooperation Council (GCC) and the Arab League, Oman has been supportive of initiatives such as the U.S.-GCC Strategic Cooperation Forum, which promotes regional collaboration on issues of strategic importance to the region, such as the threat posed by Iran.

If confirmed, I will employ the full range of our diplomatic tools to deepen our engagement and enhance cooperation with Oman in order to achieve our national security objectives of regional stability and resolution of regional conflicts.

RESPONSE OF JOHN M. KOENIG TO QUESTION SUBMITTED  
BY SENATOR ROBERT P. CASEY, JR.

*Question.* Negotiations between the Greek and Turkish Cypriot communities have stalled, and some have suggested the hope for a settlement is low. Prospects for a settlement have suffered as a result of Turkey's objections to the Republic of Cyprus's plans for energy exploration and threats to boycott EU activities involving Cyprus as rotating EU president. Concerns have also been raised about non-Cypriot Turkish citizens who have settled on the island in the past 20 years, changing the island's demographics. This group has become a key issue in the negotiations.

- What is your assessment of these concerns?
- What is the future of reunification negotiations, and if confirmed how would you work with the Cypriots to encourage a negotiated settlement between the two communities?

*Answer.* If confirmed, I will support the United Nations' efforts to work for a negotiated settlement that addresses the human rights of all concerned in a balanced manner. I will also exert all possible efforts to support the process, which is the only practical way to resolve the many critical issues between the communities.

A comprehensive settlement plan will need to address issues of citizenship and residency on the island. The administration believes that a settlement plan dealing with these and other questions needs to be worked out between the communities, with United Nations support, and needs to be acceptable to majorities in both of the island's communities. The Cypriot-owned and Cypriot-led process provides the best way forward to achieve a just and lasting settlement. Greek Cypriot and Turkish Cypriot leaders must demonstrate courage and ingenuity to achieve convergences on the difficult issues before them. The United States urges both sides to engage constructively and find ways to bridge differences.

**NOMINATIONS OF JAMES B. CUNNINGHAM  
AND RICHARD G. OLSON**

**TUESDAY, JULY 31, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

Hon. James B. Cunningham, of New York, to be Ambassador to the  
Islamic Republic of Afghanistan  
Hon. Richard G. Olson, of New Mexico, to be Ambassador to the  
Islamic Republic of Pakistan

The committee met, pursuant to notice, at 10:07 a.m., in room SD-419, Dirksen Senate Office Building, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Menendez, Casey, Udall, Lugar, Corker, Rubio, and Isakson.

**OPENING STATEMENT OF HON. JOHN F. KERRY,  
U.S. SENATOR FROM NEW MASSACHUSETTS**

The CHAIRMAN. The hearing will come to order. Good morning.

We apologize for beginning a few minutes late, but since this is our wrapup week, there are more meetings going on than there are hours and available moments to get to them, I'm afraid.

We're delighted to welcome everybody here to consider the nominations of two distinguished career Foreign Service officers who are selected to serve in the very important posts of Afghanistan and Pakistan.

Ambassadors James Cunningham and Richard Olson are very experienced and talented diplomats, and I am convinced, as I think the committee is and will be, that they bring the combination of intelligence and experience, diligence, necessary for both of these critical assignments.

Obviously, today's hearing comes at a pivotal moment. All you have to do is pick up the newspapers any given day in the last few weeks, and Afghanistan and Pakistan are, as usual, swirling around in them.

The signing of the strategic partnership agreement earlier this year marked the beginning, not the end, of a new phase of U.S. engagement in Afghanistan. And as international conferences from Istanbul and Bonn to Chicago and Tokyo have made clear, the world is not going to simply walk away from or abandon its investment in a stable Afghanistan.

Our task now is to leverage our commitment into a sustainable transition that prevents Afghanistan and the region from backsliding into widespread ethnic or sectarian violence.

A coordinated political, security, and economic transition will be challenging. And as we move forward, there are several key steps that we need to focus on.

First and most important, we must prepare now for the Afghan elections in 2014. Ultimately, it is the political transition that will determine whether our military gains are sustainable, and the strength and quality of the Afghan state we leave behind will be determined by that political transition.

Our role should not interfere in domestic politics. It is critical that Afghans must pick their leaders freely and fairly. But we should make clear that we will only support a technical process that is transparent and credible. Selection of an accountable, independent election commission, transparency in new election laws, and early preparation of voter lists are all critical steps for Afghans in order that they have a voice and a choice in the election.

Just as important, our political strategy has to go beyond reconciliation in order to support a national consensus among key Afghan stakeholders. Too many Afghans are preparing to fight to secure their interests, instead of uniting for the good of their country. I think we need to send a strong message that the United States supports a comprehensive political process that is fully inclusive, transparent, and respectful of the rights of all groups, including women and ethnic minorities.

Facilitating a political transition also requires us to consider how to best build and sustain the Afghan Army and the police in order to leave behind a force that can independently secure key terrain. And there are a lot of questions about the viability of that, needless to say.

We have 2 years to lay that foundation for a force that is responsive to the needs of its people.

And it's interesting, as I talk to leaders in Pakistan, you get a difference in stated interests about the size and scope and capacity of that force. And obviously, there is a connection to those interests with respect to each country's choices that it is making right now.

So we need to continue to focus on combating corruption, on emphasizing respect for human rights and rule of law. We also need to focus our assessment tools on creating an affordable and sustainable effective force.

As we begin to build or as we build, and as the Afghans gain confidence about their future, we also need to move in the areas of economic development and stability.

Despite the progress that was made in Tokyo to pledge \$16 billion in donor aid through 2015, Afghanistan could very well still face a major economic crisis. And we've made significant development achievements over the past decade, but I think everyone would agree the gains are fragile. Sustaining them is going to require continued investments and an Afghan Government that itself can generate sufficient revenue.

Our development approach must also take into account Afghanistan's worsening humanitarian crisis and the immense need of

vulnerable populations. So obviously, there's no shortage of challenge here.

Finally, our strategy has to continue to reflect the interconnect- edness of the region's challenges, from Central Asia to Iran to India to Pakistan.

I've said a number of times before, but I believe it even more so now, that what happens in the region, in the region as a whole, will do more to determine the outcome in Afghanistan than any shift in strategy. And Pakistan, in particular, remains central to that effort.

It's no secret that last year was a very challenging one in our relationship, in the United States-Pakistan axis. Many Pakistanis believe that America will simply once again abandon the region, as we did after the fall of the Soviet Union, which is one reason why Pakistan continues to hedge its bets and rely on certain insurgent groups for strategic depth.

The result has been a counterproductive back-and-forth, point and counterpoint, that undermines what really ought to be a more cooperative relationship. And we see that in today's newspaper stories about accusations regarding Afghanistan-based insurgent initiatives in Pakistan.

I'm pleased that the recent developments with Pakistan have led to the reopening of the critical NATO supply lines. And despite many of our frustrations and setbacks, serious policymakers on both sides understand that we have more to gain by finding common ground and working together on areas of mutual concern. And those are, clearly, from fighting terrorism to facilitating economic development.

I think we also need to point out that Pakistan has suffered grievously at the hands of al-Qaeda, the Taliban, and affiliated terrorist groups. Some 38,000 Pakistani citizens and more than 6,000 Pakistani Army and security forces have died from terrorist incidents since 2001.

Pakistan is also facing a massive economic and energy crisis. And political infighting and election-year politics complicate efforts to address deteriorating situations. And none of us are unfamiliar with those kinds of dynamics even here at home.

For years now, we've been trying to work with Pakistan to create a stable economy. And that's why our committee led the effort with the Kerry-Lugar-Berman bill. It's why Senator Lugar and I have fought for continued investments in the long-term relationship that is based on mutual goals.

Often, the reward for diplomats who succeed in difficult postings with long odds is tougher assignments with longer odds. And our nominees today are no exception to that rule.

James Cunningham has already served a tour in Afghanistan, most recently as Deputy Ambassador in Kabul. He's uniquely placed, I think, to lay the foundation for our coordinated political, security, and economic transition.

And I want to note that the Ambassador's wife, Leslie, and I think his daughters, Emma and Abigail, are here today, and we welcome both of them, all of you, all three of you. Thank you.

It's particularly good to see him again here. I've been with him in Kabul and before that, when he was serving as our Ambassador to Israel, and delighted to welcome him back here.

Richard Olson served most recently as the coordinating director for development and economic affairs in Kabul. And I am confident that his experience in Afghanistan and previous leadership in the Middle East will serve him well as he works to strengthen our relationship with Pakistan.

So we're very pleased to welcome them here today.

Also, I think, Ambassador Olson, your daughter is here. Am I correct? Isabella? She's interning in Senator Udall's office.

Delighted to have you here. You've got an inside track on the seating and other things, too.

So we really thank you for your service, and we particularly thank your families for their service, because everybody is part of this. And no one recognizes that more than this committee, I think.

Senator Lugar.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,  
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Thank you, Mr. Chairman. I join the chairman in welcoming the distinguished nominees and their family members this morning.

The Foreign Relations Committee is taking up these nominations at a critical time. It is important to avoid gaps in leadership that could diminish the effectiveness of our policies toward Afghanistan and Pakistan.

We look forward to hearing the administration's assessments of the situation in those countries and its plans for moving forward.

American policy in Afghanistan has been evolving on the margins. Troop levels are anticipated to be reduced in the coming months, and we have seen some narrowing of the mission. However, the United States continues to spend enormous sums in that country on national building objectives that ultimately may contribute little to U.S. vital interests.

We need a clear explanation of what metrics must be satisfied to achieve the original intent of the mission to prevent Afghanistan territory from being used as a terrorist safe haven. It is essential that Afghanistan is viewed in the broader strategic context and that our policy there is not determined by political optics or inertia.

If we reapportioned our worldwide military and diplomatic assets without reference to where they are now, it is doubtful that a rational review would commit so many resources to Afghanistan. The country is important, but does not hold that level of strategic value for us, especially at a time when our Nation is confronting a debt crisis, our Armed Forces have been strained by repeated combat deployments, and we are attempting to place more emphasis on East Asia.

Further, we know that al-Qaeda has a far more significant presence in Pakistan than in Afghanistan. To the extent that our purpose in Afghanistan is to confront the global terrorist threat, we should be refocusing resources on Pakistan, Yemen, Somalia, parts of North Africa, and other locations.

In this context, the question becomes how to transition to an efficient strategy for protecting our vital interests in Afghanistan over the long term that does not involve massive, open-ended expenditures and large American military deployments.

The Pakistan side of the border has a fundamentally different dynamic. Despite the death of Osama bin Laden, al-Qaeda and other terrorist groups maintain a strong presence in the country. There is no question that the threat of these groups, combined with worries about state collapse, conflict between India and Pakistan, the safety of the Pakistani nuclear arsenal, and Pakistan's intersection with other states in the region, make it a strategically vital country worth the cost of engagement.

But the contradictions inherent in Pakistani society and government necessitate that we apply intense oversight to ensure that our assistance and diplomacy advance our objectives.

Our Ambassador will be the critical player in evaluating whether our programs in Pakistan are working and contributing to a genuine partnership between our two countries.

It is worth noting that in 2011, almost 3,200 Pakistanis died in terrorist-related incidents. Despite our differences, our countries have strong incentives to cooperate on economic and security issues.

I appreciate the sacrifices that our nominees have made on behalf of U.S. national security, and I applaud the commitment they are showing in accepting these very challenging assignments. I thank the chairman.

The CHAIRMAN. Thank you, Senator Lugar, very much.

Ambassador Cunningham, if you'd lead off, and then Ambassador Olson. We appreciate, again, thanks for being here.

Your full statement will be placed in the record, as if read in full, and we look forward to your summary.

**STATEMENT OF HON. JAMES B. CUNNINGHAM, OF NEW YORK,  
TO BE AMBASSADOR TO THE ISLAMIC REPUBLIC OF  
AFGHANISTAN**

Ambassador CUNNINGHAM. Thank you very much, Mr. Chairman, Ranking Member Senator Lugar, members of the committee. Thank you for the opportunity to appear before you today as President Obama's nominee to be the United States next Ambassador to the Islamic Republic of Afghanistan.

I'm truly honored that President Obama and Secretary Clinton have placed their trust in me. And I look forward, if confirmed by the Senate, to working closely with you to advance America's interests in Afghanistan, and I will welcome frequent opportunities to consult with you.

For the past year, I've been serving as Deputy Ambassador at U.S. Embassy Kabul, supporting Ambassador Ryan Crocker in leading a mission of some 1,100 dedicated staff from 18 U.S. Government agencies. I fully intend, if confirmed, to follow his example of maintaining the closest possible cooperation between the civilian and the military efforts in Afghanistan and of pursuing a whole-of-government approach to the important challenges before us.

Under Ambassador Crocker's outstanding leadership, we have achieved a great deal over the past year, including completion of

our historic strategic partnership agreement, which will guide our enduring partnership now and beyond the end of transition in 2014.

The strategic partnership and the successful NATO summit in Chicago and the Tokyo conference send a clear message to the Afghan people and to the region that Afghanistan will have the support of the international community and of the United States in the years ahead.

If confirmed, I will build on this successful diplomatic campaign, underscoring our commitment to help build an Afghanistan that will contribute to stability in the region and never again be a source of international terrorist threat to the United States.

On September 11, 2001, I was the Acting Representative to the United Nations in New York. The next day, I told the members of the U.N. in the Security Council and in the General Assembly, on behalf of the United States, that the 9/11 terror attack was not just an attack on the United States, but an attack on all, of whatever religion or nation who share the values on which our global community rests.

That struggle between terror and those values continues today and will, unfortunately, continue for some time to come.

In Afghanistan, we are turning a page. Over the past several months, we and our Afghan and international partners have created an unprecedented, yet sustainable, framework of support for Afghanistan consisting of a web of bilateral and multilateral commitments.

Our strategy for a stable Afghanistan has five elements: transitioning to Afghan responsibility for security in 2014, training Afghan National Security Forces, building an enduring partnership with Afghanistan, supporting Afghan reconciliation, and promoting regional stability and economic integration.

At the Lisbon summit in 2010, with our allies and partners, we established the timeline for security transition. And as foreseen, the Afghans are taking on responsibility for security, with Afghan security forces taking the lead now in providing security for some 75 percent of the population. Afghan security forces will reach their full surge strength soon and are becoming increasingly capable, despite the many obstacles to be overcome.

At the Bonn conference in December last year, Afghan leaders presented to the international community the outlines of a strategy to ensure Afghanistan's stability beyond the troop drawdown. And in turn, the international community committed to supporting Afghanistan throughout a transformation decade, from 2015 to 2024, with the aim of ensuring continued security, economic, and democratic gains after the transition.

In May of this year, President Obama and President Karzai signed the strategic partnership agreement, which provides a long-term framework for relations between the United States and a fully sovereign Afghanistan.

Secretary Clinton's announcement during her July 7 visit to Kabul that the President had designated Afghanistan a major non-NATO ally was another signal of our commitment.

At the NATO summit in Chicago, NATO and its ISAF partners noted that, come mid-2013, we will shift to a support role as the

Afghans step forward to lead. The United States reaffirmed our commitment to Afghan security beyond 2014, and the international community committed to providing the Afghan security forces the support and funds they need for sustainment.

The Afghan Government also recognized that NATO and its partners have a crucial role to play in training, advising, and assisting the Afghan security forces and invited NATO to continue its support after the ISAF mission concludes at the end of 2014.

In order to address support for Afghanistan's development, growth, and governance, the international community gathered in Tokyo on July 8 to further define the concept of mutual accountability and assure Afghanistan of continued economic assistance. The Japanese announced that the international community had pledged \$16 billion in aid over the next 4 years, sufficient to cover Afghanistan's fiscal gap as identified by the World Bank.

Of equal importance was the adoption of a mutual accountability framework, which affirmed that international assistance to Afghanistan is not unconditional, that the Afghan Government must act decisively to ensure that the returns on the international effort are sustained and irreversible.

That must include, as Secretary Clinton observed, fighting corruption, improving governance, strengthening the rule of law, and increasing access to economic opportunity for all Afghans, especially for women.

So today, the pieces of a long term, enduring support structure for Afghanistan's continuing progress and development are now in place. This makes clear to Afghans and to the region that the security transition does not mean we are abandoning Afghanistan. And the Taliban appear to be taking notice.

For the first time in a decade, they are debating and signaling an openness to negotiations. The sole purpose of U.S. support for reconciliation is to create the conditions for inclusive national dialogue among all Afghans about the future of their country.

We have been consistent, along with our partners, about the necessary outcomes of any negotiation. Insurgents must break ties with al-Qaeda, renounce violence, and abide by the Afghan constitution, including the rights afforded to women and minorities. And we have been clear about steps the Taliban should take to signal their interest in a peace process.

So the Taliban face a clear choice: They can dissociate from international terrorism and enter an Afghan peace process, or face increasingly capable Afghan National Security Forces supported by the United States and our allies.

And also key to Afghanistan's future stability will be a credible and inclusive Presidential election in 2014, followed by a constitutional transfer of power.

President Karzai has repeatedly affirmed his commitment to a peaceful constitutional transition of power at the end of his second term. All Afghans, whatever their gender, ethnicity, or religion, have much to gain from a successful political transition and should support it.

The United States is committed to working with international partners to support the Afghans as they choose their next leader.

Mr. Chairman, I will not play down the difficulties, but many, many Afghans are working hard every day for a better future, and we will continue to support the Afghan Government and people, now and after the 2014 elections with a new President, in the hard work needed to bring the security, development, and stability which the Afghan people so earnestly desire and deserve after decades of violence.

I would be honored, with the consent of the Senate, to lead the U.S. mission in Afghanistan in the important work of enhancing the security of the United States and of helping Afghanistan make further progress toward that vision of the future.

Thank you, Mr. Chairman, and members, I look forward to your questions.

[The prepared statement of Ambassador Cunningham follows:]

PREPARED STATEMENT OF JAMES B. CUNNINGHAM

Mr. Chairman, Ranking Member Lugar, members of the committee, thank you for the opportunity to appear before you today as President Obama's nominee to be the United States next Ambassador to the Islamic Republic of Afghanistan. I am truly honored that President Obama and Secretary Clinton have placed their trust in me. I look forward, if confirmed by the Senate, to working closely with you to advance America's interests in Afghanistan. I will welcome frequent opportunities to consult with you, as I know many of you have spent a great deal of time working on Afghanistan in recent years and I have had the pleasure of meeting several of you in Afghanistan and during my previous assignment as U.S. Ambassador to Israel. We appreciate that so many of you are willing to travel to Afghanistan to see firsthand the conditions on the ground, and we welcome your future visits.

For the past year I have been serving as Deputy Ambassador at U.S. Embassy Kabul, supporting Ambassador Ryan Crocker in leading a mission of some 1,100 dedicated staff from 18 U.S. Government agencies. I fully intend, if confirmed, to follow his example of maintaining the closest possible cooperation between the civilian and military efforts in Afghanistan and of pursuing a "whole of government" approach to the important challenges before us. Under Ambassador Crocker's outstanding leadership we achieved a great deal over the past year, including completion of our historic Strategic Partnership Agreement (SPA), which will guide our enduring partnership now, and beyond the end of Transition in 2014. The SPA, and the successful NATO summit in Chicago and the Tokyo Conference, send a clear message to the Afghan people, and to the region, that Afghanistan will have the support of the international community, and of the United States, in the years ahead. If confirmed, I will build on this successful diplomatic campaign, underscoring our collective commitment to help build an Afghanistan that will contribute to stability in the region, and never again be a source of international terrorist threats to the United States.

On September 11, 2001, I was the Acting Representative to the United Nations in New York. The next day, I told the members of the U.N. on behalf of the United States that the 9/11 terror was not just an attack on the United States but an attack on all, of whatever religion or nation, who shared the values on which our global community rests. That struggle between terror and those values continues today, and will, unfortunately, continue for some time to come.

In Afghanistan, we are turning a page. Over the past several months, we and our Afghan and international partners have created an unprecedented yet sustainable framework of support for Afghanistan, consisting of a web of bilateral and multilateral commitments. As the President said in his May speech to the nation from Bagram Air Base, our core goal in Afghanistan is to defeat al-Qaeda and prevent Afghanistan from ever again becoming a safe haven for terrorists. Our strategy for a stable Afghanistan has five elements: transitioning to Afghan responsibility for security in 2014; training Afghan National Security Forces (ANSF); building an enduring partnership with Afghanistan; supporting Afghan reconciliation; and promoting regional stability and economic integration. Our task will be to ensure that the successes and outcomes of the three surges: military, civilian and diplomatic, which have accomplished so much over the last 18 months, are consolidated as Afghanistan assumes full security responsibility and embarks on the "transformation decade" agreed at Bonn.

At the Lisbon NATO summit in 2010, with our allies and partners, we established the timeline for security transition. Transition is progressing, with three of the five tranches underway. As foreseen, the Afghans are taking on responsibility for security, with Afghan security forces taking the lead now in providing security for some 75 percent of the population. Afghan security forces will reach their full surge strength soon, and are becoming increasingly capable despite the many obstacles to be overcome.

In Istanbul in November 2011, Afghanistan's neighbors and near-neighbors—with our support—began a much-needed dialogue on regional issues, including security, counterterrorism, and economic cooperation. At the Bonn conference in December 2011, Afghan leaders presented to the international community the outlines of a strategy to ensure Afghanistan's stability beyond the troop drawdown. In turn, the international community committed to supporting Afghanistan throughout a "transformation decade" from 2015–2024, with the aim of ensuring continued security, economic, and democratic gains in the post-Transition period.

In May 2012, President Obama and President Karzai signed the Strategic Partnership Agreement (SPA), which provides a long-term framework for relations between the United States and a fully sovereign Afghanistan. Secretary Clinton's announcement during her July 7 visit to Kabul that the President designated Afghanistan a Major Non-NATO Ally was another signal of our commitment.

At the NATO summit in Chicago in May, NATO and its ISAF partners welcomed the progress being made on Transition, and noted that, come mid-2013, we will shift into a support role as the Afghans step forward to lead. The United States reaffirmed our commitment to Afghan security beyond 2014, and the international community committed to providing the Afghan security forces the support and funds they need for sustainment after 2014. The Afghan Government also recognized that NATO and its partners have a crucial role to play in training, advising, and assisting the ANSF, and invited NATO to continue its support after the ISAF mission concludes by the end of 2014.

In order to address support for Afghanistan's development, growth, and governance, the international community gathered in Tokyo on July 8 to further define the concept of mutual accountability and assure Afghanistan of continued economic assistance. The Japanese announced that the international community had pledged \$16 billion in aid over the next 4 years, sufficient to cover Afghanistan's fiscal gap as identified by the World Bank. Of equal importance was the adoption of a "Mutual Accountability Framework," which affirmed that international assistance to Afghanistan is not unconditional: the Afghan Government must act decisively to ensure that the returns on the international effort are sustained and irreversible. Afghanistan's partners, who want so much to help, made clear that their ability to sustain support for Afghanistan depends upon the Afghan Government delivering on what it must do, particularly in the area of governance, to preserve and build on the gains of the past decade.

I want to quote Secretary Clinton in Tokyo: "The future of Afghanistan belongs to its government and its people. And I welcome the clear vision presented by President Karzai and the Afghan Government today for unlocking Afghanistan's economic potential by achieving a stable, democratic future. That must include fighting corruption, improving governance, strengthening the rule of law, and increasing access to economic opportunity for all Afghans, especially for women."

Today, the pieces of a long term, enduring support structure for Afghanistan's continuing progress and development are now in place. We have made clear to Afghans, and to the region, that the security transition does not mean we are abandoning Afghanistan. And the Taliban appear to be taking notice. For the first time in a decade, they are debating and signaling an openness to negotiations. The United States supports Afghan peace efforts, aimed at a responsible settlement of the conflict. The sole purpose of U.S. support for reconciliation is to create the conditions for an inclusive national dialogue among all Afghans about the future of their country. We have been consistent about the necessary outcomes of any negotiation: insurgents must break ties with al-Qaeda, renounce violence, and abide by the Afghan Constitution, including the rights afforded to women and minorities. And we have been clear about steps the Taliban should take to build confidence, and signal their interest in a peace process. So, the Taliban face a clear choice: they can dissociate from international terrorism and enter an Afghan peace process, or face increasingly capable Afghan National Security Forces supported by the United States and our allies.

Looking to the future, there is much more to do to strengthen Afghanistan's institutions, to ensure a smooth political transition in 2014 consistent with Afghanistan's Constitution, and to build regional support for a stable, prosperous, secure Afghanistan in a stable, prosperous, secure region.

Also key to Afghanistan's future stability will be a credible and inclusive Presidential election in 2014, followed by a constitutional transfer of power. President Karzai has repeatedly affirmed his commitment to a peaceful, constitutional transition of power at the end of his second term. All Afghans, whatever their gender, ethnicity or religion, have much to gain from a successful political transition, and the United States is committed to working with international partners to support the Afghans as they choose their next leader.

I will not play down the difficulties. But many Afghans are working hard for a better future, and we will continue to support the Afghan Government and people, now and after the 2014 elections with a new President, in the hard work needed to bring the security, development, and stability which the Afghan people so earnestly desire and deserve after decades of violence. I would be honored, with the consent of the Senate, to lead the U.S. mission in Afghanistan in the important work of enhancing the security of the United States and of helping Afghanistan make further progress toward that vision of the future.

I want also in this testimony to highlight some of the substantial gains Afghanistan has made over the last decade in partnership with the United States and the international community. Today, over 8 million Afghan children are enrolled in school, a third of them girls, compared to just less than a million in school, nearly none of them girls, in 2001. Sixty percent of Afghans now have access to basic health care facilities—a sixfold increase as compared to 2002—and a recent public health survey showed average life expectancy has increased from 42 to 62, and infant mortality was cut in half. Nearly two-thirds of Afghans have phones, and expanded radio and TV access is facilitating information flow and connecting Afghan society. Approximately 100,000 Afghan women have benefited from microfinance opportunities and our funding supports 17 protective service facilities for women and children. And since 2006, our rule of law programs have trained over 20,000 professionals working in the Afghan criminal justice system including prosecutors, defense attorneys, judges, investigators, corrections personnel, and social workers.

With your continued support, our bilateral civilian assistance to Afghanistan that has helped to achieve these results will continue to facilitate economic stability, encourage responsive governance, and sustain the social gains made over the last ten years. The critical principles underlying our work are “sustainability” and “mutual accountability.” Our resources will align with Afghan priorities, lay the foundation for a successful security transition, bolster viable sectors of the economy to build economic self-reliance, and promote critical sectors of the Afghan economy, including agriculture and extractives. Our programs will continue to strengthen the legal system and law enforcement, and we will redouble our efforts to increase the participation of women in all aspects of Afghan society. The Tokyo mutual accountability framework also called for a greater portion of our funding to be directly conditioned on specific reforms via an incentive mechanism. We remain committed to the goal of providing at least 50 percent of our development assistance through the Afghan Government and believe the systems we have put in place will promote transparency and accountability.

We all recognize that corruption challenges loom large in Afghanistan and, if confirmed, I will continue to urge the government, in its own vital interest, to aggressively pursue anticorruption policies. I will also continue to make every effort to ensure that the assistance which the American people have so generously provided is used wisely and effectively, with the maximum degree of confidence that it is serving the intended purpose. It is also important to note that Afghanistan is making progress on key transparency reforms to facilitate economic growth, including significant progress toward Extractive Industry Transparency Initiative (EITI) compliance and World Trade Organization accession. And while there is still much work to be done, the Afghans have taken steps toward holding accountable those responsible for the Kabul Bank crisis, permitting the IMF to restart its relationship with Afghanistan in November of last year, a decision which was reaffirmed in late June by the IMF Executive Board. The United States is also continuing to assist the Afghans in disrupting the opium trade as a funding source for Taliban and insurgent actors.

Private sector growth in Afghanistan, both through domestic and international investment, will be key to building Afghanistan's economic self-reliance throughout the Transformation Decade. We believe that the Secretary's vision for a “New Silk Road” will gradually transform South and Central Asia through a network of transit, trade, investment, energy, and increased people-to-people ties.

A critical next step in our partnership with Afghanistan will be the conclusion of a Bilateral Security Agreement (BSA), which we expect will supersede our current Status of Forces Agreement for the long term. Like the SPA, the BSA will be a negotiation between equal partners and sovereign countries to create an agreed, updated

framework in which to implement the security cooperation and assistance committed in the Strategic Partnership. There will be tough issues, but both sides are committed to work together and we have built strong relationships and partnership through the SPA.

Post transition in 2014, the Department of State envisions maintaining an enduring presence in Afghanistan. We have learned lessons from Iraq and seeking a balance between an appropriately sized mission able to effect U.S. policy and current budget realities. We plan to maintain an Embassy in Kabul and presences in four regional centers that will signal our commitment to the Afghan people, support effective diplomacy and avoid the perception of regional favoritism. We are embracing a whole of government approach in our planning with the goal of leveraging all USG capabilities across agencies and avoiding redundancies. The staffing levels will be scaled appropriately for the civilian mission in Afghanistan and in relation to other global priorities.

Ultimately, the gains of the last decade must be sustained by the Afghan people themselves. The processes of transition and continued economic, political and social development must be Afghan-led, and we are seeing Afghanistan taking increasing responsibility for its future. Afghanistan will continue to face significant challenges, but we have created the regional and international context for a political settlement of the Afghan war and a gradual and responsible handover of authority to Afghan National Security Forces.

The CHAIRMAN. Thank you, Ambassador Cunningham.  
Ambassador Olson.

**STATEMENT OF HON. RICHARD G. OLSON, OF NEW MEXICO, TO  
BE AMBASSADOR TO THE ISLAMIC REPUBLIC OF PAKISTAN**

Ambassador OLSON. Mr. Chairman, Ranking Member Senator Lugar, members of the committee, I thank you for the opportunity to appear before you today.

I'm honored by President Obama's decision to nominate me as United States Ambassador to the Islamic Republic of Pakistan, and I deeply appreciate this demonstration of confidence by President Obama and Secretary Clinton.

I look forward, if confirmed by the Senate, to working closely with you to advance America's interests in Pakistan.

I have been privileged to serve in the Foreign Service since 1982. I have worked many of these years in the Islamic world, including most recently as Ambassador to the United Arab Emirates just prior to my service in Afghanistan as the coordinating director for development and economic affairs.

Through my career, I've been thankful for the support of my family, especially my wonderful daughters, Anna and Isabella, who, as you noted, Senator, Isabella is here today.

Senators, I do not need to tell you how important Pakistan is to the United States. The United States has a clear interest in supporting a stable, sovereign, and democratic Pakistan at peace with itself and with its neighbors.

Continued engagement with Pakistan is necessary to pursue the strategic defeat of al-Qaeda. Engagement is necessary to promote peace and stability in Afghanistan, to encourage regional stability, and to support political and economic stability within Pakistan itself. Instability in Pakistan would undermine what we are trying to achieve in the region.

Pakistan faces many challenges. It is located in a tough region, continues to face economic stagnation, and is home to a burgeoning population of nearly 200 million people, the majority of whom are under the age of 25.

Pakistan has its own challenge in combating extremists that have killed over 30,000 soldiers and Pakistani citizens. But Pakistan is also a country with great potential, vast natural resources, and a talented, resilient people.

As you know, the last several years have been extremely difficult for United States-Pakistan relations. As Secretary Clinton has said, our relationship with Pakistan is not always an easy one, but it is important for both of our nations.

Throughout the past year, despite many challenges, we have continued to engage the Pakistanis at the highest levels. We are committed to putting this relationship on a more stable footing.

The reopening of the NATO supply lines provides a renewed opportunity to increase cooperation on our many shared interests. And I would like to note in this regard that today in Islamabad our Chargé d'Affaires, Mr. Hoagland, signed a memorandum of understanding with the Pakistani Ministry of Defense on the reopening of the ground lines of communication, NATO ground lines of communications, formalizing that opening.

If confirmed, I hope to build on this opportunity to identify and refine our shared interests with Pakistan and find practical, effective ways to work together to achieve them. Those shared interests are many.

We share an interest in combating the extremists that threaten both of our countries. Tragically, the Pakistani people have suffered greatly from the extremist violence in their country. They have lost more troops and civilians to acts of terror than any other nation. But there has been cooperation between our nations.

As President Obama has noted, we have captured or removed from battlefield more terrorists on Pakistani soil than from anywhere else. We could not have done that without Pakistan's assistance.

We also share an interest in supporting political stability and security in Afghanistan. As President Obama said on May 2, we want Pakistan to be a full partner in supporting Afghan peace and stability in a way that respects Pakistan's sovereignty, interests, and democratic institutions.

Pakistani officials have told us repeatedly that, more than any other Nation, they have a vested interest in seeking a stable, secure Afghanistan.

Promoting democratic and economic stability in Pakistan is also in our shared interest. Pakistan's upcoming general election will mark the country's transition of power from one civilian government to another, the first in Pakistan's history.

We also share an interest in combating the use of improvised explosive devices, and we are engaged in discussions on this critical issue, including on ways to increase border controls to restrict the flow of IED precursors.

Unlocking Pakistan's economic potential by supporting private sector growth and expanding trade and economic cooperation across borders is central to creating jobs for Pakistan's dynamic people.

Progress on normalizing trade relations between India and Pakistan will have a tremendous impact on increasing regional economic cooperation in line with Secretary Clinton's vision for a new Silk Road linking the economies of South and Central Asia.

And our continuing civilian assistance, which is focused on five priority sectors—energy, economic growth, stabilization of the border areas, education, and health—also helps promote a secure, stable, democratic Pakistan and stimulate economic growth over time.

If confirmed, I will consult regularly with the Congress, and particularly with this committee, which has played a vital role over the years in supporting our goals in Pakistan, from the generosity of the Kerry-Lugar-Berman civilian assistance authorization to numerous trips to Pakistan to help the Pakistani leadership and your counterparts understand how the American people view Pakistan and this complex and challenging region.

Mr. Chairman, members of the committee, please allow me to reiterate how deeply honored I am to have been nominated as United States Ambassador to the Islamic Republic of Pakistan. I thank you for considering my nomination and would be pleased to answer any questions.

[The prepared statement of Ambassador Olson follows:]

PREPARED STATEMENT OF RICHARD G. OLSON

Mr. Chairman and members of the committee, I thank you for the opportunity to appear before you today. I am honored by President Obama's decision to nominate me as the U.S. Ambassador to the Islamic Republic of Pakistan, and I deeply appreciate the confidence President Obama and Secretary Clinton have in me. I look forward, if confirmed by the Senate, to working closely with you to advance America's interests in Pakistan.

I have been privileged to serve in the Foreign Service since 1982. I worked for many of those years in the Muslim world, including most recently as Ambassador to the United Arab Emirates, just before I went to Afghanistan as the Coordinating Director for Development and Economic Affairs. Over the years and through these positions, I have worked closely with senior leadership of the State Department and other national security agencies, and look forward to continuing those relationships in promoting U.S. interests in, and ties with, Pakistan. I am grateful for the continuing support of my family, especially my wonderful daughters Ana and Isabella.

I don't have to tell you how important Pakistan is to the United States. The United States has a clear interest in supporting a stable, sovereign, and democratic Pakistan at peace with itself and its neighbors. Continued engagement with Pakistan is necessary to pursue the strategic defeat of al-Qaeda. Engagement is necessary to promote peace and stability in Afghanistan, to encourage regional stability, and to support political and economic stability in Pakistan. Instability in Pakistan would undermine our goals in the region.

Pakistan faces many challenges. It is located in a challenging region, continues to face economic stagnation, and is home to a burgeoning population of nearly 200 million people, the majority of whom are under 25. Pakistan has its own challenge in combating extremists that have killed almost 30,000 soldiers and Pakistani citizens. But Pakistan is also a country with great potential, vast natural resources, and talented, resilient people.

As you know, the last several years have been extremely difficult for U.S.-Pakistan relations. As Secretary Clinton has said, our relationship with Pakistan is not always an easy one, but it is important for both of our nations. Throughout the past year—one that has been marked by events including the May 2 raid against Usama Bin Laden and the November 26 Salala cross-border incident that resulted in the deaths of 24 Pakistani troops and the subsequent closure of the Ground Lines of Communication—we have continued to engage the Pakistanis at the highest levels. We are committed to putting this relationship on more stable footing.

The reopening of the NATO supply lines provides a renewed opportunity to increase cooperation on our many shared interests. If confirmed, I hope to build on this opportunity to identify and refine our shared interests with Pakistan, and find practical, effective ways to work together to achieve them.

Those shared interests are many.

We share an interest in combating the extremists that threaten both of our countries. Tragically, the Pakistani people have suffered greatly from the extremist violence in their country. They have lost more troops and civilians to acts of terror

than any other nation. But there has been cooperation between our nations. As President Obama has noted, we have captured or removed from the battlefield more terrorists on Pakistani soil than anywhere else. We could not have done that without Pakistan's assistance.

We also share an interest in supporting political stability and security in Afghanistan. As President Obama said on May 2, we want Pakistan to be a full partner in supporting Afghan peace and stability in a way that respects Pakistan's sovereignty, interests, and democratic institutions. Pakistani officials have told us repeatedly that, more than any other nation, they have a vested interest in seeing a stable, secure, Afghanistan.

Even as the U.S.-Pakistan bilateral relationship has faced challenges, we have been encouraged by the enhanced dialogue between Afghanistan and Pakistan on reconciliation. As Afghanistan and Pakistan intensify their bilateral dialogue, including through restarting the Joint Peace Commission, all parties need to focus on concrete steps to support Afghanistan. This includes squeezing insurgents—most notably the Haqqani Taliban Network—which threaten to spoil nascent Afghan reconciliation efforts, and which target Afghans, as well as U.S. personnel.

We will continue to encourage Afghanistan-Pakistan cooperation through the Core Group, which Secretary Clinton convened for the first time at the Ministerial level on the margins of the Tokyo Conference. At the July 8 Ministerial-level Core Group meeting in Tokyo, Afghanistan, Pakistan, and the U.S. reiterated that the surest way to lasting peace and security for Afghanistan and the broader region is through an Afghan political process of peace and reconciliation for Afghanistan. The three countries underscored that this process should be supported by Afghanistan's neighbors and by the international community. The meeting resulted in the first joint U.S.-Afghanistan-Pakistan call for the Taliban to enter a dialogue with the Afghan government, and reaffirmed Pakistan's commitment to respond to Afghan requests with concrete support that would advance peace efforts.

Promoting democratic and economic stability in Pakistan is also in our shared interests. Despite the current internal political turmoil, Pakistan's upcoming general election it will mark the country's first transition of power from one civilian government to another—the first in Pakistan's history.

We also share an interest in combating the use of improvised explosive devices, and we are engaged in discussion on this critical issue, including on ways to increase border controls to restrict the flow of IED precursors.

Unlocking Pakistan's economic potential by supporting private sector growth and expanding trade and economic cooperation across borders is central to creating jobs for Pakistan's dynamic people. Progress on normalizing trade relations between India and Pakistan will have a tremendous impact on increasing regional economic cooperation in line with Secretary Clinton's vision for a New Silk Road linking the economies of South and Central Asia. And our continuing civilian assistance, which is focused on five priority sectors—energy, economic growth, stabilization of the border areas, education, and health—also helps promote a secure, stable, democratic Pakistan, and stimulate economic growth, over time.

If confirmed, I look forward to working with the enormously talented team at our Embassy in Islamabad and our three consulates in Lahore, Peshawar, and Karachi, and our team in Washington. We will energetically work with members of the Pakistani Government, business community, and civil society to promote security and prosperity in Pakistan, Afghanistan, and throughout the region, and to improve the image Pakistanis have of the United States and the American people.

I will also consult regularly with Congress, and in particular this committee, which has played an important role over the years in supporting our goals in Pakistan, from the generosity of the Kerry-Lugar Berman civilian assistance authorization to numerous trips to Pakistan to help the Pakistani leadership and your counterparts understand the concerns—and also the empathy—the American people have about Pakistan and this complex and challenging region.

Mr. Chairman and members of the committee, please allow me to reiterate how deeply honored I am to have been nominated as the U.S. Ambassador to the Islamic Republic of Pakistan.

The CHAIRMAN. Thank you very much, Ambassador Olson.

Let me make my excuses early here. We have a competing meeting in the Finance Committee on the tax extenders, which I need to attend shortly. And I think Senator Casey is going to chair at the point that I do that. I appreciate his willingness to do that.

And I apologize to our witnesses.

But let me ask you, Ambassador Olson, if I can, obviously, you are well aware of the crosscurrents here on the Hill with respect to the relationship with Pakistan. And I have met recently with Ambassador Rehman and others, just to try to talk it through. And obviously, they are well aware, and I think this most recent step to reopen is an effort to try to settle things down.

But some people in Congress, I think ill-advisedly, but nevertheless, some people in Congress are advocating a more precipitous kind of reaction to the current state of affairs. Some want to suspend aid. Some don't think there's a value to it, et cetera.

So could you state to the Congress, as you go over there, which you will, as Ambassador, how you see that, why that would be ill-advised in your judgment, and what you see as the stakes, and also, importantly, the things you see the Pakistani's doing that are helpful to us, notwithstanding the difficulties we've had in the relationship?

Ambassador OLSON. Thank you, Mr. Chairman.

I think that our relationship with Pakistan is critical to our national security interests, primarily in the area of counter-terrorism cooperation.

Over the past decade, thanks in significant part to cooperation from Pakistan, we are in the position of virtually eliminating al-Qaeda as a threat to us. And I think that we want to continue to formulate a relationship that allows us to strengthen counter-terrorism cooperation.

I was also, Senator, very pleased that in your opening remarks you mentioned the perception of many Pakistanis that the United States had disengaged in the 1990s. And I think that's a very important backdrop for our relationship today.

I think Pakistanis, in the government and outside, are very concerned about what will happen in Afghanistan post-2014. And as Ambassador Cunningham indicated, we have put in place over the last year some very strong measures for assuring Afghans, and, indeed, the region, that we will be engaged after 2014.

I think this is also the great significance of the Kerry-Lugar-Berman assistance, that it provides assistance on a predictable basis; it provides a stable basis for an ongoing relationship.

I think that if we can continue to emphasize to the Pakistanis our engagement over time, it will be possible to build the kind of productive relationship based on mutual interests that will serve us over the long term.

The CHAIRMAN. And what do you think the Pakistani attitude is now about the so-called Haqqani Network?

Ambassador OLSON. Well, sir, with regard to the Haqqani Network, first of all, I think this is one of the toughest challenges that we face. And I would say, at a personal level as well as a professional level, I have been in Embassy Kabul for the last year. I was at the Embassy on September 13 and April 15, the two attacks that took place. So I have a certain amount of skin in the game, for this particular issue.

And we do know, of course, that the Haqqanis are based in north Waziristan. But the question is how we will address the challenge represented by the Haqqani presence.

We have already taken some actions against the Haqqani Network on a whole-of-government basis. As you know, key Haqqani Network leaders have already been designated as foreign terrorists, sanctioning their travel and their finances. And the question of the designation of the network as a foreign terrorist organization is with Secretary Clinton right now.

I can assure you, Senator, that this will be a primary focus of my activities and diplomatic engagement with the Pakistanis, to encourage further measures against the Haqqani Network, further squeezing of the Haqqani Network.

The CHAIRMAN. Well, I look forward to connecting with you when I get out there, and I appreciate your observations on it. It's worth a lot more conversation, obviously, but thank you for that.

Ambassador Cunningham, I assume you had an opportunity to read Dexter Filkins' piece in the New Yorker. Can you comment on the recurring number of articles that seem to be appearing talking about how Afghans are planning for the fight and laying the groundwork for a longer confrontation as we draw down, rather than engaging in the fight for the democratic process and the rule of law and other things?

Can you give us your sense of that state of play at this point?

Ambassador CUNNINGHAM. Sure, Senator, thank you.

I think what we're seeing and have seen for a while, as Ambassador Olson said, there are a lot of people in this region, in Afghanistan, hedging their bets about the future.

I think the talk of rearming and reforming of militias is overstated. But the temptation is there, and the uncertainty about how various groups will advance their interests in the future is very much on the table.

That's why I said in my statement, and as you said in yours, the upcoming political transition is really vitally important. As I said in my statement, it's not an issue of one party or another.

It really is an issue for all Afghans and all Afghan political actors to take a really hard look at the significance of the upcoming elections and the political transition and what that means for Afghanistan's future and for the unity of the country and of the body politic.

We're already working on that, in consultations with members of the international community and with Afghans across the political and civil society spectrum. And it's something that I regard as a key element and a key task for all of us who are interested in Afghanistan's future, and getting the concept right that the way forward in Afghanistan has to be one of a political process, including, hopefully in due course, the Taliban or elements thereof. And it cannot be a future that resorts to internal conflict or based on armed conflict between various elements of Afghan society.

The CHAIRMAN. Do we have sufficient leverage? Are there ways in which we could increase our initiatives in that regard? Or are we kind of locked in, because of the drawdown?

Ambassador CUNNINGHAM. I think our leverage is quite substantial. I think the logic is there. I think Afghans across a broad spectrum see that there's a tremendous amount at stake in the coming years. We will still have a crucial role in all the elements of our

strategy—political, military, and economic—not just we, the international community more broadly.

And one of the core messages that comes out of all of these meetings and discussions that we've been having, most clearly at Tokyo, is that Afghans' international partners are absolutely united behind the proposition that the political process going forward needs to be credible and needs to produce a peaceful transition.

The CHAIRMAN. Well, thank you. Thank you very much, Ambassador.

Thank you, both of you, and I look forward also to seeing you out there.

Senator Lugar.

Then Senator Casey will chair.

Senator LUGAR. Thank you, Mr. Chairman.

I'm very pleased that you, Ambassador Cunningham, and you, Ambassador Olson, are willing to undertake these responsibilities. I have confidence in both of you.

And the confirmation process, therefore, offers an opportunity for us to discuss Pakistan and Afghanistan, to obtain more information for our committee and for the public.

Ambassador Olson, I want to raise this question broadly. According to recent State Department country reports on terrorism, deadly, brutal attacks within Pakistan itself amounted to well over 3,000 Pakistanis killed in 2011 alone. The threat of violent militant groups is pervasive. No part of Pakistan is spared. Suicide and armed attacks occurred in the coastal city of Karachi, the business capital of Lahore; the FATA capital of Peshawar; as well as in the tribal areas adjoining Afghanistan.

How does the Pakistani Government classify this threat? How does the Pakistan Government work to address the internal threat to life and government institutions these terror groups represent? To what extent can you distinguish between our efforts, the United States efforts, to support their efforts to combat internal terror threats and the regional threat emanating from Pakistan's safe havens that is our primary concern?

Ambassador OLSON. Thank you, Senator Lugar.

I agree entirely with your assessment about the nature of the challenge that Pakistan faces internally. And I think we have seen a great shift in the Government of Pakistan's approach over the past few years to dealing with the internal threat that is represented by the terrorist groups that you describe.

There was a time in the not-too-distant past when the Pakistani army was primarily deployed along the frontier with India. It is now very heavily deployed internally and especially in the area around FATA and Khyber Pakhtunkhwa province, to deal with the insurgent threat. And, of course, I think we're all familiar with the counterinsurgency operation in Swat a few years ago.

I think that we have recognized and, indeed, supported this change. And thanks to the generosity of the Congress, we have a variety of funding mechanisms providing security assistance to build the capability of the Pakistani forces, particularly in counterinsurgency operations, moving them away from a focus on heavy armor toward lighter counterinsurgency operations.

There have been challenges with the security assistance program, but I will look forward to working with you and members of other committees to see what we can do to remove some of the obstacles and move forward on those important security assistance programs.

Senator LUGAR. To what extent does this violence, the loss of life, undermine any potential for civil governance in Pakistan? What are the ramifications on governance of the country itself?

Ambassador OLSON. Well, Senator, I think that the Pakistani Government does face many challenges, and it has faced challenges, for instance, in the last year with regard to the floods.

I would say that there are some sinews of strength in Pakistani society. There is a very active civil society, which picks up a considerable amount of the slack.

For historic reasons, the Pakistan military is a very strong institution and has been involved in building capacity.

Our assistance program, of course, our civilian assistance program, and especially the Kerry-Lugar-Berman funds, are very much focused on building up some of the capacity of the civilian government, particularly in the all-important area of energy and economic growth, and also in stabilization, particularly road-building in the areas closest to the Afghan border.

I think all of these programs have been effective, but I take on board the point that has been made that we need to exercise diligent oversight and report back to you on the effectiveness of those programs.

Senator LUGAR. While teetering on the brink of insolvency on some occasions, Pakistan appears to forgo considerable revenues, including those associated with transit trade. Though Pakistan has signed a transit trade agreement with Afghanistan that was intended to allow direct transit of goods between Central Asia and South Asia, there has been little progress in actual trade across Pakistan and, thus, considerable revenue and jobs continue to be lost.

What is the status and prospect of finding permanent alternative trade routes, such as through Iran? Is the road-rail infrastructure through eastern Iran fully operational and capable of transferring the vast iron ore India and others will seek to export from rich mineral deposits in Afghanistan? What is the total estimate of revenue lost to Pakistan during the closure of the NATO ISAF resupply routes?

What is the concentration of focus when it comes to trade and other sources of income in the country?

Ambassador OLSON. Thank you, Senator. Yes, I agree with you that the Afghan-Pakistan Transit and Trade Agreement has not fully lived up to its potential. It's a very important step, potentially. And it's one that I was somewhat involved in supporting in my previous position.

I have, in fact, traveled to Islamabad last fall to meet with Pakistani officials to urge further implementation. There have been a variety of technical factors that have yet to be worked out between the Pakistani and Afghan governments. And I will certainly pursue that, if confirmed, with great vigor.

I think that with regard to the regional trade, one of the most promising things that we have seen out of Pakistan in recent years is the liberalization of trade with India. And as we all know, the Indian economy is experiencing a period of rapid expansion.

Pakistan has granted most-favored-nation status to India and has moved to liberalize its trade from a so-called positive list—that is to say, a restrictive list—to a negative list, one that limits only certain strategic goods.

This is all to the good. And I think we want to encourage further progress in the economic dialogue and commercial relationship between India and Pakistan.

Senator LUGAR. Thank you very much.

Thank you, Mr. Chairman.

Senator CASEY [presiding]. Thank you, Senator Lugar.

I want to commend both Ambassador Cunningham and Ambassador Olson for their continuing service. These are tough assignments, and we're grateful for their service, and of course that of their families, because when you serve, they serve with you, in one form or another.

Ambassador Cunningham, I'm resisting the temptation to say how great it is that you were born in Allentown, PA.

Ambassador Olson, New Jersey's pretty good, too.

I want to start with Pakistan, and I'll provide a little bit of a backdrop as a predicate to my question. It's about this issue of IEDs and the precursor elements.

In your testimony, Mr. Ambassador, you say on the second to last page of your testimony, "We also share an interest in combating the use of improvised explosive devices, and we're engaged in discussion on this critical issue, including on ways to increase border controls to restrict the flow of IED precursors."

And I'm happy to see that in your statement.

Most Americans know what IEDs are and the horrific impact they have on our troops and also on civilians the world over. They may not be as familiar with the precursor ingredient, the calcium ammonium nitrate flowing from Pakistan into Afghanistan and becoming the central element in that explosive capacity.

I've spent a lot of time on this issue, as have many Members of Congress. The administration has worked very hard on this. I just spoke to Secretary Clinton yesterday about it, and she and the whole team at the State Department have worked very hard.

I wanted to get your sense of it, because when I was in Pakistan last August for 3 days, in every meeting that we had—I was there with three other United States Senators—and in every single meeting, whether it was then-Prime Minister Gilani, whether it was with President Zardari, with General Kayani, the army chief, wherever we were, we brought this up. And they knew we were coming, in a sense. They were prepared for the question. They would address the question, express their solidarity with us on this issue, because they've lost a lot of civilians in this horrific nightmare.

And then they went another step by providing us with a briefing by their Interior Ministry, outlining their written strategic plan, and then expressing determination to implement what they had written down on paper.

We said, when? Is this weeks away? Is it months away? They said it's within months. Basically, that was their answer.

So I was expecting sometime in the fall we'd see some measure of progress, or maybe it would take a little longer, maybe we'd be into 2012 by the time they really made progress.

To date, in my judgment, there's been almost no progress made, or no substantial progress made, and you see it in every state. Pennsylvania has lost 79 troops in Afghanistan, more than half of those from IEDs.

So I ask you, in light of that bad news I just outlined, that unfortunate recent history, what can you do in your new posting and what will you do in literally the first couple of weeks after you get there, to press the Pakistan Government on at least one fundamental point: It is in their interest, as much as it's in our own interest, to stop the flow of ammonium nitrate, to reduce the chances that more of our troops or their civilians will be blown up by these horrific explosions?

Ambassador OLSON. Senator Casey, thank you very much, both for the question, and I do want to acknowledge the central importance of IEDs and countering the precursors. I am coming out of a year in Afghanistan, and I certainly appreciate the enormous cost that these devices have brought about.

I also want to thank you for spending 3 days in Pakistan, and making the effort to make the trip out there, and to spend a significant amount of time. It's always greatly appreciated when Senators do that.

I do think we share a common interest, and I agree with your assessment, Senator, with the Pakistanis on countering IEDs. They have suffered heavy losses on both their military forces and among civilians from IEDs.

There is a slight distinction, as you're well aware, because most of the IEDs they encounter are actually generated not from the calcium ammonium nitrate, but from, I guess, military-grade explosive devices, which they have found, which have been leaked out into the marketplace.

But that said, I think the fundamental interest is the same, and I think there are ways that we can pursue it.

I will work closely with my team, if confirmed, with the DOD elements, and with the civilian aspects of the mission, to develop an approach for approaching the government, as you note, in the early days of my tenure, if confirmed, to follow up on this and to report back to you.

Senator CASEY. What is your sense as to the reason why there hasn't been progress made? And I realize the relationship doesn't help here. The relationship is an impediment to them making progress on IEDs. But I can't tell you how many times the promise was made to us, as representatives of our government, promising over and over again that they would make progress.

I want to get your sense of what you believe to be the reason why they haven't made progress on this.

Ambassador OLSON. Well, Senator, I think this is probably an issue where it would be best for me to go out and attempt to get the ground truth on this and come back to you. My very preliminary sense on this is that, as you note, there have been relation-

ship issues that have perhaps added some friction overall and prevented some movement forward on this.

I think there is also the question of calcium-ammonium-nitrate production in Pakistan. It is not illegal to produce it, because it has agricultural use. So I think that that may present a domestic political issue, but that's a very preliminary sense. I would like to get out, if confirmed, on the ground and report back to you.

Senator CASEY. And I'll talk to you more later about General Barbero's work, who, as you know, has spent a lot of time on this. And we can both benefit from his experience.

Thanks very much.

Senator Corker.

Senator CORKER. Thank you, Mr. Chairman.

And thank you both for your public service. I know Mr. Cunningham and I had a lot of time yesterday in the office. I appreciate that.

I understand, Ambassador Olson, we're going to be doing the same here in just about a hour.

So thank you both for your service and for your bringing your families.

And if any of us wanted to be hard on you, it's hard to do in front of daughters. So thank you all for being here.

I know that you all are currently working together—is that correct?—or have, in Kabul, spent some time together. And I know, as we travel through Afghanistan, multiple trips, our military operators there are most concerned about fighting a war in Afghanistan that's being controlled out of Pakistan. And I think that's been the greatest frustration to our military leaders.

And I know you all have certainly experienced those comments and concerns.

Which of the two jobs, as you all talk, do you consider to be the most difficult, Pakistan or Afghanistan? Seriously. I don't want a long paragraph, but, seriously, which of the two do you consider to be most—

Ambassador OLSON. Senator, Jim Cunningham was my boss in Kabul, so I'm going to let him answer that, if that's all right. [Laughter.]

Ambassador CUNNINGHAM. It impossible to say. They are both challenging positions in challenging times.

Certainly, being Ambassador to Pakistan, a country that's so large and so vexed with so many problems, has got to be a really significant challenge. But my task in a country that is at war, and where we are fighting along with our Afghan and international partners, is a challenge of—I don't think you can rank them—but it's a challenge of a different order.

Senator CORKER. Several years ago, I guess, we embarked on something called AfPak. It was called the Holbrooke doctrine.

As we talk with people in both countries, but especially Pakistan, I think Pakistan viewed that whole approach to be very offensive. I mean, looking at Pakistan through the eyes of Afghanistan was pretty offensive, I think, to the folks in Pakistan. And we really don't have a relationship in Pakistan. It's more of a long-term relationship. It's more of a transactional relationship. It's almost a pay-

to-play kind of relationship. And it's been that way for a long, long time.

And so, to Mr. Olson, as we deal with a country that basically the military controls and the elected leaders are, candidly, not particularly effective, how do we, as Members of Congress—you talked about Congress' generosity. It's really the American taxpayer that's footing this bill and is quite frustrated with the Pakistan at present.

How do we leverage our relationship with them, since it is more of a transactional relationship, not one that's really built on good will? How do we leverage the resources that we have to cause Pakistan to act, "in ways that we would like to see them act"?

Ambassador OLSON. Thank you, Senator. That's an excellent question.

I think that we have to remember that our relationship with Pakistan goes back quite a ways. It goes back right to the beginning of the Pakistani state.

For 65 years, we've had a relationship. It has had some ups and downs during that period, but there have been periods of very close and very intense partnership, probably most notably in the 1980s. And, of course, that was a relationship that centered around Afghanistan.

And I think I would agree with you that Pakistanis have perhaps some concern about being labeled AfPak. But at the same time, I think the long-term status of Afghanistan is enormously important to Pakistanis, and it's one of the critical questions in our relationship.

I think that what our interest is with Pakistan over time is building a more stable relationship, one that is focused on our mutual interests, but takes account of the fact that the United States and the international community are not going to disengage from Afghanistan.

The great fear amongst many in the region, amongst—I certainly heard this from my Afghan friends when I was serving there, and I think it's true in Pakistan as well—is that the international community will repeat the experience of 1989 to 1992, when, having accomplished the withdrawal of the Soviet forces from Afghanistan, the international community turned away and disengaged.

And that had a severe cost, particularly in Pakistan, where a generation of military officers who had previously served with the United States and trained in U.S. institutions no longer had that opportunity. And we are, frankly, paying a cost in our relationship now, because many of those officers are now general officers and have not been exposed to us in a way that their predecessors were.

So I think that all of the work that Ambassador Cunningham described that he and Ambassador Crocker have been doing over the past year on the strategic partnership agreement, solidifying the future of Afghanistan, will have an enormously reassuring effect on Pakistani sensibilities.

And certainly, that will be my priority, to have that strategic level discussion about the United States not disengaging from the region.

Senator CORKER. But it seems to me that—and, again, I realize the, "elected leadership of Pakistan" is more than weak.

It seems to me that they continue to do those things that only are in their self-interests, which obviously we as a country do in many cases, too. But the very issue that Senator Casey is mentioning but also multiple other issues, it just seems they are concerned about Afghanistan. They're concerned about India, not having any influence there, because they're such a narrow country and it's at their rear, and that's really—they'd rather it be destabilized, would they not, than India have any influence there?

Ambassador OLSON. Senator, on the question of this has been a doctrine that the Pakistanis, over the years, have talked about, strategic depth, the idea that Afghanistan represents strategic depth against a potential conflict with India.

My sense is that the Pakistani military and the Pakistani Government have moved away from that. Foreign Minister Khar has made some public comments about moving away from the doctrine of strategic depth. Chief of the Army, Staff General Kayani, has redeployed his forces internally to deal with the internal threat, and heavily toward the border with Afghanistan to deal with the threats emanating from that region.

So I think there is a basis at a strategic level for some further discussion with the Pakistanis, and I think that these are, frankly, positive developments that we would want to encourage as Pakistan looks to its strategic position.

Senator CORKER. So I realize that we as a country need to continue to be involved with Pakistan and I know that the notion of just cutting off all aid is not a particularly good way of staying engaged with Pakistan.

But on the other hand, I think just to continue as we have been going is also not a good route. So sometimes Congress can be helpful to people like you by doing certain things that make certain things that cause you to be able to talk with them about the fact that if things don't change then Congress will continue doing X.

What are some of those things that we might do prior to you being over there, to help us leverage Pakistan, which again, I understand what you're saying about relationships down the road and building on it, and how they're looking to our engagement in Afghanistan. I understand all those things.

But at present our relationship is very transactional.

So how do we—you know, do we have the physician there who aided us with Osama bin Laden who is in prison? I mean, how do we get them to act in a way that's very different than they're now acting on things that are very important to us?

Ambassador OLSON. Thank you, Senator.

I think we need to focus on the core areas of mutual interest, and I think this is primarily in the counterterrorism area. As I noted, I think we have made enormous progress against al-Qaeda over the past decade, and we are within grasp of shutting down al-Qaeda. I think that has got to be our primary strategic objective.

And I think we need to have some very candid and direct discussions with the Pakistani Government about the question of the safe havens and the Haqqani Network.

But I think it's important that that discussion take place against the context of some predictability in the overall relationship. And that is what I would be hoping to, if confirmed, bring to the

relationship, some sense that we want to move away from a more transactional relationship to one that is based on a longer term policy of engagement.

And I think that the assistance that has been so generously provided by, as you note, by the American people has had a significant role and potentially has a significant role in the future on stabilizing that relationship and showing that our interests are not short term but, rather, long term.

Senator CORKER. Well, our interests are in our interest.

I will say, I know we're taking too much time. I thank you for your generosity. I thank both of you for your service. I look forward to talking to you.

And look, we have an election that is going to be over here soon, and regardless of what the outcome is, in many ways there is a clean slate, if you will. There won't be the issue of dealing with who did what when. We'll have, in many ways, a clean slate, no matter what the outcome is.

I would just ask that both of you continue to be totally transparent with us. And the fact is that we candidly have leaders in both countries that are extremely difficult to deal with, and, candidly, in many cases, are not working in ways that are beneficial to us.

And I hope, as you continue to talk with us, you will continue to be as transparent as you were in our office, Mr. Cunningham, and as you will be, I'm sure, in the next hour. We look forward to your service.

Thank you.

Senator CASEY. Thank you, Senator Corker.

I wanted to turn to some questions for Ambassador Cunningham. Maybe two broad areas, and in the less than 7 minutes we have in the question period we probably don't have enough time, but we can further amplify them in questions for the record.

I wanted to ask you first about women and girls in Afghanistan. At one level or by one measure, we could assert that, over roughly the last decade, significant progress has been made. When you just do the one metric, which I think has a lot of meaning and value, which is the number of girls in school, it was almost zero or in the area of almost no girls in school a decade ago. Now maybe as much as a third or more of the millions of Afghan children that are in school are girls. So that's a great measure of progress.

And also, the participation of women in the Government of Afghanistan has also been a significant measure of progress. The concern, though, is that even as that progress is marching forward, and even as President Karzai speaks to this issue, that those gains will be diminished or maybe even wiped out as a result of a reconciliation process that results in a conclusion after negotiations where women are set back, if not to where they were, but at least to a place where the gains would be substantially eroded.

Ambassador Cunningham, you might remember—I know we have a lot of meetings and I don't expect you to remember this—but when we were there, we had a meeting with women parliamentarians. And they were inspirational on a lot of levels.

We think politics here is tough. Over there, it's a lot tougher when your life is at stake, very often.

One of them I remember in particular was Fawzia Kofi.

She talked about her father and her husband participating in politics, both killed in the process. And yet here she was sitting, talking to us about her own involvement and her own focus on the future of being involved in politics in Afghanistan.

I just wanted to get your sense of not just where we are, but how our strategy can prevent the dramatic erosion of those gains.

Ambassador CUNNINGHAM. That is an important issue, Senator.

Before I comment on it, though, I wanted to thank you for your focus on IEDs. We discussed this when you were in Afghanistan in August. They are now the killer of choice in Afghanistan for both military and, very horrifically, for civilians. They are a real challenge, so I appreciate your focus on that.

Women. We have something called the Woman of Courage Award in the Department of State that the Secretary gives every year. For the last, I think, 5 or 6 years that the award has been given, an Afghan woman has been a recipient of it. I think there are about 10 a year from around the world.

We had a reception hosted by Ambassador Crocker to welcome this year's recipient, who is a politician and a media person in Kandahar. An absolutely incredible woman. And we had the other previous recipients of the award and a number of women from Kabul and the region for this event. And in that event, Ambassador Crocker said quite perceptively that to be a woman in public life in Afghanistan—any woman—is a woman of courage. And that is the case.

It's a marvel to meet with these people and to hear their stories and their sense of determination and commitment, as you did meeting with the parliamentarians.

They have literally invested their lives and their personal safety and that of their families, in many cases, in taking up a public role, whether it is in business or even teaching or working in a health clinic or being a politician. And there are a lot of female politicians now in Afghanistan, including at the provincial and district level, as well as the national level.

Several female ministers, deputy ministers, President Karzai's deputy chief of staff is a woman. And they've worked hard to create this space and to create the space for those who are coming after them.

And it is particularly inspiring to meet with women who are in universities now, and coming out educated, looking for opportunities, sometimes with the support of their families, but many times not.

Which is a long way of saying, a lot has been invested in bringing Afghanistan's women into—those who can and who want to—bringing them into society in a constructive way. And we've played, I'm proud to say, the United States has played a significant role in this. We have programs across the board, everything from education to midwifing to teaching business skills, entrepreneurial skills, language, information technology, educating women about the law.

There is actually a good law in Afghanistan that prohibits violence against women, if it's enforced. And we contribute to a network of shelters that, unfortunately, are necessary in Afghan

society, but extremely valuable in providing refuge for women who, for whatever reason, can't stay with their families or their husbands.

So a tremendous amount has been accomplished in this area over the last years. It is one of the significant success stories and a real tribute, again, to the American people, that we've supported that.

The United States, as well as, again, our international partners through a series of declarations, have made very clear that these gains are not to be rolled back. They're protected under Afghan law and the constitution. It's a cardinal principle for us in discussions about reconciliation and about the future of Afghanistan. And I expect that will continue—I'm sure that will continue to be the case and will certainly be my point of view, if I'm confirmed as Ambassador.

Senator CASEY. Well, thanks very much. And I know that Secretary Clinton has not just spoken to this over and over again, but has made that a central focus of her work, and we're grateful for that.

I'm out of time. I want to turn to Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Thank you both for your long service to our country.

Ambassador Cunningham, my understanding of the President's goal was to shift from a military mission to an assistance mission in Afghanistan, in hopes of creating a functioning government that helps rebuild lives and institutions. We have done that elsewhere, but with, from my perspective, a much more committed partner.

I look at the special inspector general for Afghanistan reconstruction's new report that suggests a significant portion of about \$400 million investment in large-scale infrastructure projects in Afghanistan designed to win support from local governments may be wasted because of delays and weaknesses in planning and execution such that those programs might not be completed until American troops leave or have already left.

And then I look at a commitment by the United States of more than \$90 billion to development in Afghanistan, and the administration requesting \$9 billion for aid and development in 2013.

And I look at all of this, and I say, given the continuing problems with instability and corruption, how do we justify and expect that we will, if we were to commit to those funds, effectively use those funds toward the development of a sustainable economy in Afghanistan, something that I could go to taxpayers back in New Jersey and say this is worthy of our support and it's going to be well spent, based upon the experience we've had so far?

Ambassador CUNNINGHAM. That's also an important issue, Senator, and thank you for raising it.

Yes, we have a very broad, and have had a very broad, assistance and development program in Afghanistan. The specific issue of the Afghan infrastructure fund that you referenced, we have some differences of view with the inspector, with SIGAR, as we often do, but we also agree with many of the recommendations that they've made.

This was an innovative program that tried to do something new, which is bring together several different U.S. entities that had not been cooperating particularly well with each other, and to try to

use this fund to bridge the difference between what normally had been short-term infrastructure projects designed to influence the counterinsurgency campaign, and longer term infrastructure that's really necessary for stability and longer term growth, particularly with roads and electric power.

This has taken longer to get underway than we would have hoped, but it has brought together a whole-of-government approach to doing this. And the program is constantly being reviewed and in each iteration has gotten better in terms of the coordination, oversight, and evaluation of sustainability going forward.

So while it will stretch out longer than was originally intended, we are working hard to make it as effective as possible and make the best use of the funds that we have been given for a very important purpose. And one of those purposes is to link together the power networks in the north and the south of Afghanistan, so Afghans and their economy have the electrical power that they need.

To the question principle of the worth of the assistance that we have provided and will be providing in a lesser amount going forward, I understand very well that this entails sacrifice on the part of all of our taxpayers, Americans and the others who are supporting these efforts. But it has produced results and will continue to produce results.

It is really an investment on preserving the gains that we have made on the field at great cost through our own efforts on security and the efforts that the Afghans are increasingly taking on on security.

Afghanistan is a very poor country. Under the best of circumstances, it would be still a very poor country with tremendous problems. Our work in development assistance is part of our campaign to prepare an Afghanistan which can stand on its own feet in a way that it has stability that is sustainable over time. And this goes to the point that Senator Lugar raised about what our enduring vital interest is in Afghanistan.

Senator MENENDEZ. I don't want to interrupt. I've let you go on at length. I wanted to hear your answer, but here's my problem. I understand our goals, but we have an administration in Afghanistan that undoubtedly is significantly corrupt. We have an administration in Afghanistan for which we have seen wasted amounts of money.

So if Afghanistan is going to be a ward of the United States for over a decade, and we're going to spend \$90 billion and maybe more, at least—at least—there should be an expectation that there should be greater transparency, greater efficiency, less corruption. And unless there are benchmarks to do that, I don't see how, in fact, we can continue to make this long-term, open-ended commitment without a concurring response.

And I know that we have some responsibilities because we went in there. But by the same token, there are responsibilities by the Afghan Government to be responsive, transparent, honest, and more efficient.

And I just don't get the sense that we pressure in terms of accomplishing those goals as much as we are committed to giving money.

And so I'm hoping that, if you are to be confirmed, that there is a strong commitment here not just for us to give, but for us to get, at the end of the day.

Would it be my understanding that that is going to be part of your drive here?

Ambassador CUNNINGHAM. Absolutely. I've been in Afghanistan for the past year and it is, as Ambassador Olson knows, it is a daily part of not just our business with the Afghan Government, but of everybody's business with the Afghan Government.

And one of the key outcomes of the series of international meetings that I discussed earlier, and especially the Tokyo conference, is putting clearly on the record that there is precisely this expectation on the part of the people who are supporting Afghanistan, who want to support Afghanistan, but need to see that real progress is being made, particularly on dealing with corruption and governance issues.

And in what's called the mutual accountability framework, there are specific things laid out that are expectations that the government will address. And as we speak, my colleagues still in Kabul are meeting with the Afghan Government about how those elements are going to be addressed going forward. And it's very much the kinds of thing you said: greater transparency, greater accountability.

We're doing that internally in our own processes, to make sure that we know where American assistance is going and what it's being used for. And we will absolutely be insisting that the Afghan Government produce greater transparency and accountability in its own part.

Senator MENENDEZ. Well, Mr. Chairman, I see the time has expired. I have one more question, if I may, to Ambassador Olson.

Senator CASEY. Sure.

Senator MENENDEZ. I just want to make a comment.

For myself, I have been supportive, but it is not an open-ended support, just speaking for one member.

I have to see the movement toward those elements, and I cannot continue at a time in which we face such enormous challenges here at home to vote for billions of dollars that at the end of the day do not lead toward a more open, transparent, honest process, at a minimum, at a minimum.

Ambassador CUNNINGHAM. I understand.

Senator MENENDEZ. Ambassador Olson, just in a similar light, Senator Corker and I had, a while back, looked for some benchmarks as it relates to our assistance in coalition support funds to Pakistan.

You know, in my view, it's incongruous to provide enormous sums to the Pakistan military via the coalition support funds unless we're certain that the Pakistanis are committed to locate, disrupt, and dismantle terrorist threats inside of their border.

My understanding is this new deal that we've cut with Pakistan to permit the transport of military resupply convoys also promises to deliver more than a billion dollars in delayed military aid.

What commitment are we getting in return, beyond the convoy, that the Pakistani military will cease support to extremist and

terrorist groups and prevent al-Qaeda, the Taliban, and associated terrorist groups from operating within the territory of Pakistan?

All I hear is about the Pakistanis seeking an end to the drone attacks that have been the one successful effort and turning it over to them.

You know, again, if we're going to be providing billions of dollars, then what is the commitment, the concurrent commitment, here?

Ambassador OLSON. Thank you, Senator, for the excellent question.

With regard to the coalition support funds, as you know, this is a reimbursement for expenses incurred in support of the coalition activities. And my understanding of the process is that the Pakistanis submit certain expenditures for our review, and we review them very carefully, and we do not in any way accept all of those expenditures. In other words, we're very careful to make sure that they are in line with our own standards and our own criteria for the expenditure.

With regard to the overall question of the Pakistani support for counterterrorism, I think the record of the last decade shows that we have had substantial cooperation from the Pakistanis on the question of al-Qaeda in particular. I mean, we are virtually within grasp of defeating al-Qaeda as an organization.

A lot of that, as President Obama has indicated, is due to support from the Pakistani Government.

In addition, the Pakistani Government is very concerned about the internal threat from insurgents and extremist organizations. The Pakistani Army has been effectively redeployed. Many of the units that used to be on the Indian border have now been redeployed internally for dealing with the threat coming from extremists.

On the question of drones, Senator, as you well know, the President has said that we will go after extremists and those who threaten us wherever we find them. It's beyond the level of classification for this hearing to discuss those programs in any great detail. But I will, if confirmed, continue to follow the President's direction on the question of defending our national interests.

Senator MENENDEZ. So I take it that what you're telling me is that we're satisfied with the Pakistani response?

Ambassador OLSON. Senator, I think that there is more that can be done, absolutely. And I think that, particularly with regard to the Haqqani Network, this is a very difficult issue. I am coming at this from having served at Embassy Kabul for the last year. I was in the Embassy on September 13 and April 15 when the attacks took place that originated from the Haqqani Network out of North Waziristan.

We are looking at all the ways that we can, as the whole of the U.S. Government, attack the question of the Haqqani Network and its support. We have already designated a number of individuals.

I will certainly, if confirmed, take it as a central responsibility, and the most urgent of my responsibilities, to continue to press the Pakistanis for further action on the Haqqani Network in every way possible.

Senator MENENDEZ. Thank you, Mr. Chairman, for your courtesy.

Senator CASEY. Thank you, Senator Menendez.

We're at the end of the hearing. We want to thank both of our witnesses for your testimony and for your continuing commitment to public service in especially these difficult postings, and we again thank your families.

The record will be open until noontime tomorrow for Senators to submit questions.

And unless there is nothing further, we're adjourned.

[Whereupon, at 11:40 a.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF JAMES B. CUNNINGHAM TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* In April, my staff shared in writing significant concerns about the Afghanistan Infrastructure Fund (AIF) with the administration, cautioning against investing in new, large-scale infrastructure projects that the Afghans would not be able to sustain. To date, there has been no response to the inquiry. This week, the Special Inspector General for Afghanistan Reconstruction (SIGAR) released a report reaching similar conclusions for FY 2011 AIF projects.

*Answer.* The administration is committed to the effective use of United States resources for activities in Afghanistan. Your committee's input has been integrated into our joint planning efforts under the Afghanistan Infrastructure Program and we would be happy to provide an updated informational briefing at the earliest opportunity. We should note that we do not agree with many of the conclusions of the SIGAR audit and our concerns were voiced in multiple annexes of the report. The Afghanistan Infrastructure Program and Fund were conceived as tools in the counterinsurgency campaign with ancillary development impacts. We disagree with SIGAR's assertion that extension of the project timeframes will have a negative effect on the counterinsurgency campaign and development. It has been our experience that all stages of infrastructure projects (which provide essential services the insurgency could never offer) have a positive impact. The planning stage of these long-term projects gives clear assurance of the enduring commitment of the United States to the people of Afghanistan, the construction phase creates employment and helps stabilize conflict areas; and final completion opens the way for greater economic opportunity. We have provided below specific answers to your question on the execution of infrastructure projects in Afghanistan.

*Question.* What is the timeline for installing the third turbine at the Kajaki dam? How many additional megawatts of energy will this add to the grid for Kandahar, and at what cost per megawatt? What is the total cost estimate for bringing the third turbine online, including security costs incurred by U.S. and coalition forces?

*Answer.* The third turbine at Kajaki Dam is conservatively scheduled to be operational by the end of 2014 and will add 18 megawatts (MW) of electricity to the southern electrical power grid, for a total generation at Kajaki of 51 MW. The Government of Afghanistan and USAID estimate production costs of electricity at Kajaki to be 1.5 cents per kilowatt-hour (or \$15 per MW-hour) including operation and maintenance costs. The estimated cost to install the new turbine at the Kajaki dam is \$85 million, including the cost of security, logistics, and camp support. Based on initial planning, we expect 8–10 MW of the power generated by the new turbine to reach Kandahar, while the remaining electricity will be distributed in Sangin and Helmand Valley.

*Question.* When will the North East Power System (NEPS)—South East Power System (SEPS) connection come online? Could the NEPS–SEPS connection destabilize the grid in Kabul, and if so, what happens then?

*Answer.* USAID will use the Power Transmission Expansion Connectivity (PTEC) Project as the mechanism to construct the connection between Afghanistan's Northeast Power System (NEPS) and Southeast Power System (SEPS). This "NEPS–SEPS Connection" includes approximately 500 kilometers of transmission line and seven substations. The current completion date for the project is September 2016. According to the results of the recently completed feasibility study for the PTEC project, the connection of the northern and southern power grids is technically feasible and will not result in the destabilization of either grid. The study identified priorities for synchronization and reactive power compensation in and around the

Kabul load center. Overall, conclusions of the study supported the planned system expansion, which is also consistent with the Afghan Energy Master Plan (funded by the Asian Development Bank, currently in draft).

*Question.* What is the sustainment plan for the Kandahar Power Bridging solution given that SIGAR found “that more sustainable sources will not be available to replace the Kandahar Bridging Solution until well beyond 2014?”

*Answer.* The Kandahar Bridging Solution currently provides approximately 28 MW of diesel generated power to the SEPS system. The Department of Defense plans to use the Afghanistan Infrastructure Fund (AIF) to provide diesel fuel through 2014, adjusting expected requirements to account for new sources of power as they come online in southern Afghanistan. As indicated above, the third turbine at Kajaki is expected to come online by the end of 2014 which will relieve some of the burden on the current diesel generators for Kandahar. The connection of the northern grid to southern Afghanistan will bring additional power (between 25 MW to 70 MW, depending on multiple variables). At a minimum, the grid-based power from NEPS will displace the current diesel generation, but is not estimated to be fully operational until 2016. In the meantime, we are working with the Government of Afghanistan and the Department of Defense to improve the performance of the Kandahar grid to reduce technical and commercial losses. We are also working with the Afghan National Utility on a plan to manage diesel fuel and increase revenue collection. In addition, we are exploring ways to incentivize revenue generation in southern Afghanistan by giving paying customers priority to diesel-generated electricity.

Ultimately, sustainability of the electrical grid in Afghanistan depends on the capacity of the Afghan National Utility, which has made great strides in the last few years and continues to improve its operations. USAID is working with the Afghan National Utility at both the national and local levels to better define the capital investments needed over the near and long term, the costs of operation and maintenance, and the technical, human, and financial resources needed to meet these obligations.

*Question.* What steps are being taken to address frustrations expressed by the local population for destruction of their property for the Nawa to Lashkar Gah road AIF project?

*Answer.* We are implementing the Afghanistan Infrastructure Program in close coordination with local officials of the Afghan Government to ensure local popular support for all projects and proper compensation by the government to the citizens impacted by construction. For instance, the Department of Defense worked with local officials to ensure proper procedures were followed in compensating residents for loss of their land due to the construction of the Lashkar Gah road. We have contacted our local government partners for the project and will make sure citizen concerns are addressed.

*Question.* For each FY 2011 and FY 2012 AIF project, please submit (1) a realistic estimate of costs necessary to sustain the project, the planned source of such funding, and an assessment of the reliability of the planned source; (2) evidence that estimated sustainment costs have been provided to the Afghan Government and that the Afghan Government has committed to sustain the project; and (3) a joint assessment of the capacity of the Afghan Government entity responsible for sustaining the project.

*Answer.* It is difficult to accurately estimate sustainment costs before project plans are finalized and bids are received for construction. The costs for operation and maintenance of infrastructure projects will be supported by a combination of funds from the international community and the Afghan Government. We continue to meet with the Ministry of Finance and line ministries to improve their capacity to generate revenue and budget for future maintenance. We are happy to provide as much information as we can on this subject and have attached the previously provided approaches for sustainment for each project funded with AIF to this document.

*Question.* Please provide background on the Afghanistan Reintegration Program (ARP), including the strategy and an assessment of efforts to date.

*Answer.* The Afghan Peace and Reintegration Program (APRP) was established by President Karzai on June 29, 2010. Representatives of the international community endorsed the APRP at the July 2010 Kabul Conference. The Afghan Government then issued a “Joint Order” on September 6, 2010, that gave detailed instructions to ministries and provincial governors on how to implement the APRP. The High Peace Council (HPC) was established in October 2010. This body is responsible for

providing advice to the President and for guiding, overseeing, and ensuring APRP implementation.

The APRP seeks to enable local agreements where communities, supported by GIRoA, reach out to insurgents to address their grievances, encourage them to stop fighting, and rejoin their communities with dignity and honor. To date, the program has brought in over 5,000 fighters, allowing them to rejoin their communities by pledging to renounce violence, support the political process, and contribute to their communities.

*Question.* Of the \$50 million authorized for ARP for FY 2012, please explain why only \$616,000 has been obligated as of March 31, 2012, and how and when the remainder of the funds will be obligated.

*Answer.* The Department of Defense (DOD) provides funds in support of the APRP through Afghan Reintegration Program (ARP) and can provide further information on funding and execution of those funds.

*Question.* As I said during my opening statement, “we must prepare now for Afghan elections in 2014. Ultimately, it is the political transition that will determine whether our military gains are sustainable and the strength and quality of the Afghan state we leave behind will be determined by that political transition. Our role should not interfere in domestic politics. It is critical that Afghans must pick their leaders freely and fairly. But we should make clear that we will only support a technical process that is transparent and credible. Selection of an accountable Independent Election Commission, transparency in new elections laws, and early preparation of voter lists are all critical steps for Afghans in order that they have a voice and choice in the election.”

- Please describe the U.S. strategy to prepare for a credible Presidential election in 2014, including how we will ensure that elections will be held in 2014 and not delayed or moved earlier and how we will ensure that the technical process is transparent and credible.

*Answer.* We have and will continue to support the democratic process in Afghanistan in accordance with the Afghan Constitution. An orderly and legitimate constitutional political transition through Presidential elections in 2014 is key to future Afghan stability. This political transition is first and foremost a question for the Afghan Government and people, but we stand ready to support and assist them. We recognize the importance of strengthening Afghanistan’s democratic institutions in the lead up to the 2014 political transition and beyond, and it is a key component in our U.S.-Afghanistan Strategic Partnership Agreement. Additionally, we will continue to work with international partners to provide appropriate support, including to Afghanistan’s electoral institutions.

The Tokyo Declaration and President Karzai’s July 26 Executive order both outlined that the Presidential election will take place in 2014, and the International Election Commission (IEC) has indicated its plans to hold the elections on time in spring 2014, as mandated in the Afghan Constitution.

The U.S. Government made significant contributions to the 2009 and 2010 elections, including programming to strengthen the IEC and Electoral Complaints Commission (ECC). We plan to continue this line of effort for 2014. We plan to support the election management institutions and strengthen their capacity to administer legitimate elections, including supporting the IEC to hire qualified and impartial election officials; providing logistics support to the IEC; assisting the IEC in establishing a credible and cost-effective voter registry; and assisting in identifying and allocating polling locations in accordance with Afghan laws.

*Question.* What are the key steps that the Afghan Government must take to ensure a credible election in 2014?

*Answer.* One of the key challenges the Afghan Government faces in advance of the 2014 election is the passage of needed electoral reforms. The Afghan Parliament is currently considering electoral reform legislation that would determine how IEC commissioners are appointed and would spell out the duties of the IEC commissioners. We support this Afghan discussion and are encouraged that civil society groups and political actors are engaged in a wide-ranging public debate on measures to improve the electoral process, including promoting checks and balances to enhance the independence of the IEC and ECC.

The IEC and other Afghan officials still need to identify the precise date of the election in 2014. As part of the Tokyo Declaration, the Afghan Government committed to announcing the election date by January 2013, which will enable sufficient preparation time for security, logistics, and candidates.

*Question.* What must the Afghan Government and international community do in 2012 to lay the groundwork for a legitimate political transition in 2014?

*Answer.* Through 2012, it will be important for the Afghans to continue working to pass a revised electoral law and the IEC Structure Law. Through a revised electoral law, the Afghans can establish a credible electoral complaints body with a clear mandate. The international community will focus on providing the technical assistance needed to help the Afghans strengthen their electoral process.

*Question.* The Electoral Complaints Commission (ECC) of Afghanistan, which played a key role in detecting fraud in the 2009 election and forcing a recount, is reportedly facing a loss of its independence because it may be subsumed by the Ministry of Justice. As the U.S. Ambassador to Afghanistan, would you support the continued independence of the ECC? If so, what steps will you take to ensure its independence?

*Answer.* An independent electoral complaints mechanism is critical for advancing the credibility and legitimacy of the election. Under current Afghan law, the ECC is established 120 days prior to the election and its activity ends 2 months after the certification of election results. The IEC submitted its recommendations for the draft electoral law to the Ministry of Justice on June 11, and under his July 26 Executive order, President Karzai ordered the Ministry of Justice to complete its review of the electoral law within 2 months.

*Question.* If confirmed, will you create a position similar to that held by Ambassador Tim Carney in 2009 to lead Embassy Kabul's election efforts? Why or why not?

*Answer.* Ambassador Tim Carney's efforts helped to focus and coordinate U.S. Government efforts in preparing for the 2009 Presidential election. At this time, we are still discussing our senior staffing needs for the 2014 Presidential election, taking into account the level of resources and the importance of Afghan ownership during transition.

*Question.* In your opening statement before the committee, you stated that the Japanese announcement at the Tokyo conference on July 8, 2012, that the international community had pledged \$16 billion in aid over the next 4 years was "sufficient to cover Afghanistan's fiscal gap as identified by the World Bank."

- Please clarify exactly how donor pledges will sufficiently cover an estimated \$16 billion fiscal gap, given that pledges are not actual dollars until and unless funding has been obligated by donors, a great deal less than 100 percent of donor aid will go toward financing the Afghan state and its budget, and development aid in Afghanistan largely does not go directly to the Afghan state. Has the World Bank confirmed that the donor pledges in Tokyo are sufficient to cover Afghanistan's fiscal gap?

*Answer.* At the July 8 Tokyo Conference, the international community agreed to support Afghanistan over the next 4 years with assistance pledges totaling \$16 billion, according to an informal Government of Japan tally. As noted in the U.S.-Afghanistan Strategic Partnership Agreement, which Congress supported in a non-binding resolution on July 31, we will consult closely with Congress on a yearly basis to seek appropriate funds to ensure that the United States provides sufficient assistance to maintain our hard-won gains in security and development in Afghanistan. We were pleased that commitments made at Tokyo indicate that our international allies have pledged to contribute an increased percentage of Afghanistan's civilian assistance needs, which means that our own share of civilian assistance levels as a percentage of overall international civilian assistance to Afghanistan is decreasing. Donors also recommitted at Tokyo to find ways to put more assistance on budget, or channeled through the Afghan Government in transparent ways, consistent with Busan outcomes, such that our assistance will have a greater impact and be better aligned with Afghan national priorities. Prior to Tokyo, a joint IMF and World Bank debt sustainability analysis found that Afghanistan's nonsecurity budgetary requirements would be between \$3.2 and \$3.9 billion annually, inclusive of on- and off-budget expenditures.

*Question.* In light of the Tokyo conference and commitments, what changes will take place in how USAID and the State Department will obligate funds in Afghanistan to help meet Afghanistan's fiscal gap?

*Answer.* The Tokyo Declaration and Framework outlines ways in which donors will change their approach to providing assistance to Afghanistan through greater accountability, increased predictability, and incentive mechanisms. Working closely with our congressional partners, we will adjust how we request and obligate funds

in Afghanistan following Tokyo. At Tokyo, donors agreed that additional work will need to be done to continue improving the effectiveness of civilian assistance. At Tokyo, donors also agreed that we should reenergize the Joint Coordination and Monitoring Board (JCMB) as the key coordinating mechanism between donors and the Afghan Government. We agree that donors and the Government of Afghanistan must improve coordination to ensure that pledged funds are utilized most effectively, are allocated to the highest priorities, and are supportive of sustainability. The JCMB will be the primary means to follow up on the mutual accountability commitments made in Tokyo.

Based on commitments reaffirmed at Tokyo, we will attempt to provide up to 50 percent of development assistance through the Afghan budget, and ensure that at least 80 percent of our assistance is in line with Afghan national priorities. The Tokyo Declaration also encourages donors to provide increasing levels of assistance through incentives programs, such as those in the World Bank-run Afghanistan Reconstruction Trust Fund (ARTF).

*Question.* What percentage of FY 2012 funds is going through the national budget of the Afghan Government (“on-budget”)? What percentage of FY 2013 funds is estimated to go on-budget?

*Answer.* We expect approximately 45 to 50 percent of FY 2012 development assistance will be placed on-budget. Development assistance encompasses most of our Economic Support Funds, but does not usually include security, humanitarian, stabilization, or law enforcement funding. Prior to placing funds on-budget multiple safeguards are put in place. These include:

- Risk Assessments to determine whether an Afghan ministry or institution has the structures and processes in place to appropriately manage U.S. Government funds
- Agreements with clear and achievable goals and objectives, provisions for incremental funding, along with audit and inspection rights, for each project or activity implemented.

For FY 2013 we intend to similarly pursue a responsible on-budget program. Percentage of funds placed on budget will be dependent on the final appropriation.

*Question.* What percentage of FY 2012 funds is aligned with the Afghan Government’s National Priority Programs (NPP)? What percentage of FY 2013 funds is estimated to be aligned with the NPPs?

*Answer.* We have determined that nearly 80 percent of our development assistance is already in line with Afghan national priorities, as defined in Afghanistan’s National Priority Programs (NPPs). Post Tokyo, we are now engaged in an evaluation to determine our precise program alignment to NPP deliverables.

*Question.* In your opening statement, you stated that “international assistance to Afghanistan is not unconditional.” In light of the mutual accountability framework and commitments made in Tokyo, please describe specifically what conditions will be attached to U.S. civilian assistance in Afghanistan going forward, excluding funds obligated by the United States to the World Bank’s Afghanistan Reconstruction Trust Fund (ARTF) incentive program.

*Answer.* Donors continue to define specific criteria related to Tokyo commitments. Once we have determined what conditions will be attached to civilian assistance—over and beyond the incentive structures already in place in the ARTF and other similar programs—we will coordinate with you to ensure full transparency. The mutual accountability framework includes specific, measurable reform goals for the Government of Afghanistan and the international community. Progress toward these goals will be regularly evaluated through the JCMB and other meetings with participation from Afghan civil society, and findings will be made available to the public. The international community was clear at Tokyo that lack of progress on these reform goals, especially those related to the rights of women, would make it difficult to justify large assistance budgets and could result in decreased levels. Our regular consultations with Congress about the annual assistance requests for Afghanistan will include a discussion of specific progress toward the goals of the Tokyo Mutual Accountability Framework.

*Question.* How much of FY 2011 funds was obligated to the ARTF’s incentive program? How much is planned to be obligated for FY 2012? FY 2013?

*Answer.* In FY 2011, the United States provided \$371 million to the ARTF; \$166 million of that contribution was not “preferenced” to specific programs, and will be distributed among the existing ARTF incentive program, recurrent cost funding, and program funding. In 2011, the World Bank’s ARTF did not provide incentive pro-

gram funding to the Government of Afghanistan due to the absence of an IMF country program. For 2012, the U.S. plans to contribute \$300 million to the ARTF, and the fund is planning a \$50 million incentive fund, increasing to \$150 million in 2013, with the intent of applying more funding toward incentive-based approaches in coming years.

*Question.* Please describe the plans to manage Afghanistan's fiscal gap starting in 2016.

*Answer.* The Tokyo Declaration recommends holding a Ministerial to review progress on Tokyo mutual accountability in 2014. At that conference, we expect that we will also review Afghan efforts to prioritize fiscal needs, as well as Afghan efforts to increase revenue generation. Now, and particularly post-Transition, the Afghan Government will define how to best address its fiscal gap based on an assessment of its needs at that time, as it describes in its pre-Tokyo strategy "Towards Self Reliance." At Tokyo, donors were clear that civilian assistance levels would diminish through the Transformation Decade, as the Afghan Government increasingly takes responsibility for its own fiscal sustainability.

*Question.* Beyond the extractive industries sector, what are the Afghan Government's plan to raise and collect revenue?

*Answer.* The IMF country program for Afghanistan calls for the application of a Value Added Tax (VAT) in an effort to capture additional revenues for the Afghan Government, with a goal of reaching 15 percent of GDP by 2015. For the first time, the Afghan Government recorded revenues of over \$2 billion this year. The Afghan Government also realizes that it must make reforms that attract private sector investment and encourage economic growth. As Afghanistan's economy grows, the country should collect more revenues in real terms.

*Question.* What is your perspective on the Afghan Government's recent rejection of the mining law? What implications does it have for U.S. support to develop the extractive industries sector?

*Answer.* We understand that the Afghan Cabinet has reviewed proposed revisions and additions to the mining law, and that Cabinet members requested additional time to review and understand these complex laws and amendments. We understand that many of the proposed amendments to the current mining law, if approved, would create a more attractive business environment for potential international investors. We are encouraged that the Cabinet is closely reviewing the law, with the understanding that the passage of a widely accepted law is important to attract foreign direct investment to the mining sector and the Afghan economy. This is an Afghan-led process and we recognize the Afghan Government's desire to ensure that revenues from the extractive sector benefit the Afghan people in a transparent manner.

*Question.* What has the United States accomplished in its goal of reducing corruption in the Afghan Government? If confirmed, what approach do you intend to take on this issue, and how, if at all, would your approach differ from that taken previously?

*Answer.* We and the Afghans recognize that corruption challenges loom large in Afghanistan. It is in Afghanistan's own interest to aggressively pursue anticorruption policies and we continue to underscore the importance of these efforts in our engagements with the Afghan Government.

Before the Tokyo Conference on July 8, the Afghan Government published a strategic vision for the transformation decade entitled "Towards Self-Reliance," in which governance issues play a prominent role. In this strategy, the Afghans Government pledged to meet 17 governance indicators defined at Tokyo in five key areas: governance capacity and accountability; anticorruption; budget planning and execution; rule of law; and economic governance. Many of these pledges are defined in the Tokyo Mutual Accountability Framework, which the international community and the Afghan Government are working to make specific and actionable.

Just recently, on July 26, President Karzai issued a Presidential decree detailing an expansive plan to combat corruption with specific instructions. This follows a June 21 speech to a special session of Parliament during which President Karzai made clear that he would like anticorruption to be part of his legacy.

Afghanistan is making progress on key transparency reforms to facilitate economic growth in specific areas. Afghanistan has made significant progress toward Extractive Industry Transparency Initiative (EITI) compliance and World Trade Organization accession. EITI compliance will be important for Afghanistan in the coming years to ensure that it equitably and transparently uses the significant revenues it expects from the mining and extractives sector.

The Afghans have also taken steps toward holding accountable those responsible for the Kabul Bank crisis, permitting the IMF to restart its relationship with Afghanistan in November of last year. This decision was reaffirmed in late-June by the IMF Executive Board. The Afghan Government has affirmed its commitment to hold those involved in the Kabul Bank scandal accountable and has instituted a process that requires all shareholders to take part in a combination of civil and criminal proceedings. This process should result in continued asset recoveries and prosecutions. The Afghan central bank is also in the process of implementing wide-ranging financial sector reforms as defined under the IMF country program.

If confirmed, I will continue to hold the Afghan Government accountable to the pledges made in the Mutual Accountability Framework. I will encourage the Afghans to make meaningful progress on anticorruption efforts and I will do everything possible to ensure that U.S. assistance funds are used appropriately.

*Question.* According to the Special Inspector General for Afghanistan Reconstruction's July 30, 2012, report, the U.S. Congress has appropriated more than \$52 billion to support the Afghan National Security Forces (ANSF). Current projections to sustain the ANSF exceed \$4 billion a year.

- Through what security assistance authority does the administration plan to fund the ANSF in years to come?
- As the U.S. mission in Afghanistan slowly transitions to a civilian-led effort, will the administration continue to request funding through the Afghan Security Forces Fund or will it seek to shift assistance toward traditional mechanisms such as Foreign Military Financing and International Education and Military Training?

*Answer.* No decisions have been taken on future funding that would change the current model with the Department of Defense taking the lead in the training and funding of the Afghan National Security Forces (ANSF). As transition progresses, we will make assessments on whether and when State should seek a greater role in funding the ANSF and make appropriate requests.

*Question.* Although the ANSF has shown progress in certain capabilities, there are still serious questions about its ability to operate autonomously, without the aid of coalition forces. The ANSF still confronts significant problems of illiteracy, high attrition, and corruption. U.S. Government assessments and metrics are focused on creating the force rather than on transition. NTM-A has not issued a useful public report on ANSF development since 2011.

- Please explain how the administration's current assessment metrics determine whether the ANSF has the will to fight and the ability to hold together a coherent force representing the central government.

*Answer.* Regarding metrics, the Department of Defense (DOD) provides metrics that assess capability milestones across the Afghan National Army (ANA) and Afghan National Police (ANP). DOD also provides a quarterly Progress Report on Stability and Security in Afghanistan that assesses the ability of the ANSF. Overall, we have seen growing confidence of the ANSF during this 2012 season in responding capably and largely independently to complex insurgent attacks in Kandahar, Wardak, Kabul province and Kabul city. The ANSF are also increasingly capable of taking the lead for some of the most complex missions—including a recent successful night air assault planned and led by Afghans, comprising over 50 Afghan commandos and four MI-17s flown by Afghan pilots. While the ANSF continues to need ISAF support in enablers, their operational effectiveness is increasing and the 352,000 ANSF target later this year will provide a solid foundation as the transition of provinces continues through December 2014. As the coalition continues the draw-down to our sustainment level, the NATO Training Mission Afghanistan (NTMA) is developing the leadership and technical skills within the ANSF that can support independent operations by the end of 2014.

*Question.* What do recent assessments of the Afghanistan Local Police (ALP), the Afghan Public Protection Force (APPF), and the Counter Narcotics Police of Afghanistan (CNPA) say about their effectiveness, and what are the plans to sustain these forces?

*Answer.* The Afghanistan Local Police (ALP), the Afghan Public Protection Force (APPF), and the Counter Narcotics Police of Afghanistan (CNPA), on the whole, have performed admirably and continue to develop capabilities to secure Afghan. The majority of Afghans have a favorable view of the ALP program, which is providing security in rural regions that lack regular ANP or ANA. As it stands, the Ministry of Interior and DOD approved manpower ceiling is 30,000 ALP in a program to last no more than 5 years. There are currently less than half that number

of ALP operating in Afghanistan. The Afghan Ministry of Interior will formalize the continuation of ALP beyond 2015.

With regards to the APPF, we respect the sovereignty of the Afghan Government and its right to regulate the provision of security services within Afghanistan. The APPF is part of the overall transition to Afghan security lead by 2014 and the program has taken longer than expected to develop the institutional support for the APPF, while guard hiring, training and employment are steadily increasing. Although APPF is overseen and managed through the Ministry of Interior, the APPF operates as a State-owned enterprise, under which its own revenues will support the force in the future.

As a law enforcement component of the Ministry of the Interior, the CNPA follows a strategy, codified within their Ministry Development Plan (MDP) that was developed and is being implemented by DOD-funded entities (NTM-A/CSTC-A). The U.S. Government focuses its evaluation and assessment activities of the effectiveness of its programs in building capacity, and in enabling an independent CNPA. As such, the current monitoring and evaluation activities take into account measures of both the transfer of knowledge to the specialized investigative personnel, as well as to the CNPA administrative personnel. Oversight of the infrastructure components of the programs is conducted by an onsite Contracting Officer's Representative (COR) and Government Technical Monitor (GTM). These individuals are continuously reviewing and evaluating the contractor's performance in maintaining the basing facilities so that when the Afghan's are ready for a full transition, they receive the high-quality platforms necessary for success.

*Question.* With the continued drawdown of coalition forces, how will the United States sustain a coherent and competent ANSF? What actions is the administration undertaking to ensure the international community shares in continued burden of sustaining the ANSF?

*Answer.* As pledged at the NATO summit in Chicago, NATO will continue to lead a post-2014 Train, Advise and Assist mission designed precisely to develop a competent and coherent ANSF as they take the lead throughout the country. At Chicago, ISAF Allies and Partners also joined the Afghan Government in pledging around \$1 billion so far in financial support to a post-2014 ANSF. The Afghan Government has pledged to provide at least \$500 million a year beginning in 2015 and progressively increasing its share over time. We will continue to urge countries, particularly those in the region who have a strong stake in Afghanistan's security, to provide funding to the ANSF. This will be critical to secure the gains the ANSF has made and ensure a sustainable future for the security force.

*Question.* What is your assessment of the political sustainability of the ANSF post 2014, given the difficulties of recruiting and retaining Pashtun officers and the overwhelming dominance of non-Pashtun groups within the ANA officer corps?

*Answer.* Within the ANA officer corps, the NATO Training Mission Afghanistan (NTMA) has directed recruitment in a way that reflects the ethnic and regional demographics of Afghanistan, including Pashtuns. As NTMA continues to train officers over the next years, they will continue to seek these targets and develop a cohesive ANA officer corps, reflective of Afghan society.

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RESPONSES OF RICHARD G. OLSON TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* Section 620M of the Foreign Assistance Act of 1961, commonly known as the Leahy amendment, provides guidance for U.S. embassies regarding the collection, use, and public disclosure of information relating to gross violations of human rights by units of foreign security forces. Among other things, the law requires that if the Secretary of State has credible information that such a unit has committed such a violation, U.S. training, equipment, or other assistance to that unit must cease, unless the foreign government is taking effective steps to bring the responsible members of the unit to justice. The law has a mandatory provision that requires the U.S. Government to notify the foreign government if the United States decides to withhold training, equipment, or other assistance pursuant to the law. The law also requires the Department of State to take affirmative steps to piece together available information and to work to identify security force units responsible for violations.

- (a). If confirmed, please describe the steps you would take: (1) to ensure that the law is implemented effectively, including to vet units to determine their eli-

gibility to receive training, equipment, or other assistance; and (2) to ensure your Embassy receives information that such a crime may have occurred.

Answer. The Department of State ensures full compliance with the Leahy law in Pakistan. Embassy Islamabad has a process in place to vet security force units and individuals before they receive U.S. assistance to ensure they are not implicated in any gross human rights violations. This process is led by an in-country vetting coordinator and an interagency team, which reviews all potential recipients, including security force units, of training and other assistance.

- (b). If confirmed, please also describe the steps you would implement to ensure: (1) that the people of Pakistan are aware of the law and the commitment of the United States to avoid providing training, equipment, or other assistance to units that commit human rights violations; (2) that persons in Pakistan with credible information about human rights violations have a means to provide that information to the U.S. Embassy so it can be considered in vetting units; and (3) that the Embassy staff is affirmatively seeking to identify security force units responsible for human rights violations and not simply waiting to receive information?

Answer. Addressing human rights abuses by Pakistan's security forces continues to be a key part of our bilateral dialogue with Pakistan. We regularly engage the civilian government and Pakistani military and police officials on human rights abuses, including any report of extra judicial killing. We have been clear with the Pakistanis that such practices will not be tolerated and that we expect Pakistan to investigate credible allegations of human rights abuses and take appropriate action to deal with these abuses. If confirmed, I will continue to press the Government of Pakistan to take action against human rights violators. I will also continue to ensure Embassy Islamabad's compliance with the Leahy law, including offering assistance to the Government of Pakistan to help identify and prosecute members of security forces who commit violations.

- (c). The law also requires that if any training, equipment, or other assistance is withheld the U.S. Government offer assistance to the maximum extent practicable to help identify and prosecute members of security forces who commit violations. If confirmed, will you fully implement this requirement of the law and help Pakistan end impunity for human rights violations?

Answer. Regarding the vetting process, Embassy Islamabad has a Human Rights Officer who actively collects information on reported human rights abuses, which is reported in the Department's annual Human Rights Report and is incorporated into the vetting process. Embassy Islamabad, in coordination with the Bureau of Democracy, Human Rights & Labor (DRL), complies with a vigorous vetting system to ensure that security force recipients of U.S. assistance have not committed human rights abuses. The International Vetting and Security Tracking (INVEST) system is used to monitor all requests for assistance to members of foreign security forces. The vetting process is as follows:

- Embassy Islamabad enters those individuals or units nominated for training or assistance into the INVEST system, and uses governmental, nongovernmental, and media resources on human rights abuses in Pakistan to vet the candidates. The Embassy also undertakes checks with local police and government for other derogatory information. Should any credible derogatory information be uncovered, the Embassy may deny or suspend the individual or unit from assistance.
- If there is a need for further review of information, DRL assembles a broader team of Department representatives to determine the credibility of the information and determines whether assistance should be denied or authorized. Posts are automatically notified of final Leahy vetting results through INVEST.

If confirmed, I plan to continue this process and will look for opportunities to improve the effectiveness of our procedures.

- (d). If confirmed, we ask that you provide this committee along with the Senate Appropriations Committee on Foreign Operations (SACFO) the steps you have taken to implement the steps you have identified in response to these questions after you have been at the Embassy for 6 months.

Answer. If confirmed, I will also look for opportunities to expand our efforts to engage the Pakistani public about credible human rights violations by its security forces and explore how we could increase the mission's ability to proactively seek information regarding potential violations. I will continue U.S. support for bolstering Pakistani institutions that are responsible for investigating and prosecuting these allegations.

I will continue to keep the Senate Foreign Relations Committee and the Senate Appropriations Committee, Subcommittee on Foreign Operations informed of our progress.

*Question.* The Center for Global Development's July 2012 report "More Money, More Problems: A 2012 Assessment of the U.S. Approach to Development in Pakistan" found that "despite improvements in individual projects and agencies, the government-wide development strategy for Pakistan still lacks clear leadership, mission, transparency, and adequate exploitation of nonaid tools."

- (a). If confirmed, please describe the steps you will take to clarify the mission, increase transparency, and measure progress.

*Answer.* There are significant challenges to implementing U.S. assistance to Pakistan. We have recognized, however, that we can and must do a better job of informing the United States and Pakistani public of the accomplishments and goals of our civilian assistance program. One of my top priorities, if confirmed as Ambassador, would be to work closely with USAID, the Department, and other interagency partners engaged in international development in Pakistan to further increase transparency and ensure our assistance is deployed effectively.

We have already taken extensive steps to clarify our mission. In February 2011, State and USAID reviewed all civilian assistance to Pakistan and streamlined our investment to have maximum impact on our national security objective of supporting a stable, secure, and prosperous Pakistan. Following consultations with the Government of Pakistan on its top development priorities, the result was a concerted effort to focus our assistance into five priority sectors: energy; economic growth, including agriculture; stabilization, mainly of the border areas; education; and health. This framework is available online in strategic documents such as the "Afghanistan and Pakistan Civilian Engagement Status Report," available at: <http://www.state.gov/documents/organization/176809.pdf>.

We are identifying key goals for each of these five sectors and quantifiable metrics so that we can concretely measure progress. These metrics will be available online in the coming weeks. USAID has already increased the amount of detailed programmatic information available on its website to include disbursement data and will be increasing the amount of detail on the Web site over time.

I also appreciate the work of think tanks in informing our efforts in Pakistan, including that of the Center for Global Development. If confirmed, my team and I will review their ideas for performance improvements and adapt as appropriate.

- (b). Would you support establishing a multilateral trust fund to channel some Kerry-Lugar-Berman funds? Please explain why or why not.

*Answer.* The United States has previously contributed funds to the Multi-Donor Trust Fund (MDTF) in Pakistan, a mechanism to fund projects in Pakistan's border regions. In the past, the Government of Pakistan has expressed some reservations about establishing MDTFs for assistance to the rest of Pakistan, but we would consider channeling U.S. civilian assistance into a MDTF if the Government of Pakistan were supportive.

- (c). Would you support cofinancing with other donors that have proven track records, such as the British development agency (DFID) on education projects? Please explain why or why not. What steps would you take to amend USAID regulations to allow for greater flexibility to use funds for cofinancing?

*Answer.* The United States has previously cofinanced assistance initiatives with other donors. For example, following the 2010 floods, the United States contributed \$190 million to Pakistan's Citizens' Damage Compensation Fund. We have discussed the potential for additional cofinancing opportunities with organizations like DFID and if confirmed, my team and I will look for logical opportunities to do so in the future. USAID regulations are not an obstacle to cofinancing arrangements.

- (d). If confirmed, what steps would you take to encourage longer staff rotations, hire more experienced development staff, and hire experienced Pakistanis at the Embassy and USAID Mission in Islamabad, Lahore, Karachi, and Peshawar?

*Answer.* I recognize that shorter tenures of service in Pakistan create challenges in achieving all aspects of the mission's work. If confirmed, I am personally committed to recruiting and retaining top talent for the entire Pakistan country team, including recruiting for key positions staff who will agree to serve for longer tours. Currently, approximately 20 percent of USAID staff extend their tour to two or more years. I will work with the State Director General and USAID's Deputy Assistant Administrator for Human Resources to encourage longer rotations and hiring experienced staff.

As an example of progress already achieved, USAID/Pakistan's top three employees—the Mission Director and his two Deputies—all acquired extensive experience serving as Mission Directors in other countries before they came to Pakistan. USAID/Pakistan has also undertaken extensive efforts to hire experienced local staff in Islamabad, Lahore, Karachi, and Peshawar to take on critical positions. However, harassment and security issues pose challenges to our ability to recruit and retain talent for mission local staff for all agencies, including USAID.

*Question.* The administration recently released more than \$1.1 billion in reimbursements through Coalition Support Funds to the Government of Pakistan. Pakistan also receives security assistance through mechanisms such as the Pakistani Counterinsurgency Capability Fund, Foreign Military Financing, International Military Education and Training, and Nonproliferation, Antiterrorism, Demining, and Related Programs. Given the often strained bilateral relationship between the United States and Pakistan, how will the administration continue to leverage security assistance to ensure that the Government of Pakistan is acting in the best security interests of the United States?

*Answer.* Pakistan's cooperation on our key counterterrorism concerns has continued despite the turbulence of the past year. Sustained U.S. and Pakistani counterterrorism efforts have seriously impacted the leadership of al-Qaeda (AQ) and degraded the organization's ability to operate against us and our troops. Pakistan has continued to conduct counterterrorism operations in the Federally Administered Tribal Areas and Khyber-Pakhtunkhwa, including ongoing missions in North and South Waziristan, Mohmand, and Orakzai. Pakistan military liaisons continue to staff border coordination centers in Afghanistan and work with their U.S. and Afghan counterparts to improve the effectiveness of border operations against militants. The Pakistan Navy also participates regularly in multinational maritime security operations.

U.S. security assistance strengthens the counterterrorism and counterinsurgency capabilities of Pakistan's security forces, and promotes closer security ties with the United States. Specifically, we are using security assistance to enhance Pakistan's ability to secure its borders and increase its counter-IED capabilities. These capabilities are central to promoting stability in the region post-transition, and critical to U.S. national interests. As we begin to draw down coalition forces in Afghanistan, it is vital that Pakistan security forces have the ability to conduct targeted operations against insurgent safe havens that remain a threat to the United States, Pakistan, and the region.

As a matter of policy, we continue to review and calibrate the delivery of security assistance to Pakistan to ensure it is in line with our shared objectives and commensurate with levels of Pakistan's cooperation. This allows us to responsibly deliver security assistance to Pakistan in support of our key national security interests and shared interests with Pakistan. If confirmed, my team and I will continue to regularly monitor all security assistance programs to verify that they are consistent with the broader U.S.-Pakistani relationship, and reflective of the level of Pakistani cooperation, including with the U.S. military presence on the ground.

*Question.* India and Pakistan have taken some encouraging steps in recent months to improve relations and to reduce the risk that disputes between the two countries could spark a nuclear showdown. But as long as those arsenals exist, that risk continues. Please identify concrete actions that you believe the United States should take in the coming months and years to build greater confidence and transparency between the two countries regarding their nuclear arsenals, and to further reduce, if not eliminate, the risk that future crises could result in nuclear use.

*Answer.* We welcome the steps that India and Pakistan have taken toward improving their bilateral relations and encourage continued progress. We see great importance in both countries taking steps to reduce the risk of nuclear weapons use. Indian and Pakistani officials met in December 2011 to discuss conventional and nuclear confidence building measures as part of the wider dialogue between the two countries.

These are actions that ultimately India and Pakistan must take themselves, but we continue to encourage both sides in their efforts. There are also many opportunities for cooperation on this issue through "Track Two" channels that enable experts from India, Pakistan, and the international community to share ideas and best practices, and to engage in informal diplomatic dialogue.

RESPONSES OF RICHARD OLSON TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* While teetering on the brink of insolvency, Pakistan appears to forgo considerable revenues, including those associated with transit trade. Though Pakistan has signed a Transit-Trade Agreement with Afghanistan that was intended to allow direct transit of goods between Central Asia and South Asia there has been little progress in actual trade across Pakistan and thus considerable revenue and jobs continue to be lost.

- (a). What is the status and prospect of trade finding permanent alternative routes, such as through Iran?

*Answer.* We have seen progress in working with our Pakistani counterparts to promote transit trade with Afghanistan. While South Asia is poorly integrated economically, the Pakistani Government has realized that future economic prosperity depends on greater economic integration with Afghanistan and India, and has made efforts to expand its trade and investment relations with both countries. In 2010, Pakistan and Afghanistan reached agreement on the Afghanistan-Pakistan Transit Trade Agreement (APTTA), which is meant to expedite transit and customs processing for trade between Afghanistan and Pakistan. Despite entering into force in 2011, both sides have struggled to implement APTTA because of technical and political challenges. In January 2012, the Afghan and Pakistani Finance Ministers agreed to a framework for resolving the remaining issues. Recently, the two sides indicated their intention to convene technical level coordination meetings to discuss treaty implementation. Additionally, the joint statement released by Prime Minister Ashraf and President Karzai in late July announced the intent of the two sides to pursue the extension of APTTA to include Tajikistan.

We continue to support Pakistan's economic integration in the region through the New Silk Road and are encouraged by the concrete steps India and Pakistan have taken to normalize trade relations. Pakistan's cross-border trade with India has increased to \$2.7 billion per year from just \$300 million per year a decade ago. To further this growth, the Pakistani Cabinet approved in February a 1,209-product "negative list" of goods from India, replacing the previous "positive list" which had allowed import of fewer than 2,000 tradable items.

The implementation of APTTA should help Afghanistan and Pakistan recover trade that was diverted through other countries including Iran while the ground lines of communication were closed by enabling faster border processing and by improving the predictability of transit along the routes. Businesses and commercial carriers in Pakistan and Afghanistan have indicated that if the situation were to improve, they would prefer to resume or expand their trade across Pakistan because it covers a shorter distance over less difficult terrain.

- (b). Is the road/rail infrastructure through eastern Iran fully operational and capable of transferring the vast iron ore India and others will seek to export from rich mineral deposits in Afghanistan?

*Answer.* However, we have not assessed Iran's road and rail capacity for this purpose. We continue to work with the Government of Afghanistan to promote the development of infrastructure required for the exportation of its resources.

- (c). What is the total estimate of revenue lost by Pakistan during the closure of the NATO/ISAF resupply routes (GLOC)?

*Answer.* We do not have a good estimate of the revenue lost by Pakistan due to the GLOC closure. All of the cargo that travels along the Pakistani GLOCs is transported by privately owned Pakistani freight forwarding companies. While it is clear that the Government of Pakistan lost revenue by the closure, private businesses were more directly impacted.

*Question.* According to the 2011 State Department Country Reports on Terrorism, brutal and deadly terror attacks within Pakistan itself have amounted to well over 3,000 Pakistanis killed in 2011. The threat of violent militant groups is pervasive, and no part of the Pakistan is spared. Suicide and armed attacks occur in the coastal city of Karachi, the business capital of Lahore, the frontier capital of Peshawar, as well as in the tribal areas adjoining Afghanistan.

- How do the Pakistan Government and the people of Pakistan classify this threat?
- How has the Pakistan Government worked to address the internal threat to life and governing institutions that these terror groups represent?

- Distinguish to the extent possible between our efforts to support Pakistan efforts to combat internal terror threats, and the effort toward the regional threat emanating from Pakistan safe havens? Which is our primary concern?

Answer. The United States and Pakistan have vital, shared strategic interests in the fight against terrorism and, since the 9/11 attacks, Pakistan has been an important counterterrorism partner of the United States. Pakistan recognizes the threat that extremists pose to its own security and to regional security; more than 35,000 Pakistanis, including over 14,000 Pakistani security personnel, have been killed or injured by terrorist attacks or in counterterrorism and counterinsurgency operations.

There are over 120,000 Pakistani troops deployed to the Afghanistan-Pakistan border region conducting counterterrorism and counterinsurgency operations to address the threat posed by groups such as al-Qaeda and the Tehrik-e-Taliban Pakistan (TTP). The Pakistani Government is also working to improve the capacity of Pakistan's security forces and the capacity of the Pakistani Government as a whole to combat terrorism and to conduct counterinsurgency operations. To this end, the U.S. Government has provided training and assistance, for example, through our Pakistan Counterinsurgency Capability Fund and the Antiterrorism Assistance program. This includes training for bomb detection, crime scene investigation, airport and building security, and maritime protections. We also assist with judicial and prosecutorial training, to bolster the ability of the Pakistani legal system to deal with terrorism cases.

More broadly, Pakistan generally continues its cooperation with us on al-Qaeda—whose defeat is our core national security objective in Afghanistan and Pakistan. As President Obama has said, “We have been able to kill more terrorists on Pakistani soil than just about any place else. We could not have done that without Pakistani cooperation.” The importance of this fact cannot be overstated. As both the President and Secretary Clinton stated after the death of Osama bin Laden, our close counterterrorism cooperation with Pakistan has put unprecedented pressure on al-Qaeda and its leadership.

We are focused on doing more with Pakistan, including helping it implement the April 2012 Parliamentary recommendation that Pakistani territory is not to be used for attacks on other countries and all foreign fighters are to be expelled. We are also seeking greater cooperation with Pakistan on addressing the threat posed by improvised explosive devices (IEDs) which pose a significant threat to Pakistani civilians and security personnel as well as to U.S. and partner forces across the border in Afghanistan.

At the same time, we have to continue to apply pressure on the Pakistanis to go after groups like the Haqqanis and Lashkar-e-Taiba, which are a threat to regional stability. We will continue to insist on improved cooperation to eliminate the continuing threats emanating from Pakistan. We are using our diplomatic and assistance tools to press that point.

*Question.* While the Haqqani network has been implicated in attacks on U.S. entities in Afghanistan, including the Embassy in Kabul, and multiple diplomatic entreaties of the Pakistan Government by U.S. officials have yielded little assistance, there is an obvious gap in our ability to address this threat.

- What role and function does the Haqqani network play in the tribal areas, including from a social and economic perspective?
- Is targeting the Haqqani network a redline that has been explicitly expressed by Pakistan authorities?
- Have there been any inferences by Pakistan officials that some agreement can be made regarding the Haqqani? If so, what are the terms?
- Under what conditions would the Haqqani network be targeted?
- Similarly, why is the Quetta Shura able to operate so openly in Balochistan? Is targeting Quetta Shura explicitly redlined by Pakistan authorities?

Answer. The Haqqanis have an extensive business and criminal network which operates primarily in the Loya Paktia region of Afghanistan and portions of North Waziristan, Pakistan. This includes legitimate business activities, for example those related to the construction sector (some of which are also used as fronts for illicit activities), and criminal activities, such as extortion and kidnapping. The diversity and extensiveness of the Haqqanis' activities makes it both an influential power-broker and a feared actor.

In April 2012, Pakistan's Parliamentary Committee on National Security stated that Pakistan's territory shall not be used for any kind of attacks on other countries and all foreign fighters shall be expelled from Pakistani soil. We have underscored to the Pakistani Government the importance of following up on these recommendations with concrete steps to squeeze the Haqqanis, the Quetta Shura, and other

groups to include sharing intelligence about Haqqani operations, taking action to close and dismantle extremist camps and operational locations, and controlling its movement along the border with Afghanistan. At the same time, ISAF continues to target Haqqani operatives on the Afghan side of the border, such as Sher Mohammad Hakimi on August 4.

*Question.* The Pakistan Business Council submits a list of suggested reforms to the Pakistan Government through the Finance Minister each fiscal year.

- To what extent are the United States and other donors, including the multilaterals, supportive of this effort and what, if any, similar efforts are recognized?
- What is the U.S. assessment of these efforts in mobilizing reform?
- What sectors and what percentage of the economy are assessed to be significantly influenced by the Pakistan military?

*Answer.* Pakistan's economy remains resilient but unstable. Economic reforms, especially in energy, revenue collection, and fiscal management, must be implemented to unlock its potential. We support the reforms proposed by the Pakistan Business Council to change the tax structure and widen the taxation base, which if enacted, would revive business confidence and help put the Pakistani economy on track to achieve the consistent growth needed to provide employment for its growing population, more than half of which is under 25 years of age. Engagement on economic reform is therefore an important part of our relationship with Pakistan. For example, we are currently negotiating a Bilateral Investment Treaty with Pakistan, which we believe will spur U.S. investment and encourage transparency in Pakistani Government decisionmaking. We also support the efforts of business associations and civil society to encourage economic reform.

In addition to our bilateral efforts, the IMF and the multilateral development banks remain actively engaged in Pakistan, and work to advance economic reforms needed to support stabilization and development. We participate in the Friends of Democratic Pakistan (FODP) group, which has produced reports and roadmaps for the reform on post-conflict reconstruction requirements in the tribal areas and the energy sector.

While the Pakistani Government has made some progress toward implementing necessary reforms to achieve more market-based electricity prices, reduce subsidies, and expand revenue collection, these steps are not enough to resolve Pakistan's macroeconomic instability. Political will is necessary to overcome entrenched interests. While business associations have spoken in favor of reform, they traditionally have not been strong advocates. We support efforts by the U.S. Chamber of Commerce through its NGO affiliate to strengthen the voices of these business associations.

The Pakistani military is both a significant employer and consumer in Pakistan, and as such plays a central role in driving Pakistan's economy, particularly in the energy, agriculture, and transportation sectors. We do not have an estimate of the percentage of the economy influenced by the military, but it is significant. Two well-known examples of state-owned and "private" service providers are: (1) the National Logistics Cell, a military-controlled logistics company that manages transportation and border infrastructure, and (2) the Fauji Foundation, one of the largest energy conglomerates in Pakistan, with interests in fertilizer, cement, food, power generation, gas exploration, financial services, employment services, and security services. These entities, and others like them, employ retired military personnel.

*Question.* The United States declaration of intent to shift its focus toward Asia and the Indo-Pacific region as introduced by the President in January and reinforced in the region by the Secretary of Defense recently provided considerable opportunity for India's important role.

- What if any increased commitment has India made to help regionally, especially in Afghanistan, as it relates to this opportunity?
- What if any redline does the U.S. assess exists in Pakistan as it relates to India's assistance and investment in Afghanistan?
- What impact has been noted in Pakistan by the SECDEF encouragement of India to act in Afghanistan?

*Answer.* India shares our goal of a stable, secure, and prosperous Afghanistan, and has made significant commitments toward that end. As South Asia's largest economy, India is a natural partner to promote long-term stability and economic development in Afghanistan.

India's commitments were formalized in the Indo-Afghan Strategic Partnership Agreement (SPA) signed in October 2011. In May, Indian External Affairs Minister Krishna and Afghan Foreign Minister Rassoul launched the India-Afghanistan Part-

nership Council to implement the SPA. The council is comprised of joint working groups on economic cooperation, political and security issues, capacity development and education, and civil society.

On the security front, India provides training to several Afghan National Security Forces (ANSF) officers each year. As Secretary Panetta noted during his June trip to India, we appreciate India's ongoing training of ANSF officers in India, and we hope India will continue its support for the ANSF up to and beyond the 2014 security transition.

We also appreciated the Indian Government's role in hosting the June 28 New Delhi Investment Summit on Afghanistan, which attracted broad participation from companies in the region and around the globe to promote stronger commercial ties and regional integration along the New Silk Road. A number of American companies attended the summit.

India has pledged a total of around \$2 billion in economic assistance to Afghanistan since 2001. During President Obama's November 2010 visit to India, he and PM Singh announced joint projects in the areas of agriculture and women's development. Indian assistance has focused primarily on agriculture and infrastructure projects—including the Parliament building in Kabul, the Salma dam, and several roads and power lines. An Indian state-owned consortium plans to invest over \$10 billion in developing the Hajigak iron ore deposit in Bamiyan Province. In July, India announced that it will offer 600 scholarships to Afghan students over the next 5 years to study at Indian universities.

Now that both the United States and India have signed Strategic Partnership Agreements with Afghanistan, we aim to enhance coordination and cooperation with both countries through the new India-Afghanistan-United States trilateral mechanism announced by Secretary Clinton and EAM Krishna at the June 13 U.S.-India Strategic Dialogue.

Some Pakistanis have voiced concerns about India's role in Afghanistan, including after Secretary Panetta's visit to India. Pakistan is principally concerned with India's security-related assistance and training of ANSF, and fears that India's military will one day put "boots on the ground" in Afghanistan. Even so, we are encouraged by the ongoing dialogue between India and Pakistan on a wide range of mutual priorities, and note that Pakistan has significantly improved its own commercial relations with India over the past year and a half, which we believe is an important element of deepening regional economic cooperation in the wider South and Central Asian region.

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RESPONSES OF JAMES B. CUNNINGHAM TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* With the upcoming Afghanistan elections as the preeminent governance milestone in Afghanistan's national reemergence as a sovereign and independent country there are considerable steps that remain in achieving a reasonably free and fair election.

- (a). Will the U.S. Embassy elevate and prioritize the preparation for national elections upon which international donor assistance so depends?

*Answer.* We will continue to support the democratic process in Afghanistan in accordance with the Afghan Constitution. An orderly and legitimate constitutional political transition through Presidential elections in 2014 is critical to future Afghan stability.

- (b). With regard to the next national election cycle in Afghanistan, where will the U.S. focus its assistance and according to what agreement and milestones with Afghan officials?

*Answer.* The 2014 political transition is first and foremost a question for the Afghan Government and people, but we stand ready to support and assist them. We recognize the importance of strengthening Afghanistan's democratic institutions in the lead up to the 2014 political transition and beyond, and it is a key component in our U.S.-Afghanistan Strategic Partnership Agreement.

The Strategic Partnership Agreement describes Afghanistan's commitment to free, fair, inclusive and transparent elections, as well as recognizing its need for electoral reforms to reinforce democratic development. The Tokyo Declaration and President Karzai's July 26 Executive order both outlined that the Presidential election will take place in 2014, and the Independent Elections Commission (IEC) has indicated its plans to hold the elections on time in spring 2014, as mandated in the Afghan Constitution. President Karzai also assigned the IEC to prepare an election platform and comprehensive electoral schedule within 3 months, which will enable sufficient

preparation time for security, logistics, and candidates well before the 2014 Presidential election.

The U.S. Government made significant contributions to the 2009 and 2010 elections, including programming to strengthen the IEC and Election Complaints Commission (ECC). For 2014, we plan to continue support for these election management institutions to strengthen their capacity to administer legitimate elections, including hiring qualified and impartial election officials; providing logistics support to the IEC; assisting the IEC in establishing a credible and cost-effective voter registry; and assisting in identifying and allocating polling locations in accordance with Afghan laws. In addition, the U.S. Government will continue its support for Parliament, civil society organizations, election monitors, political parties, media, and women's organizations to help build their capacity to understand and participate in the electoral process.

- (c). Given your response to the question above, what will other partner entities and donors likewise be responsible for in preparation for the elections?

Answer. While this is an Afghan-led process, we will continue to work with international partners to coordinate our support, including to Afghanistan's electoral institutions, as well as ensuring civil society organizations, election monitors, political parties and media play a role to ensure elections are fair and inclusive. Additionally, United Nations Assistance Mission in Afghanistan (UNAMA) will be central in coordinating the international community and engaging with Afghan authorities on the elections.

- (d). Given the integral role in transition of power of independent electoral complaints and adjudication mechanisms such as in Mexico, it appears the Afghan Electoral Complaints Commission is facing a loss of its independence and will thus lose the important positive influence it had in detecting fraud in the past. Will the U.S. Embassy work to maintain such a capable and independent entity in Afghanistan?

Answer. An independent electoral complaints mechanism is critical for advancing the credibility and legitimacy of the elections. Under current Afghan law, the Elections Complaints Commission is established 120 days prior to the election and its activity ends 2 months after the certification of election results. The Independent Elections Commission submitted its recommendations for the draft electoral law, which includes a revision of the electoral complaints mechanism, to the Ministry of Justice on June 11. Under his July 26 Executive order, President Karzai ordered the Ministry of Justice to complete its review of the electoral law within 2 months. The U.S. Government is following this process closely. Afghans have a strong interest in a credible complaints process as a component of free, fair, inclusive and transparent elections.

*Question.* The transfer of the Mazar e-Sharif consulate building from our own use to that of a leased facility has left in question the likelihood of establishing a consulate in that part of the country.

- (a). How important is it to our national interests to establish a full-fledged consulate in this part of Afghanistan?

Answer. In 2009, Secretary of State Clinton approved the opening of a consulate in Mazar-e Sharif. The city is a stronghold of the former Northern Alliance and is comprised largely of Tajik, Uzbek, and Turkmen ethnic communities. Along with its political influence, Mazar is also a major commercial, energy, and industrial center. Mazar sits on a strategic transportation hub linking Afghanistan and Uzbekistan by road and railroad. The ethnic communities, which include members of the political opposition, have come to expect a U.S. permanent presence in the North. Neglecting this region would alienate traditional allies who are concerned that U.S. support for reconciliation with the Taliban will result in the abandonment of minority rights in favor of majority Pashtun interests. India, Iran, Pakistan, Russia, Tajikistan, Turkmenistan, Turkey, and Uzbekistan all have consulates in Mazar. We understand Germany, which has had a robust role in northern Afghanistan in the last decade, is also considering opening a consulate there.

- (b). What role would each proposed/existing U.S. consulate play in our relations with Afghanistan and the region?

Answer. The Department of State's enduring presence plan for Afghanistan's civilian mission post-2014 consists of the Embassy in Kabul and four regional platforms in Kandahar, Herat, Mazar-e Sharif and Jalalabad. This residual civilian presence will be a visible sign of American resolve and vigilance. An enduring presence countrywide is the most effective way to further our strategic goals of disrupting and

defeating terrorists, promoting regional stability, fostering good governance, and ensuring economic growth. The “hub and spoke” mission will promote the reintegration and reconciliation of former insurgents, monitor and report on political and social trends that impact Afghan stability and democracy, and work to strengthen the Afghan Government’s capacity to govern, deliver services to the population and enforce rule of law.

- (c). What is the timeline and prospect for the U.S. consulates in Afghanistan as we observe and glean lessons from our Iraq experience, including the continuing contraction there?

Answer. Drawing on lessons learned from Iraq, the Department of State has utilized a “whole of government” approach in planning our enduring presence with a goal of leveraging all U.S. Government capabilities across all agencies to avoid duplication and redundancy. In each location we have collocated or will collocate with interagency partners.

- (d). How does our relationship in Afghanistan over the next 10–20 years compare with Iraq over the same period?

Answer. Our planned relationship with Afghanistan is well described in the Strategic Partnership Agreement, which is echoed by international agreements reached at the NATO summit in Chicago and Tokyo Conference on Afghanistan, which lay out mutual commitments between the Government of Afghanistan and the international community for continued reform and sustained international assistance. On our likely relationship with Iraq over the next 10–20 years, I am not in a position to reflect upon that. However, I can say that we are applying lessons we have learned from Iraq to Afghanistan.

*Question.* The United States has had the preeminent responsibility for the training and equipping of the Afghan National Security Forces.

- (a). Provide a breakdown of current ANA capacity in defense of Afghanistan, including the number and ethnic makeup of the enlisted, senior enlisted and officer corps; the critical equipment and respective shortfalls in critical equipment; the current general dispersal of the force around the country and their responsibility for current operations. Extract further the ethnic breakdown by faction and identify their region of influence within Afghanistan and neighboring areas.
- (b). Provide a breakdown of the current ANP capacity in securing the population of Afghanistan, including the number and ethnic makeup of the enlisted and officer corps as well as that of the Ministry of the Interior.
- (c). Provide a breakdown of the LDP by province, including the number and associated training of forces. Include any additional formal security elements trained or being trained to cooperate with the Government of Afghanistan.

Answer. The NATO-led NATO Training Mission Afghanistan (NTM–A) has the lead for the training, advising, and equipping of the Afghan National Security Forces. NTM–A is led by a three-star U.S. general who is dual-hatted as the commander of the U.S. training command, Combined Security Transition Command–Afghanistan (CSTC–A).

(a). The Afghan National Army (ANA) currently has approximately 185,000 personnel as of June, 2012. Overall, the ethnic breakdown reflects the demographics of Afghanistan and NTM–A supports the Afghan Ministry of Defense’s (MOD) recruiting efforts to maintain the balance throughout the forces. According to the U.S. Department of Defense’s April 1230 Progress Report on Security and Stability, NTM–A and the MOD also continue efforts to recruit southern Pashtuns as well as improve the overall ethnic balance of the ANA. Using the MOD and NTM–A-agreed definition for Southern Pashtuns,<sup>1</sup> this ethnic segment comprised 6.6 percent of enlisted recruits during the reporting period. Despite persistent efforts, the impact of the initiatives in the south remains marginal due to the security situation.

NTM–A and CSTC–A continue to procure equipment and invest in capital and infrastructure expenditures through 2014, when investment funding requirements are expected to finish and costs will revert solely to recurring equipping needs. As additional equipment becomes available, NTM–A will continue to fill corps units to 100 percent.

The ANA is regionally disbursed throughout Afghanistan, but mobile in order to respond to operational needs as they develop. Their regional placement is based on MOD coordination with the International Security Assistance Force (ISAF) to target

<sup>1</sup> Southern Pashtuns are defined as belonging to the following tribes: Ghilzai, Durrani, Zirak, Mohammadzai, Barakzai, Alikozai, Achakzai, Popalzai, Panjpao, Alizai, Ishaqzai, Tokhi, Hotaki, Khogiani.

the insurgency and provide critical Afghan National Security Force (ANSF) units to lead operations and security in three tranches of transitioning provinces and districts, covering 76 percent of the Afghan population.

(b). The Afghan National Police (ANP) have an estimated 146,000 personnel as of June 2012. NTM-A/CSTC-A work closely with the Ministry of Interior to ensure the ANP generally reflects the ethnic makeup of local communities, which is enhanced by the fact that ANP often serve in the area where they join the force. However, when aggregated at the national level, Tajiks are significantly overrepresented in the force, Pashtuns are represented proportionally to the Afghan population, and Hazara, Uzbeks and others are underrepresented to varying degrees.

(c). At this time, State, the Department of Defense and NTM-A are not involved in a force known as Local District Police (LDP). The Afghan Local Police (ALP) are village-based security forces administered by the Afghan MOI and trained through U.S. Special Operations Forces. As of April, the ALP totaled 12,660, with an approved ceiling of 30,000 police. The MOI has approved 99 districts for ALP units, largely focused along the ring road in the south and east, but also operating in the north and west.

*Question.* The “New Silk Road” effort by the USG has shown some prospect for attracting economic development interest around the idea of moving goods/trade overland between central and south Asia.

- (a). What infrastructure requirements are there to facilitate such a trade corridor and through what transit points in Afghanistan and Pakistan are there?

Answer. The State Department views the New Silk Road vision as an organizing principle for long-term development and sustainable economic security for Afghanistan with a focus on regional integration and private sector engagement. It does not consist of a single list of projects, but is rather a framework used to inform broader decisions about U.S. assistance. Expanded trade corridors are an important regional initiative consistent with the New Silk Road vision.

Infrastructure requirements to implement these trade corridors are planned and coordinated between governments and donors through regional initiatives, including the Regional Economic Cooperation Conference on Afghanistan (RECCA), the South Asian Association for Regional Cooperation (SAARC), and the Central Asia Regional Economic Cooperation (CAREC) program. Afghanistan’s policy paper “Towards Self Reliance,” presented at the recent Tokyo Conference, confirmed their commitment to apply modern systems and approaches to facilitate transit and trade among regional neighbors.

CAREC, funded by the Asian Development Bank, has identified six trade corridors in Central Asia, with Afghanistan situated at the heart of two corridors, consisting of existing and planned infrastructure. The State Department and USAID will initially focus primarily on Corridor 5 (from India to Pakistan, through Afghanistan, and into Central Asia via Tajikistan and Kyrgyzstan to China) as a proof of concept, while simultaneously looking for opportunities to remain engaged in Corridor 6 (from Afghanistan through Uzbekistan and Kazakhstan and on to Europe).

- (b). What is the status of these infrastructure elements? Roads/rail/terminals/cold storage/security/customs and duty/fuel etc.

Answer. The Fifth RECCA, held in March of this year, identified a number of infrastructure projects that will improve regional trade links. These include the Afghan Rail System, the Salang Tunnel and Bypass Road, the E-W Road Corridor, and the Kabul-Jalalabad-Peshawar Highway. These projects are currently in the planning or construction phases. The first phase of the Afghan rail system, connecting the economic hub of Mazar-e-Sharif to Uzbekistan, became operational earlier this year.

USAID, coordinating with the State Department, has begun a process to realign its assistance priorities in Central Asia and South Asia to support the New Silk Road vision. The primary initial focus of this realignment will be support of cross-border trade and transit along CAREC’s Corridor 5, including through technical assistance to improve the regulatory environment and increase private sector engagement. The Department of State and USAID will also work to engage with international financial institutions to encourage investments in cross-border energy projects, such as CASA 1000 (involving the Kyrgyz Republic, Tajikistan, Afghanistan, and Pakistan).

- (c). Describe the existing corridor that runs through eastern Iran and its condition and planned improvements as well as any additional routes?

Answer. Trade routes to Iran through Islam Qala and Zaranj involve greater distances, significant logistical challenges, and higher transit costs relative to com-

parable transit trade routes through Pakistan. However, these routes have seen increased use following persistent trade disruptions between Afghanistan and Pakistan. Afghanistan and Pakistan are in the process of resolving disagreements and fully implementing the Afghanistan-Pakistan Transit Trade Agreement (APTTA), which will ensure a harmonization of trade policies. The lower barriers facilitated by APTTA make routes through Pakistan more attractive for Afghan traders who are currently undertaking transit trade through Iran. We will continue to work with both sides to encourage these efforts.

- (d). What are the associated revenues for current trade through this alternative Iranian route and what are the projected revenues associated with a corridor that incorporates the Transit Trade Agreement between Pakistan and Afghanistan?

Answer. While we are making significant improvements in the customs capacity for trade across the Iranian border, we have limited data at present. We have not performed an analysis of trade revenues comparing the Iran routes with the Pakistan routes under the scenario of a fully functional APTTA, but we expect that APPTA, once implemented, will significantly increase Afghanistan's trade revenues.

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RESPONSES OF JAMES B. CUNNINGHAM TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT P. CASEY, JR.

*Question.* As we move toward the 2014 Presidential elections, the Afghan electoral process continues to be a major source of concern. In particular, I am concerned that neither the Independent Electoral Commission (IEC) nor the Electoral Complaints Commission (ECC) can be trusted to ensure a fair and transparent process. Afghan authorities need to take steps now to reform these institutions and create public confidence in the process.

- (a). As Ambassador, how will you work to increase the independence of Afghanistan's electoral institutions, specifically the IEC and the ECC, in advance of the 2014 elections?

Answer. We have and will continue to support the democratic process in Afghanistan in accordance with the Afghan Constitution. An orderly and legitimate political transition through Presidential elections in 2014 is key to future Afghan stability. This political transition is an internal Afghan process, but we stand ready to assist them in any way we can. We recognize the importance of strengthening Afghanistan's democratic institutions in the lead up to the 2014 political transition and beyond. As such, it was a central component in our U.S.-Afghanistan Strategic Partnership Agreement. Additionally, we will continue to work with international partners to provide appropriate support, including to Afghanistan's electoral institutions.

The Afghan Parliament is currently considering electoral reform legislation that would determine how the Independent Election Commission (IEC) commissioners are appointed and what their duties are. We support the Afghan legislative process and are encouraged that civil society groups and political parties have engaged in a debate over what would be appropriate checks and balances to enhance the independence of the IEC and Electoral Complaints Commission (ECC). We also note that the Afghan Government has committed to holding "free, fair, inclusive, and transparent" elections in both the U.S.-Afghanistan Strategic Partnership Agreement and the Tokyo Declaration.

The U.S. Government made significant contributions to the 2009 and 2010 elections, including programming to strengthen the IEC and ECC. We aim to continue this line of effort for 2014. We plan to support the election management institutions and strengthen their capacity to administer legitimate elections, including supporting the IEC to hire qualified and impartial election officials; provide logistical support; establish a more credible voter registry; and to identify and allocate polling locations in accordance with Afghan laws.

In the Afghan public sphere, a wide-ranging and public discussion is already taking place on the reforms needed to improve the electoral process. Actors across the political spectrum are having public dialogues debating electoral reforms, including in the Independent Election Commission, political parties, and civil society organizations.

- (b). How will you work to encourage the participation of all of Afghanistan's diverse ethnic groups in the electoral process, and how important will this be for the success of the political transition and political stability?

Answer. We recognize that only an inclusive political process, acceptable to all Afghans regardless of ethnic background or gender, can bring lasting peace to Afghanistan and the region. Everyone must feel they have a stake in the outcome and a responsibility for achieving it.

We have engaged and will continue to engage with all legitimate political actors in Afghanistan. We regularly meet with Afghan leaders both in and out of government. We continue to stress to the Afghan Government the importance of inclusive, credible, transparent, and constitutional elections as the 2014 elections will be key to shaping a peaceful and democratic future for Afghanistan. The Afghan Government includes members of all ethnic groups and backgrounds, including members of the former Northern Alliance, the Afghan Parliament, and the High Peace Council. Similarly, a successful political transition will need to equally encompass all Afghans—including opposition groups, women, and civil society.

*Question.* A new report by the Special Inspector General for Afghan Reconstruction indicates that two major U.S. funded infrastructure projects, designed to build popular support for the Afghan Government, demonstrate a long-term commitment to the Afghan people, and improve relations between NATO forces and Afghan civilians, are severely behind schedule and are unlikely to be completed before the 2014 troop drawdown. In addition to costing taxpayers \$400 million, the projects' delays may jeopardize key counterinsurgency goals.

- (a). Why have these projects been so severely delayed, and what additional costs will be associated with the longer project timeline?

Answer. Over the last 18 months, the Department of State has worked closely with the Department of Defense and the U.S. Agency for International Development to identify, design, and execute projects funded by the Afghanistan Infrastructure Fund (AIF). The Afghanistan Infrastructure Fund is a new authority designed to improve the coordination and execution of infrastructure projects in Afghanistan to maximize counterinsurgency and development impact. Establishing the management processes and structures has taken time, but at this point we feel strongly that the new authority has greatly improved interagency coordination and communication with the Government of Afghanistan on infrastructure projects that contribute to the future stability of the country. Infrastructure development in a war zone is never easy; several projects have been delayed because we took additional steps to notify, manage, and execute activities to ensure proper accountability. We also revised project procurements to attract cost-effective bids and to ensure that implementing agencies had the staffing necessary to properly oversee the work. These projects were never tied to the schedule for the troop drawdown.

Project costs increased from initial estimates following receipt of the first bids from qualified vendors. Despite these delays, we expect to complete on time the AIF transmission line project for southern Afghanistan.

- (b). What is your assessment of the impact of these delays on the projects' goals of improving public perceptions of the U.S. and Afghan Governments, particularly in light of the planned timeline for drawing down international troops?

Answer. We do not agree with the SIGAR's assertion that extension of the project timeframes will have a significant negative effect on the counterinsurgency and the development impact. It has been our experience that all stages of infrastructure projects, which provide essential services that the insurgency could never offer to the Afghan people, have a positive impact. The planning stage of these long-term projects gives clear assurance of the enduring commitment of the United States to the people of Afghanistan. The construction phase creates employment and helps stabilize conflict areas. Final completion opens the way for greater economic opportunity.

The United States Government is working hard to make sure our investments in Afghanistan are sustainable. In our discussions with the Committee on Foreign Relations staff, we have looked for ways to improve the sustainability of projects under the Afghanistan Infrastructure Fund (AIF). In order to increase ownership and develop the capacity of the Afghan Government to sustain these projects, several AIF projects will be implemented on-budget, or through the Afghan Government. Though the AIF was conceived as a counterinsurgency program, it provides positive impacts for Afghanistan's economic development. We believe that the Government of Afghanistan's involvement in the implementation of these infrastructure projects improves sustainability of projects. However, ensuring proper oversight and financial accountability for these projects has added time to their implementation.

RESPONSES OF RICHARD G. OLSON TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT P. CASEY, JR.

*Question.* Haqqani Network.—The Senate approved legislation last week that would require the State Department to report on whether the Haqqani network should be designated a Foreign Terrorist Organization. I traveled to RC East last August where the Haqqani Network has been responsible for the deaths of American service members. The Haqqani Network manufactures IEDs used against our troops and has conducted suicide attacks in Kabul. These are terrorist acts. However, the Haqqanis could play spoilers if they are not included in political negotiations to bring hostilities to a close.

- Based on the terrorist activities of the Haqqani Network, should it be designated as an FTO? If the Haqqani Network were designated a terrorist organization, what impact would this have on the negotiation process? Is there really any hope that the Haqqanis will come to the negotiating table and play a constructive role post-2014?

*Answer.* I share Congress' serious concern about the Haqqanis. In meetings with Pakistani officials, we have raised and continue to underscore the importance of further squeezing the Haqqanis, including by limiting its ability to conduct attacks from Pakistani soil. We have a whole-of-government effort underway to apply pressure to the Haqqanis. Our troops in Afghanistan continue to pressure the Haqqanis, inflicting heavy losses. A key Haqqani leader was killed as recently as July 28 during a joint ISAF/Afghan operation in Paktiya province. State and Treasury have also sanctioned key Haqqani leaders under Executive Order 13224.

- Sirajuddin Haqqani was designated by the Department of State in 2008, while key members Badruddin Haqqani, Sangeen Zadran, and Mali Khan were all designated in 2011. The Department of the Treasury has also designated additional Haqqani members and we have worked with the Department of Commerce to list Haqqani-affiliated businesses on the Department of Commerce's Entity List. With Executive Order 13224 designations, any assets of the designated individual that are in the United States or held by a U.S. person are frozen. Further, the U.S. Government can pursue legal action against those who conduct unauthorized transactions with designated individuals.
- The international community has added key Haqqani leaders to the sanctions list under United Nations Security Council Resolution 1988. This resolution requires states to impose asset freezes and arms embargos on listed individuals and entities and travel bans on listed individuals.

The Department of State is reviewing the possibility of additional sanctions, including a Foreign Terrorist Organization designation for the entire Haqqani organization.

*Question.* I was privileged to meet with Pakistan's former Minister for Minority Affairs, Shahbaz Bhatti, shortly before he was assassinated last year. His tragic death, and the lack of accountability for those who were responsible, has understandably discouraged others from openly opposing Pakistan's blasphemy law and promoting religious tolerance.

- As Ambassador, how would you partner with the current Minister for Minority Affairs, Dr. Paul Bhatti, and other minority leaders to combat religious intolerance? How will you work with the Pakistani Government to push for increased protection for religious minority groups?

*Answer.* If confirmed, I will continue the Embassy's engagement with the Government of Pakistan on the deteriorating state of religious freedom in the country. I will emphasize the importance of prosecuting those who commit religiously motivated acts of violence, such as the assassinations of Minister of Minority Affairs Shahbaz Bhatti and Punjab Governor Salman Taseer in 2011. We will work with the current Minister of National Harmony, Dr. Paul Bhatti, and other minority leaders to help Pakistan reform laws that unfairly punish Muslims and non-Muslims alike and promote religious discrimination. I will also press the Pakistani Government to better protect religious minorities and individuals who defend religious freedom.

*Question.* The United States and Pakistan have historically had some ups and downs in our bilateral relationship, but it is clear that we need to work together to address the challenges facing the region. For this reason, I am committed to supporting a long-term multidimensional relationship with Pakistan.

- How can we leverage people-to-people ties with Pakistan, including business connections, student exchanges, civil society collaboration, and the large dias-

pora population here in the United States, to forge a lasting, multidimensional partnership between our two countries?

Answer. If confirmed, I will continue the work to strengthen people-to-people ties between the United States and Pakistan. Over the course of the last 2 years, we have worked to significantly expand cultural affairs programs and professional and academic people-to-people exchanges. These programs build cooperation between our countries and bring Pakistanis together with Americans in meaningful ways.

Embassy Islamabad, in partnership with the Bureau of Education and Cultural Affairs, manages the largest U.S. bilateral academic and professional development exchange programs in the world, as well as the largest English Access Microscholarship Program. The exchange and English language programs are among the most successful tools we have to foster positive Pakistani opinions about the United States and to counter extremist voices. In the past 12 months, the Embassy also implemented over 60 speaker programs, reaching more than 15,000 Pakistanis, and engaged many more through music programs with U.S. musicians. Beyond the goodwill and understanding these programs generate, they are building a cadre of Pakistanis with a deeper knowledge of the United States and a constituency that is supportive of a strong United States-Pakistan partnership. The Department of State and USAID are also working to establish several United States-Pakistan university partnerships, to foster lasting cooperation in a variety of academic and research sectors.

The Department of State and Embassy Islamabad continue to nurture relationships with a diverse group of diaspora entrepreneurs and NGOs to advance the goals of private sector development and job growth in Pakistan. The Department's growing engagement with young Pakistani entrepreneurs offers an example of how private-sector engagement can enhance relations between the two countries. We recently facilitated a series of events for Pakistani entrepreneurs to share ideas and explore opportunities with U.S. entrepreneurs, including video-teleconferences that have been streamed into dozens of Pakistani universities. This is part of our effort to do what Pakistanis have been asking us to do for many years—to build an economic relationship based on trade, not just aid. The Department also recently hosted over a dozen leaders of Pakistan's fastest-rising companies for policy briefings and networking events with members of American companies and diaspora groups. These leaders are part of the "Pakistan 100," chosen by the All World Network (AWN), an organization affiliated with Harvard University that bolsters entrepreneurship in emerging markets.

In the United States, we have significantly increased our efforts to engage the diaspora community. The Pakistani American community is well accomplished and has leaders in the fields of medicine, business, education, the arts, and sciences. This community is directly contributing to improving the livelihood and welfare of Americans, and also plays an important role in linking business communities in the two countries. Pakistan relies heavily on philanthropy and innovative social entrepreneurship to fill in gaps in its social net. We continue to ask the diaspora to help push the Government of Pakistan toward vital economic reforms, including on taxation, regulation, and pricing. Our goal through all of our multifaceted outreach and people-to-people exchanges is to create permanent links between Pakistan and the United States that will strengthen our mutual understanding and facilitate progress on key interests.



**NOMINATIONS OF JOSEPH MACMANUS,  
SHARON VILLAROSA, AND WALTER NORTH**

**WEDNESDAY, SEPTEMBER 12, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

Joseph E. Macmanus, of New York, to be Representative of the United States of America to the Vienna Office of the United Nations and to be Representative of the United States of America to the International Atomic Energy with the rank of Ambassador

Sharon English Woods Villarosa, of Texas, to be Ambassador to the Republic of Mauritius and the Republic of Seychelles

Walter North, of Washington, to be Ambassador to Papua New Guinea, the Solomon Islands, and the Republic of Vanuatu

The committee met, pursuant to notice, at 2:47 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Tom Udall, presiding.

Present: Senator Udall.

**OPENING STATEMENT OF HON. TOM UDALL,  
U.S. SENATOR FROM NEW MEXICO**

Senator UDALL. I would call this hearing of the Senate Foreign Relations Committee to order. And let me just—I have just a preliminary statement and something here I would like to do before we really get started. And welcome to all of you.

Today the Senate Foreign Relations Committee mourns the loss of four brave Americans in Libya, including our Ambassador, John Christopher Stevens. As many of you probably know, Ambassador Stevens was very close to this committee. He was a Pearson fellow. He worked for Senator Lugar, our ranking member. A Foreign Service Information management officer, Sean Smith, and two other victims have not yet been officially named out of respect for their need to contact their next of kin.

I strongly condemn what the President has already correctly defined as an outrageous attack on our diplomatic facility in Benghazi. This is a tragic loss, and our thoughts and prayers go out to the families and friends of the victims.

I, like other members of this committee, had met with Ambassador Stevens to discuss the changes occurring in Libya. He had expressed a hope that Libya would emerge a strong democratic

state which respected the rule of law and the principles of freedom and justice that we as Americans cherish. Ambassador Stevens knew there was much work to be done. I have no doubt that President Obama has stated that his legacy will endure wherever human beings reach for liberty and justice.

Before we begin this hearing to consider the nominations of three other Americans who continue to serve our country courageously, I would like to ask the committee to take a moment of silence to remember and honor the Americans who were unjustly killed in Libya and all other Americans who serve our country overseas every day. These individuals have all made extraordinary sacrifices, and their service deserves our recognition. And I would ask for a moment of silence here.

[Moment of Silence.]

Senator UDALL. Thank you very much, and thank you to the three nominees for being here. Today the committee will consider these three nominees—Mr. Joseph E. Macmanus of New York. If confirmed, he will serve as Representative of the United States of America to the Vienna office of the United Nations, and to be Representative of the United States of America to the International Atomic Energy Agency, with the rank of Ambassador. Ms. Sharon English Woods—in New Mexico we would say Villarosa. I do not know if that is—is that OK? We always do the two “Ls” with a “Y,” but you can correct me here—but of Texas, would serve as Ambassador to the Republic of Mauritius and the Republic of Seychelles. And Mr. Walter North of Washington would serve as Ambassador to Papua New Guinea and the Solomon Islands and the Republic of Vanuatu.

All three nominees are very well qualified and will be serving in areas of world importance for national security and the long-term diplomatic goals of the United States.

The United States mission at Vienna and the International Atomic Energy is a position which focuses on some of the most serious issues confronting the world, including the work to prevent the proliferation of nuclear weapons. In addition to this work, the United States mission to international organizations in Vienna works with the U.N. Office on Drugs and Crime, the Preparatory Commission of the Comprehensive Test-Ban Treaty Organization, and the U.N. Office of Outer Space Affairs, and the U.N. Commission on International Trade Law.

Mr. Macmanus is a career member of the Senior Foreign Service. His previous positions include work as the Principal Deputy Assistant Secretary of State for Legislative Affairs, and Executive Assistant to Secretary of State Hillary Clinton and former Secretary of State, Condoleezza Rice. He has served as the consular for public affairs in Brussels, Belgium, the public affairs officers in Krakow, Poland, as well as positions in El Salvador Mexico.

He has a bachelor’s degree from the University of Notre Dame, as well as an MLS from the State University at Buffalo.

Mr. Macmanus will need to bring his years of experience to bear to work on some of the most critical issues facing the United States and our allies. His work with IAEA will bring him to the forefront of our efforts to prevent Iran from developing a nuclear weapon, preventing the proliferation of nuclear materials and technology

from North Korea and Pakistan, and meeting the peaceful objectives of the IAEA.

With regard to Iran, the President is making a strong effort to prevent Iran from acquiring a nuclear weapon. The sanctions are putting pressure on the Iranian regime, and the administration is working with our allies to tighten those sanctions. Continued negotiations and access for IAEA inspectors are critical tools to prevent Iran from obtaining a nuclear weapon.

While the administration has reportedly concluded that Iran is “not on the verge of achieving a nuclear weapon,” it is important to remain vigilant about the threat. Thus far, the main concerns center around Iran’s continuing enrichment of uranium to levels up to 20 percent. While not weapons grade, the enrichment to such levels has rightly raised the concerns of the international community and the IAEA. I concur with the administration that there is time and space to continue to pursue a diplomatic path. I also agree with the IAEA that Iran should immediately open all sites to IAEA’s inspectors in order for the IAEA to fully resolve its outstanding issues.

Mr. Macmanus, your work representing the United States at the IAEA will be critical to achieving these goals.

In Mauritius and the Seychelles, Ms. Villarosa will work with a country actively working to protect the sea-lanes against piracy. Mauritius recently agreed to open its courts and jails to aid the prosecution of pirates who operate with impunity inside Somalia. This work is important for global trade and the U.S. economy and the local economies of Mauritius and the Seychelles. The Seychelles and the United States military have also been increasing partnerships to help patrol sea-lanes and counter piracy in the region.

Ms. Villarosa has years of experience as a Foreign Service officer. She has served as Deputy Coordinator for Regional Affairs in the Office of the Coordinator for Counterterrorism at the Department of State, Chief of Mission at the U.S. Embassy in Rangoon, and Director of the Philippines, Malaysia, Brunei, and Singapore Affairs in the Department of State’s East Asia and Pacific Bureau, and numerous other positions.

She holds a bachelor’s degree from the University of North Carolina at Chapel Hill and a law degree from William and Mary School of Law.

Mr. Walter North will also be serving U.S. interests in multiple island countries. If confirmed, he will serve in Papua New Guinea, the Solomons, and Vanuatu. These Pacific nations are known to most Americans because of the deadly battles which occurred in and around these islands during World War II. The United States has been a long-time friend, and we remember the efforts to free the islands from Japanese control.

Today one of the biggest threats to the Solomons is not from foreign militaries, but from the growing threat of rising sea levels due to climate change. Mitigating against sea-level rise and protecting the livelihood of inhabitants is one of the most important priorities for the Solomons, as well as Vanuatu. Small island developing nations are extremely vulnerable to climate change. Many of the low elevation islands in the Pacific and other regions may disappear over the next century, causing mass migrations, conflict,

and disruptions to trade and the global economy. I believe that this and maintaining sustainable economic development is one of the most important challenges facing the next Ambassador to the region.

Mr. Walter North is currently the United States Agency for International Development Mission Director in Egypt, and previously served as USAID Mission Director in neighboring Indonesia as well as India and Zambia. Posts at USAID in Washington headquarters have included Interim Assistant Administrator for the Bureau for Africa, Deputy Assistant Administrator for the Bureau for Policy and Program Coordination, and Deputy Assistant Administrator for the Bureau for Asia and the Near East.

Before joining USAID in 1980, Mr. North was a project manager for the nonprofit organization, CARE, in India and Bangladesh, and a Peace Corps Volunteer in Ethiopia. He received his bachelor's degree from Lawrence University, a law degree from Washington University Law School, and an MPA from Harvard University.

And as all of you can see, we have three very capable individuals before us.

Senator UDALL. Since I started with Mr. Macmanus and then work down the line here. Mr. Macmanus, why do we not start with you on your opening statement, and then we will move to Ms. Villarosa, and then to Mr. Walter North. Thank you for being here, and please feel free—we know how important your families are to you and how—I know in the foreign service they really back you up. In all of my travels, it has been a remarkable thing to see how much family is involved. So please feel free whoever is here to introduce them and give a shout out to them.

Mr. Macmanus.

**STATEMENT OF JOSEPH E. MACMANUS, OF NEW YORK, TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE VIENNA OFFICE OF THE UNITED NATIONS AND TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE INTERNATIONAL ATOMIC ENERGY AGENCY, WITH THE RANK OF AMBASSADOR**

Mr. MACMANUS. Thank you, Mr. Chairman. Thank you for the opportunity to appear before you today as President Obama's nominee for the position of Chief of Mission to the U.S. Mission to International Organizations in Vienna and as the U.S. Permanent Representative to the International Atomic Energy Agency, also in Vienna. I am grateful to the President and to the Secretary for their trust and support, and to this committee for your consideration of my nomination.

I am joined today by my wife, Carol Krumbach Macmanus, and our son, Chris Macmanus. I am forever grateful for their love and support throughout our long career in the Foreign Service. I will refrain from mentioning all of the Macmanuses who populate the rest of the country, sir. It would take too much time. [Laughter.]

Mr. Chairman, I have submitted to the committee a written statement for the record. I would like to briefly summarize some of the points covered there, if I may.

Briefly by way of introduction, I have been a Career Foreign Service officer for the past 26 years and a member of the Senior

Foreign Service since 2003. During this time, as you noted, I have served abroad in Central and Western Europe and in Latin America, as well as in Washington.

At the Department, I have held successive positions of increasing responsibility as an office director, deputy assistant secretary, principal deputy assistant secretary, and, most recently, as Acting Assistant Secretary in our Bureau of Legislative Affairs. In these positions, I have managed foreign policy portfolios that have included every major region and issue, including those appropriate to the work of the U.S. mission to the international organizations in Vienna, the position for which I have been nominated.

For the past 5 years, I have been a senior aide and advisor to two Secretaries of State—for Secretary Clinton from 2009 until the present, and previously for Secretary Rice from 2008 until 2009. As the Secretary's executive assistant, I participated in daily policy meetings and bilateral and multilateral meetings in Washington, and traveled extensively with both Secretaries on official travel abroad.

In this capacity and in the 5 years prior while serving in leadership positions in our Bureau of Legislative Affairs, I coordinated policy and strategy across the broad spectrum of foreign policy issues, and participated in senior-level discussions on these issues in the Department, in interagency meetings and processes, and of course with the Congress.

If confirmed as the chief of mission, I will provide policy direction and leadership to our political and public diplomacy efforts in Vienna in close coordination with other international affairs agencies in Washington, with the White House, and in consultation with the Congress. I will also lead an impressive interagency team of technical and political experts assembled in Vienna, who advocate for U.S. national security and foreign policy interests there.

The work of the U.S. mission in Vienna, and, Senator, you touched on this, pursues many important foreign policy purposes crucial to our national security. I will highlight just a few.

At the IAEA, the U.S. mission encourages the strengthening of nonproliferation capabilities, such as integrated safeguards, the securing of nuclear facilities and materials against the threat of terrorism, and the resolution of serious concerns related to nuclear programs in Iran, North Korea, and Syria.

The UNVIE mission—the short form of that long title that we deal with—assists in the establishment of standards and practice in the safety of nuclear facilities and materials, and in the development of normative standards that guide and instruct member-states in their management of nuclear technology. The mission also assists in the development of monitoring networks that provide an increasingly sophisticated capability to deter nuclear detonations around the world.

As a benefit of the Comprehensive Nuclear Test-Ban Treaty, this international monitoring system is a key instrument in tracking treaty adherence, and confronting treaty violations, and in deterring states that fear the risk of such detection. The IMS, or International Monitoring System, has also contributed to nuclear safety monitoring by providing valuable data about the spread of radioac-

tivity following most recently the Fukushima nuclear power plant disaster.

Finally, in the U.N. Office on Drugs and Crime, the UNVIE mission provides leadership in coordinating counternarcotics efforts around the world, principally in Central Asia, and in addressing the continuing harassment and damage caused by modern-day piracy.

If confirmed, I will apply my Foreign Service experience to the purpose of leading our mission in Vienna as we address the serious challenges of nonproliferation, nuclear security, and nuclear safety, while promoting the potential benefits of nuclear technology.

Mr. Chairman, it is worth noting that while we meet here, the IAEA Board of Governors is also meeting in Vienna to take up many of the same issues I have touched on here and in my written statement. These issues will continue to be the specific focus of our concern and our diplomacy and will continue to be the subject of deliberation by the Congress.

I appreciate the committee's consideration of my nomination, and if confirmed I look forward to working closely with the members of this committee and with Congress on the careful work of securing peace and security in a world safe from the proliferation of nuclear weapons, and advancing the peaceful benefits of nuclear technology.

Thank you, Mr. Chairman, and I welcome your questions.

[The prepared statement of Mr. Macmanus follows:]

PREPARED STATEMENT OF JOSEPH MACMANUS

Thank you, Mr. Chairman and members of the committee. It is an honor for me to appear before this committee as President Obama's nominee to serve as the United States Representative to the Vienna Office of the United Nations (UNVIE) and to be the United States Representative to the International Atomic Energy Agency (IAEA). I am grateful to President Obama and Secretary Clinton for the confidence they have placed in me.

This is a critical time for our Nation and for our allies and partners. We face unprecedented challenges in the areas of nuclear nonproliferation, terrorism, transnational crime and corruption, the environment, and the peaceful utilization of outer space. Increasingly interrelated global challenges mean that our sustained engagement with specialized international organizations such as those in Vienna is vital to helping us to protect and advance our national interests abroad and the well-being of Americans at home.

I have been a Career Foreign Service officer for the past 26 years, and a Senior Foreign Service officer since 2003. During this time, I have served abroad in Central and Western Europe and in Latin America, as well as in Washington. At the Department, I have held successive positions of increasing responsibility, as an Office Director, a Deputy Assistant Secretary, a Principal Deputy Assistant Secretary, and as the Acting Assistant Secretary in the Bureau of Legislative Affairs. In these positions, I have managed foreign policy portfolios that have included every major geographic region and issue, including the Bureau of International Organizations, which oversees the work of the U.S. Mission to the U.N. in Vienna.

For the past 5 years, I have been a senior aide and adviser to two Secretaries of State—for Secretary Rice from 2008 until 2009, and for Secretary Clinton from 2009. In both cases, as the Secretary's Executive Assistant, I participated in daily policy meetings, provided expert foreign policy guidance and advice on key issues in bilateral and multilateral meetings in Washington, and traveled with the Secretaries on official trips abroad. In this capacity, and in the 5 years prior while serving in leadership positions in our Bureau of Legislative Affairs, I coordinated policy and strategy across the Department, participated in senior-level discussions on a wide range of national security matters in the Department and the interagency, and liaised with the Congress. If confirmed, I will use this broad multilateral background and experience to provide policy direction and leadership to our political and

public diplomacy efforts in Vienna, in close coordination with other agencies in Washington, the White House, and the Congress.

In Prague in 2009, President Obama outlined a robust agenda on nuclear non-proliferation and arms control. Significant progress has been made in fulfilling that agenda, including two productive Nuclear Security summits in Washington and Seoul, a successful Nuclear Non-Proliferation Treaty (NPT) Review Conference in 2010, and the successful launch of a new NPT Review cycle in 2012. But much work remains. Recent challenges and geopolitical changes underline the importance of U.S. engagement and leadership in multilateral institutions, including those in Vienna. Today, we face threats from states who seek to acquire nuclear weapons and delivery systems and from nonstate actors who may seek nuclear material. The IAEA is essential to our efforts to counter these threats, and the U.S. Mission in Vienna is central to our efforts in the IAEA. Through the NPT and international safeguards, the IAEA is uniquely positioned to report to the international community with authority on the status of compliance by Member States—and in particular Iran and Syria—with regard to their nonproliferation obligations under the NPT.

With regard to Iran, if confirmed, I will continue efforts to bring that country into full compliance with their international obligations. In 2011, the Director General of the IAEA informed the Board of Governors of the status of his investigations into Iran with a frank assessment of the lack of cooperation with which his efforts had been met as well as the possible military dimensions of Iran's nuclear program. In August 2012 the Director General issued his latest report on Iran, highlighting the ongoing lack of transparency, cooperation, and concrete steps toward resolving outstanding concerns. The United States supports the IAEA in its efforts to obtain full cooperation from Iran, including access to the locations, documents, and personnel that the IAEA requires to determine whether Iran's program is exclusively for peaceful purposes. The IAEA will be a key player as the international community assesses what next steps must be taken on Iran.

The United States recognizes the essential role that the IAEA should play in the complete and verifiable denuclearization of the DPRK. The international community has consistently called on the DPRK to cease immediately all nuclear activities and to permit the IAEA to resume its sustained presence to monitor and verify these understandings and requirements. We stand firmly behind the IAEA's efforts to maintain readiness for resumption of its monitoring and verification activities in the DPRK.

If confirmed as the United States Representative to the IAEA I will encourage strong support for IAEA safeguards activities, including strengthening the verification authority of the IAEA to ensure that it has the tools it needs. The mission, in tandem with U.S. diplomatic approaches in capitals, has worked tirelessly to promote Member States' adoption of the highest standards of nuclear safeguards, and, as a result, 117 states now have the Additional Protocol in force. While we have made progress, if confirmed I am committed to leading the mission's ongoing efforts to achieve the goals of universal adherence to the Additional Protocol. Furthermore, if confirmed, I will make it my priority to continue strong U.S. support for the IAEA's safeguards mission, including appropriate funding to support necessary upgrades to IAEA capabilities such as the Safeguards Analytical Laboratory, and to seek full support from other Member States in this regard.

Beyond the important work of nuclear safeguards, our efforts in the IAEA seek to support and protect U.S. national interests in other areas. The international community looks to the IAEA for technical information, guidance, and recommendations on matters of nuclear safety and security. This was most clearly demonstrated during the March 2011 Fukushima crisis and in the months that followed, when the IAEA played a pivotal role in helping Japan and other countries assess the crisis and disseminate needed information. If confirmed, I will continue active U.S. leadership in the IAEA in helping to ensure the broadest application of safety standards internationally in a market that is open and competitive for the U.S. nuclear industry. We must also strengthen the IAEA's capacity to support and coordinate national and international efforts to secure nuclear materials and prevent nuclear terrorism.

Promoting access to the peaceful benefits of nuclear energy remains a central purpose of the IAEA and one which the United States has long supported. The IAEA is uniquely placed to help states access peaceful nuclear energy applications and techniques in a way that is fully consistent with U.S. safety, security, and non-proliferation goals. This includes not only nuclear power but also applications in food security, water resource management, and advances in human health such as cancer treatment. Many Member States—particularly those in the developing world with little capacity to develop or access such peaceful benefits on their own—view this as the IAEA's most important mandate. Technical cooperation and assistance

through the IAEA strengthens the global nuclear nonproliferation regime by building broad support for the NPT, its safeguards obligations, and the normative understanding that all nuclear cooperation must be accompanied by nonproliferation responsibilities. It was in this context, during the 2010 NPT Review Conference in New York, that Secretary Clinton announced President Obama's well-received IAEA Peaceful Uses Initiative campaign, which includes the goal of raising \$100 million to further expand and accelerate implementation of technical cooperation projects. If confirmed, I will work to continue the U.S. mission's strong leadership in supporting the IAEA's work in peaceful uses, while ensuring that the provision of assistance continues to adhere to the highest standards of safety, security, and non-proliferation.

The spread of sensitive technology related to the fuel cycle, including enrichment and reprocessing, has always been of particular concern to the United States. In December 2010, the IAEA's Board of Governors voted to approve establishment of an IAEA "Low Enriched Uranium fuel bank," in line with President Obama's Prague proposal to establish an assured international nuclear fuel supply to enable countries to access nuclear fuel without the need to develop their own nuclear enrichment capabilities. If confirmed, I will work with the IAEA and its Member States to ensure that the necessary political, operational, and management decisions are reached to make the bank a reality.

Mr. Chairman, if confirmed, I will be responsible for key U.S. priorities in other multilateral bodies such as the Preparatory Commission for the CTBT Organization (CTBTO PrepCom) and The United Nations Office on Drugs and Crime (UNODC), as well as U.S. participation in multilateral regimes, including the Nuclear Suppliers Group and the Wassenaar Arrangement.

As laid out in President Obama's Prague Agenda, the United States has actively reengaged with the CTBTO PrepCom to support the completion of the International Monitoring System, the global network of over 321 monitoring stations and 16 laboratories which, at Entry into Force of the Treaty, would contribute critical data to verify compliance with the CTBT. Beyond their treaty uses, these facilities currently contribute enormously valuable, real-time seismic and environmental data to the global community. This data was vital to the international community's response to the Fukushima crisis.

UNODC aids in the prevention of terrorism by assisting countries in strengthening legal frameworks to fight terrorism and frustrate terrorist financing. UNODC continues to focus on providing states with the tools they need to fight money laundering and the financing of terrorism and drug trafficking in Afghanistan and Central Asia, coordinating and implementing international counterpiracy efforts in East Africa and off the Horn of Africa, and raising awareness of international prohibitions on trafficking in persons. If confirmed, I look forward to working closely with UNODC and its Member States to enhance further its effectiveness in these and the other areas of its mandate.

The Vienna-based Nuclear Suppliers Group promulgates guidelines to help prevent nuclear trade from contributing to proliferation or providing proliferant and terrorist access to nuclear materials and equipment. The Wassenaar Arrangement, also headquartered in Vienna, coordinates efforts among 41 partner states to implement export controls to prevent destabilizing arms buildups and terrorist access to conventional weapons. If confirmed, I will continue to provide robust support for these multilateral arrangements that constitute a strong and effective network to fight proliferation of materials that give substance to the most dangerous terrorist threats.

In addition to the above, there are other smaller organizations in Vienna that are nevertheless important to U.S. interests, including the U.N. Commission on International Trade Law (UNCITRAL), and the Office of Outer Space Affairs, which supports the Committee on the Peaceful Uses of Outer Space (COPUOS).

Finally, in light of the current financial situation, ensuring strong management of the Vienna organizations will remain a critical feature of U.S. stewardship. The United States has worked intensively with partners to ensure improved fiscal and management practices, notably at the IAEA. If confirmed I will work closely with these organizations to ensure that they adhere to the highest standards of management and transparency.

Mr. Chairman, during the past few years U.S. engagement in multilateral institutions and with the International Organizations in Vienna has resulted in significant successes, some of which I have outlined today. These achievements highlight the force-multiplying effect in both political capital and financial resources that multilateral engagement can produce. If confirmed, I will pursue an active political and public diplomacy agenda in support of U.S. national interests at the IAEA, the U.N. and International Organizations in Vienna.

Senator UDALL. Thank you very much for that excellent statement. And your full statement will be put in the record, and the same is true of the other two witnesses. So you can shorten them or read them, whatever you would like.

Mr. MACMANUS. Thank you.

Senator UDALL. Ms. Villarosa, please proceed.

**STATEMENT OF SHARON ENGLISH WOODS VILLAROSA, OF TEXAS, TO BE AMBASSADOR TO THE REPUBLIC OF MAURITIUS AND THE REPUBLIC OF SEYCHELLES**

Ms. VILLAROSA. Thank you, Chairman Udall, for the opportunity to discuss my nomination to become the Ambassador of the United States to Mauritius and the Seychelles. I also wish to thank President Obama and Secretary Clinton for the honor of this nomination.

This is a particular honor for my family, which is proud of its long history of service to this country, to help keep our Nation free, prosperous, and secure. My international travels as an Army brat began at the age of 6 months. I have also experienced firsthand the amazing breadth and diversity of the United States living in or visiting all but 2 of our 50 States.

My Foreign Service career provided me a broad range of responsibilities. In Burma, I was a vocal advocate for human rights and democracy, and am proud of our contributions there to the opening we are now seeing. I also set up our Embassy in the newly independent nation of East Timor. Most recently, I was responsible for building political will and capacity around the world to confront critical terrorist threats from actors in Asia, Africa, and the Arabian Peninsula. We regard Mauritius and Seychelles as strong partners in this effort.

I am very excited at the prospect of serving in Mauritius and Seychelles should the Senate confirm me. These countries, while small, are geostrategically located in the Indian Ocean. Their Exclusive Economic Zones cover 3.2 million square kilometers, and possess vast maritime resources. They share our values in support of democracy and free markets. They are outward looking, which has enabled them to gain prominence on the international stage by their willingness to exercise leadership.

I wish to thank the bipartisan work and support of the Senate Foreign Relations Committee, the Finance Committee, and the Senate leadership to extend the Africa Growth and Opportunity Act's Third Country fabric provisions, which are important to regional trade and our bilateral relationship with Mauritius. Mauritius is one of the leading beneficiaries of this important law. If I am confirmed, I would like to increase U.S. exports to this healthy, thriving market economy, making better use of 21st century means of communication and transportation.

Mauritius has also been a good partner with us in the United Nations, and is willing to provide police as part of U.N. peacekeeping efforts to help other nations build the foundations for stable, civilian-led government that respects the rule of law. Seychelles has also taken on important leadership responsibilities in confronting piracy that poses serious risk to global commerce.

Seychelles stepped up to try pirates and hold them accountable for their crimes, which helps restore maritime security for all.

Through our cooperation on counterpiracy and counterterrorism, Seychelles has become one of the U.S. Government's best partners in Africa. Seychelles shifted away from one-party rule in 1991 to institute a multiparty system of government. It also shifted away from socialist policies to pursue market-oriented policies, which have enabled the country to significantly reduce its debt, run a budget surplus, and grow at a time when much of the world has been in recession. If I am confirmed, I will encourage Seychelles' continued progress in implementing sound political and economic reforms and respect for human rights.

I am joined in my efforts by my family, which is very supportive—they are back in Colorado and Texas—and my broader Foreign Service family that has joined me today. Everything that I have done has been with the terrific support of these people. I would specifically like to mention Julie Dorsey and Marisol Brady, who are present today, as the second generation of Foreign Service officers that I hope will join the Foreign Service. And we will benefit greatly from that.

In conclusion, I am honored to be nominated to serve as the United States Ambassador to Mauritius and Seychelles. If confirmed, I will do my best to strengthen our relationship with both nations to advance democratic and free market principles, as well as to confront any threat to these principles, thereby increasing United States and global security.

Thank you very much, Mr. Chairman, and I look forward to responding to any questions you may have at this time.

[The prepared statement of Ms. Villarosa follows:]

PREPARED STATEMENT OF SHARI VILLAROSA

Thank you, Chairman Udall and members of the committee, for the opportunity to discuss my nomination by President Obama to become the Ambassador of the United States to Mauritius and the Seychelles. I would like to thank President Obama and Secretary Clinton for the honor of this nomination.

It has been a particular honor for my family and me personally to defend and advance our interests around the world to help keep our Nation free, prosperous, and secure. My family's long history of service to this country dates back to the Revolution. My father, both grandfathers, and every preceding generation fought for this Nation so we could live in freedom. My international travels as an "Army brat" began at the age of 6 months when I accompanied my parents serving in Germany. I have also enjoyed the opportunity to experience firsthand the amazing breadth and diversity of the United States, living in or visiting all but 2 of our 50 States.

My Foreign Service career provided me a broad range of responsibilities, working closely with many other U.S. Government agencies in Washington and overseas. I have served twice as Chargé d'Affaires. I was a vocal advocate in Burma for human rights and democracy and hope that I contributed to the opening we are now seeing. I also set up our Embassy in this millennium's first new independent nation, East Timor. Most recently, I was responsible for building political will and capacity around the world to confront critical terrorist threats to our country from actors in Central Asia, East Africa, the Arabian Peninsula, and the Sahel. We have developed strong partnerships with many nations around the world, including Mauritius and Seychelles, to eliminate terrorist safe havens, disrupt terrorist plots, and dry up the pools of potential terrorist recruits.

I am very excited at the prospect of serving in Mauritius and Seychelles, should the Senate confirm me. These countries, while small, are geostrategically located along important sea-lanes in the Indian Ocean. As a result of their expansive Exclusive Economic Zones, covering 3.2 million square kilometers, they have vast maritime resources. They share our values in support of democracy and free markets. They are outward looking, which has enabled them to gain prominence on the inter-

national stage by their willingness to exercise leadership on key issues. Their heterogeneous populations reflect their international focus and should make it easy for me, as a product of the melting pot that is the United States, to fit right in.

Mauritius is a thriving democracy that the Democracy Index ranks as the only full democracy in Africa. It also ranks first among all African countries in the 2012 Ibrahim Index based on effective governance that informs and empowers citizens, civil society, and governmental actors. Mauritius has prospered due to its reliance on free market economic principles. The World Bank's 2012 Doing Business Report ranks Mauritius first among African economies and 23rd worldwide. The Heritage Foundation ranks Mauritius first in sub-Saharan Africa and eighth worldwide in its 2012 Index of Economic Freedom.

Mauritius has been one of the leading beneficiaries of the Africa Growth and Opportunity Act (AGOA), one of the centerpieces of the administration's policy toward sub-Saharan Africa. As Assistant Secretary of State for African Affairs Johnnie Carson remarked in June, the vision of AGOA to spur economic development, trade, and investment is becoming a reality. If I am confirmed, I would like to increase U.S. exports to this healthy, thriving market economy, expanding upon the links between the two economies forged by Mauritius' imports to the United States under AGOA. In this regard, I would note that congressional extension of AGOA's Third Country Fabric Extension was a great relief to the government and people of Mauritius, is important to regional trade, and politically is very important to our bilateral relationship. We appreciate the bipartisan work and support of this committee, the Finance Committee, and the Senate leadership in ensuring this extension. I think we can make better use of 21st century means of communication and transportation to increase our trade with Mauritius.

Mauritius has been a good partner with us in the United Nations, and has indicated its willingness to provide police as part of U.N. peacekeeping efforts. We should welcome its offer to help build stability in fragile countries and offer to assist in providing the necessary training so Mauritius can help others build the foundations for stable civilian-led government that respects the rule of law. Seychelles has also taken on important leadership responsibilities in confronting a relatively recent challenge to global security: piracy stemming from Somalia that poses serious risks to commercial trade, particularly sea-borne cargo.

Seychelles, more than any other government in the region with the possible exception of Kenya, stepped up to try these criminals and hold them accountable for their crimes, which helps restore maritime security for all. This is particularly notable, considering Seychelles' relatively small size and resources in comparison to most other countries in the region. Through our cooperation on counterpiracy and counterterrorism efforts in recent years, Seychelles has quickly grown to become one of the U.S. Government's strongest partners in Africa.

Seychelles shifted away from one-party rule in 1991 to institute a multiparty system of government. It has also turned away from the socialist policies of the past to pursue market-oriented policies, enacting an economic reform program which has enabled the country to significantly reduce its debt from 98 percent of GDP to 56 percent in 2010, run budget surpluses, and in 2011 grow by 6.2 percent at time when much of the world has been in recession.

If I am confirmed, I will try to encourage Seychelles' continued progress in implementing sound political and economic reforms and protecting human rights. In addition, with the Senate's help, I hope that we can continue to support the efforts of Seychelles to counter piracy and promote better security in East Africa and the Indian Ocean.

In conclusion, I am honored to be nominated to serve as the United States Ambassador to Mauritius and Seychelles. If confirmed, I will do my best to strengthen our partnership with both nations to advance democratic and free market principles, as well as to confront any threats to those principles, thereby increasing U.S. and global security.

Senator UDALL. Thank you. Thank you for your statement.  
Mr. North, please proceed.

**STATEMENT OF WALTER NORTH, OF WASHINGTON, TO BE  
AMBASSADOR TO PAPUA NEW GUINEA, THE SOLOMON  
ISLANDS, AND THE REPUBLIC OF VANUATU**

Mr. NORTH. Mr. Chairman, thank you so much for having us here this afternoon. I just want to build on Sherry's comments and thank you for the kind things that you said about the Career

Foreign Service and our dedication and service on this rather sad day for many of us.

I am, of course, honored to appear today before you as President Obama's nominee to be the Ambassador of the United States to the Papua New Guinea, Solomon Islands, and Vanuatu. I am grateful to President Obama and Secretary of State Clinton for their confidence and trust in me. If confirmed, I look forward to working with the committee and other interested Members of Congress.

I would not be here today if it were not for the strong support of my wife, Dr. Judy Ryon, and our family. And I am happy that a special friend, Carla Barbiero, could be with us as well. They have always encouraged me, and I deeply, deeply appreciate that.

It has been my privilege to serve our country as a career diplomat. Prior to my nomination, I served as the director of USAID's mission in Egypt. This followed several assignments with USAID throughout the world.

Of course, many Americans, as you suggested, Mr. Chairman, know Papua New Guinea, Solomon Islands, and Vanuatu because of World War II. In my own family, my stepfather and two uncles served in that theater. I remember well their stories of the generosity of spirit of the people of the South Pacific.

The events of the Second World War created an enduring bond of friendship between the United States and the people of Melanesia. We continue to benefit from that legacy. Today we are deeply engaged in confronting new challenges and opportunities, including the challenges you mentioned briefly in your opening comments related to climate change.

This is reflected across a broad range of interests. For example, we support economic development and effective stewardship of the region's rich natural resources. We encourage inclusive, sustainable, and transparent growth. We advance the status of women. We work on a troubling HIV/AIDS epidemic. We assist American citizens and promote our business interests. We help our partners build strong, responsive democratic institutions, and we cooperate on regional security issues, and have a strong military-to-military relationship with Papua New Guinea.

Clearly, the United States has many shared interests and values with the government and people of New Guinea, Vanuatu, and the Solomon Islands. If confirmed, and with your support, I will build on those efforts.

I want to thank you again for this opportunity to appear before you. I would be happy to answer any questions you may have and would like to submit my written testimony for the record. Thank you.

[The prepared statement of Mr. North follows:]

PREPARED STATEMENT OF WALTER NORTH

Mr. Chairman and members of the committee, I am honored to appear before you today as President Obama's nominee to be the Ambassador of the United States to Papua New Guinea, Solomon Islands, and Vanuatu.

I am grateful to President Obama and Secretary Clinton for their confidence and trust in me. If confirmed, I look forward to working with the committee and other interested Members of Congress.

I would not be here today if it were not for the strong support of my wife, Dr. Judy Ryon, and our family. They have always encouraged me. I deeply appreciate that.

It has been my privilege to serve our country as a career diplomat. Prior to my nomination, I served as the Director of USAID's Mission in Egypt. This followed several assignments with USAID.

Many Americans know Papua New Guinea, Solomon Islands, and Vanuatu because of World War II. In my own family, my stepfather and two uncles served in that theater. I remember well their stories of the generosity of spirit of the Pacific Islanders.

The events of the Second World War created an enduring bond of friendship between the United States and the people of Melanesia. We continue to benefit from that legacy.

Today we jointly confront new challenges and opportunities in the region. Secretary Clinton has emphasized the need to listen carefully to each other and to actively cooperate in addressing the priorities identified by the Pacific Island nations. If confirmed, I will follow this guidance.

The United States has an enduring commitment to the Pacific which is reflected in the depth of our engagement.

This is richly reflected across a range of interests. For example, I am pleased that USAID's new Office for the Pacific Islands, has prioritized natural resource issues. Strong climate change adaptation and mitigation strategies are critical for sustainable, inclusive economic growth. If confirmed, I will work closely with the governments and civil societies of Papua New Guinea, Solomon Islands, and Vanuatu to ensure that we support economic development and effective stewardship of the region's natural resources while protecting the fundamental rights and future of those who live there.

The governments of both Papua New Guinea and Solomon Islands have prioritized improvements in these areas and have moved to improve their management of their countries' natural resources. Solomon Islands' decision to participate in the Extractive Industries Transparency Initiative is an important first step. In Papua New Guinea, revenue streams for the government are expected to increase exponentially in large part due to the ExxonMobil-led construction of a liquefied natural gas pipeline.

Their government has already taken critical steps to ensure that these resources are better utilized, including through the creation of off-shore sovereign wealth funds that broadly comply with recommendations of the international financial institutions. As a next step, Papua New Guinea will need to accelerate movement toward full participation in the Extractive Industries Transparency Initiative. In tandem with this progress, I am excited about the Department's Energy Governance and Capacity Initiative which is expanding Papua New Guinea's ability to manage the resource flows effectively, and in conformity with international best practices.

Realizing this goal depends on the development of strong, responsive democratic institutions that deliver for all citizens. We welcome the commitment of Papua New Guinea's government and civil society to strengthen the nation's Parliament, addressing critical gaps in electoral law, and promoting national dialogue on additional ways to strengthen institutional democracy.

Secretary Clinton has eloquently and consistently reminded us all that a society can only progress if it takes full advantage of the talents of all of its citizens. Nowhere is this more true than in Papua New Guinea, Solomon Islands, and Vanuatu. For historical, social, and cultural reasons, women have been repeatedly marginalized in both public and professional life. Despite the well-documented problems of violence and economic marginalization, there remains cause for hope. In the recent Papua New Guinean elections, three women were elected to general seats in the nation's Parliament.

During her recent visit to the Pacific Island Forum in the Cook Islands, Secretary Clinton met with leading women from the region. She underscored American support for their ongoing efforts to improve the status of women. To that end, the Secretary joined in the launch of the Rarotonga Partnership for the Advancement of Pacific Island Women. If confirmed, I will work to ensure that all of our assistance and public diplomacy programs in Papua New Guinea, Solomon Islands, and Vanuatu maintain their focus on advancing the status of women.

As the Pacific island country with the highest rates of HIV/AIDS infection, Papua New Guinea remains a partner country for the President's Emergency Plan for AIDS Relief. If confirmed, I intend to work closely with other international donors and to focus our limited funding on models that, in addition to having maximum impact on control and treatment of the disease, can be replicated by other donors and that can have cross-cutting benefits across the government's health care system.

As the most populous Pacific Island state, Papua New Guinea has recognized the unique responsibility that it has for peace and security in the Asia-Pacific region. To that end, its military has been a strong partner of the United States, and we

have enjoyed a cooperative security assistance relationship that has focused primarily on joint humanitarian exercises, such as the Pacific Partnership, and the training of Papua New Guinean military personnel through International Military Education and Training and participation in the Asia-Pacific Center for Strategic Studies in Honolulu. Papua New Guinean Defence Force personnel were integral participants, along with Australia and New Zealand, in the Regional Assistance Mission in Solomon Islands. As that successful mission begins to transition security operations back to Solomon Islands government institutions, Papua New Guinea has agreed to take on new responsibilities as full participants in United Nations Peacekeeping Operations. Its decision to deploy officers to Darfur and South Sudan in support of these operations is a laudable accomplishment and one that merits American support. If confirmed, I will work closely with the United States Pacific Command to find ways to expand our military-to-military engagement with the Papua New Guinea Defence Force in order to support its continued role in both humanitarian and international peacekeeping operations.

The United States has many shared interests and values with the Governments of Papua New Guinea, Solomon Islands, and Vanuatu. If confirmed, I will work closely with Papua New Guinea, the Solomon Islands, and Vanuatu to build on our existing cooperative efforts and to explore new critical areas of partnership.

Thank you for this opportunity to appear before you. I would be happy to answer any questions you may have at this time.

Senator UDALL. Thank you very much, Mr. North. And your written testimony—all of your written testimonies will be fully in the record.

Mr. North, why do I not start with you? You know, rising sea levels are no joke for the United States. I recently note the New York Times, I think, in the last couple of days talked about New York City, and the rising sea levels there, and what they were doing about it. And obviously no joke for low-lying countries, such as island nations in the Pacific. The Solomon Islands and Vanuatu are two such vulnerable nations.

Los Alamos National Laboratories' Climate, Ocean, and Sea Ice Modeling Project is currently working on modeling to determine how melting ice in Greenland and Antarctica will impact specific regions. While they do not know how sea level will impact specific areas, such as the Solomons, they do know that we are quickly passing the point of no return, and that sea-level rise is occurring, and that the ice melt from Greenland and Antarctica have nearly doubled since 2000.

In your opinion, what should we be doing to help these island nations prepare for sea-level rise, and how will this help prevent instability in the future?

Mr. NORTH. Mr. Chairman, thank you very much for that question. These are very critical issues which the administration takes very seriously. As you know, the Secretary has committed to re-engaging more seriously in the South Pacific, with a special focus on that issue. And one of the ways that we most effectively cooperate with those countries on these questions is through some of our investments through our USAID programs that are based in our newly opened USAID office in Port Moresby.

We have a regional coastal adaptation program that has been put in place, and those two countries that you mentioned will be primary beneficiaries of it. I certainly believe that contributions from the scientific community, like the labs in New Mexico, can really make a contribution to a better understanding so that those programs can be effective.

Thank you.

Senator UDALL. Well, I know from our National Laboratories in New Mexico, they really enjoy working all around the world on these kinds of issues. So we look forward to focusing that scientific expertise and moving these countries along in that area.

You know, agriculture is very important for the long-term economic development of Papua New Guinea, but as you are aware, many barriers to development still exist. The May 2010 USAID Enabling Agricultural Trade Project issues the agribusiness, commercial, legal, and institutional reform report, found that the island is endowed with abundant natural resources to support a robust agricultural sector. Yet starting and operating an agricultural business in Papua New Guinea is a risky endeavor. Why is operating an agricultural business risky in Papua New Guinea, and what can you do as Ambassador to encourage reforms to help further economic development and food security?

Mr. NORTH. Thank you for that question, Mr. Chairman. This is a really complicated issue. I think it is ironic that Papua New Guinea's highlands, which were a birthplace of agriculture 9,000 years ago, have not developed along the same path as we have seen in the other centers where agriculture developed initially about 10,000 years ago. There are a number of reasons for that. Some of them related to the extreme biodiversity and biological disparity of the geographical configuration of the island of the Papua New Guinea.

As you may know, there are almost 1,000 ethnic groups living there, and they are mostly separated from each other by mountains and inaccessible terrain. And while in the highland areas that has helped to augment the opportunities for agriculture in many parts, it has frustrated people's attempts to have successful agriculture.

So transportation limitations are ones that farmers face currently. Extreme weather events are another problem. As you may have read in today's paper, there is flooding in the central highlands in Papua New Guinea as a result of some of that extreme weather. There are also high costs that are associated with the extractive industry part of the Papua New Guinea economy, which draws off jobs and has a Dutch disease-like effect on parts of the rest of the economy. There is a lack of education, and there is a huge communal land ownership issue, which frustrates the interests of external investors in investing in the plantation economy.

So it is a complicated issue, but I am thankful that the U.S. Government has engaged with the Papuans in a variety of ways to talk to them about what we can do to make it more transparent, to create opportunities for economic growth, and to see some movement in the sector.

Thank you.

Senator UDALL. Thank you. Some of your descriptions sounds—with the tribal entities and the many languages, sounds a lot like New Mexico. We have 22 tribes, and I have worked for years and years on protecting native languages. And I am wondering, is that an issue in terms of—you know, if you look on a big worldwide basis, indigenous languages are disappearing rapidly. And with indigenous languages disappearing, culture disappears. Do you have any thoughts on that?

Mr. NORTH. Yes, sir, I do. I had the good privilege of visiting your home State and enjoying some of that diversity. I think that one of the things I saw when I was in New Mexico that was most interesting to me, and I think about it in terms of Papua New Guinea, is that oftentimes it is this very interesting relationship between older people and the young that works to preserve those traditions. And that is if you get to a space where the young people have the education, the intelligence, and the opportunity, there is a moment, a sweet spot, if you will, where those two generations can come together and work to preserve the past and protect it.

And you are right, Papua New Guinea has something like 20 percent of the world's languages. And so we need to try, I think, to encourage them to work with the young people to educate them and to do just that.

Senator UDALL. No, you have hit right on the head. What we do in many places in New Mexico on tribal lands is in the Head Start Program, in the early education program, we bring the grandmas and grandpas together with the 3-, and 4-, and 5-, and 6-year-olds. And it is that interaction that allows the language to continue. And it is an interesting—very interesting thing to see.

Thank you very much.

Ms. Villarosa, Mauritius and Seychelles—and the Seychelles are located strategically in the Indian Ocean east of Madagascar and the African Continent, and are playing an important security role protecting global commerce.

As you know, according to some estimates, nearly 16,000 vessels pass through the Suez Canal a year. The canal, which is north of both countries, also carries an estimated 14 percent of the world's shipping and 30 percent of the world's oil supplies. That being said, the ships that traffic the canal are vulnerable to piracy as they pass near the Horn of Africa.

Given that the Seychelles is currently partnering with the United States and other countries to help counter piracy, and that Mauritius is working to try pirates apprehended by allied navies, what should the Embassy be doing to help strengthen this relationship and ensure that Mauritius especially has the judicial capability to prosecute pirates?

Ms. VILLAROSA. Thank you very much for your question, Senator. These are very important issues. And the U.S. Embassy has been very active in working with both countries to build their judicial and prosecutorial capacity to try these individuals.

In addition, we are providing support and training and equipment to their coast guards since you can imagine these small countries with these vast amounts of ocean that they need to patrol. So we have been providing capacity-building in that regard.

They are very welcoming of both assistance from us as well as from other nations in the world. The British are in the process of setting up a rapid action intelligence center based in the Seychelles so that we can get the information out to the various ships patrolling in the sea to take quick action, and as well as preserve evidence that can be used in sound prosecutions.

We are also looking at since—right now Seychelles has prosecuted people and is housing many people, but it has got limitations on how many people they can hold. So we are working to

persuade other countries to take some of these individuals once they are convicted. But we will continue to be very active in supporting the Seychelles, and if confirmed, I look forward to working with you and discussing other ways where we might be able to help.

Senator UDALL. Thank you, and we look forward to working with you. The Seychelles is beginning to recover after the worst of the pirate attacks scared off fishermen from their shores. This had an impact on both the maritime economy, but also the tourist and construction economy. And according to one report, fish supplies at local hotels dried up because local fishermen were afraid to set sail, and a multimillion port was put on hold because foreign fishermen were no longer trawling nearby waters.

What will the Seychelles need to do to recovery economically, and what can the United States do to work with the Seychelles to ensure that as fishermen return, that future fishing is done sustainably so that the people of the Seychelles can have access to fishing stocks for multiple generations?

Ms. VILLAROSA. Thank you, Senator. Again, this is—tourism and fishing are the mainstays of the Seychelles' economy. Piracy has had a significant impact on both of them, so these are very important issues.

With regard to the fishing, it is my understanding that the shortage was temporary. It was immediately felt because fish is a mainstay of the local diet. But according to our Embassy that visits Seychelles regularly, the fish supplies are plentiful in the markets, in the restaurants.

The Seychelles has actually a very good oversight regime of commercial fishing vessels in its waters and does not have a serious problem with illegal fishing. In fact, I just read a newspaper report that they were able to identify an illegal trawler in their waters and take action. But they are very interested and committed to managing their resources in a sustainable manner.

The artisanal fishermen are more vulnerable to the pirates and are beginning to return now as the incidence of piracy have somewhat abated.

Thank you.

Senator UDALL. Right. Yes, thank you.

Mr. Macmanus, in its latest report, the International Atomic Energy Agency determined that it still has significant problems with access to sites in Iran. After the report, prior Chargé d'Affaires Robert Wood made a strong statement that the agency is still unable to provide credible assurance about the absence of undeclared nuclear material and activities in Iran and, therefore, cannot conclude that all nuclear material in Iran is in peaceful activities.

I am sure that you will bring a similar strong message to the international community. What in your opinion will be the first steps you will take to help increase the pressure on Iran to open its sites to inspectors, and what can we do in Congress to support you?

Mr. MACMANUS. Thank you, Senator. The Iran issue clearly is the most prominent and the most serious issue confronting the IAEA and, therefore, our representation there.

Senator, the report the Director General issued in August that is being discussed in the current Board of Governors meeting was, in effect, a report card on how well Iran had responded to the Director General's report from approximately a year earlier in November 2011, when the Director General issued a very thorough presentation on the Iran nuclear program, and the questions that attend that program, and the inability of the IAEA, because of lack of access, to fully investigate the Iranian nuclear program to ensure that it, one, Iran was fully representing its nuclear activities to the IAEA, a responsibility that it carries under the statutes of the IAEA itself, and as a treaty member of the Nuclear Non-proliferation Treaty.

And also to determine what other activities Iran had been or was engaging in that would fall under the heading of a possible military dimension to that program. In that case, some of those activities are not in and of themselves related to the enrichment or reprocessing of nuclear material, but would be activities that would indicate a possible military intent to use the nuclear technology that Iran has available to it.

This report card, which was fairly brief—this was the report that the Director General gave this month—this week, in fact, to the Board of Governors—describes the failure of Iran to take the basic steps that have been laid out. Those steps are not unclear. They are fairly transparent, I think, to anyone who follows this issue. They are easily determined by reading in plain language the U.N. Security Council resolutions that have called on Iran to suspend its enrichment program, suspend its heavy water research and development activities, become transparent in its activities, and allow full safeguards to be applied, which would include the Iranian legislative body ratifying the additional protocol which would permit greater access to locations.

Senator, if confirmed, I would continue to bring both a strong political diplomacy and public diplomacy focus on Iran's responsibility, on the stark difference between Iranian behavior on nuclear issues and the behavior of the majority of other countries who participate successfully and fully at the IAEA, and who follow the guidance and the requirements of Nuclear Nonproliferation Treaty.

Senator UDALL. Thank you very much for that answer. During the 2010 nuclear summit in Washington, DC, President Obama stated that, "We will advance our goal of securing all of the world's vulnerable nuclear materials within 4 years." Since the summit, many notable achievements have been met, including the removal of 50 kg of highly enriched uranium from three sites in the Ukraine, a shipment of HEU and plutonium in Kazakhstan from an aging reactor, and a plan to convert an HEU-fueled research reactor in Mexico. In addition, work in the United States included the cleaning of excess nuclear materials from Sandia National Laboratory in New Mexico.

What, in your opinion, will be the biggest challenges to achieving the goal by 2014, and how will you work to make securing vulnerable nuclear materials a priority?

Mr. MACMANUS. Thank you, Senator. Senator, first, if I could, I would frame the President's call for the securing of nuclear material in a 4-year time span as being the necessary call to attention

and to action. Nuclear security, which in the IAEA context, and that is the framework in which I will address my remarks, nuclear security and nuclear safety have traditionally been talked about together as a similar kind of process.

Increasingly, it is recognized that nuclear safety is also a state responsibility, one that does reside with states and should be based on changes that they make to their legislative and regulatory framework in order to truly provide use of safe nuclear technology.

Similarly, nuclear security, which has a much broader implications—nuclear security is not simply limited to the proper handling of nuclear material, but touches on aspects of nuclear terrorism and proliferation. Nuclear security was identified by the President in the 2009 speech in Prague. This became an initiative that resulted in a nuclear security summit here in Washington in 2010, and was followed on by a nuclear security summit hosted by South Korea in 2012.

The IAEA has similarly kept pace with these changes. It understands that it plays an important role in nuclear security and has provided both greater resources and a greater focus for member states in responding to the challenge of nuclear security, and itself will host a high-level nuclear security conference at the IAEA next year.

All of this shows, Senator, a proper focus and development of an international concern about nuclear security. As I stated earlier, these are always going to be state responsibilities. Each state is going to have to address the problems that it has internally, but many of the solutions in the examples that you cited do involve international cooperation, the support of other states in order to secure and remove material from insecure environments.

The 4-year goal is a laudable one. It provided focus and direction and a certain push to approaching these issues. I do not know that a 4-year goal is absolutely rigid. I do know that in that 4-year period, more has been done on nuclear security issues than had previously been done. And I think that as a laudable achievement is one that is worth noting.

Senator UDALL. And I do think it is real clear we have made some real progress on that front.

Employees from the National Labs are permitted to take government service leave of absences to work at the IAEA and other U.N. organizations in Vienna. In addition, IAEA safeguard inspectors are trained at Los Alamos for hands-on instruction in measuring nuclear materials. Just a month ago, a team from the IAEA attended the advanced plutonium verification course. This is an important part of our nonproliferation regime. But as our infrastructure at Los Alamos ages, I am concerned that the training capabilities will waiver unless we make significant investments in our infrastructure at Los Alamos and other sites.

What can you do to ensure this important relationship with the National Labs and IAEA continues, and what, in your opinion, is needed to strengthen this relationship?

Mr. MACMANUS. Thank you, Senator. I appreciate your leadership on this issue. I understand that it would be certainly a purpose of your service in the Senate from New Mexico to raise this

issue. And it is one that deserves the attention that you are giving it.

Our contributions to the IAEA are often talked about in terms of dollars. With international organizations that seems to be the initial focus.

The fact is that our intellectual leadership in this context—both in general nuclear technology, in the areas of safety and security and in nonproliferation, the American experience, the American discipline, and how we address these issues—continues to be pace setting. And so a constant interaction and involvement of American nuclear scientists and those who are representing these various activities in the National Labs is both beneficial to us, but maybe, most importantly—and, excuse me, I will be parochial in terms of the position for which I am being nominated. But certainly the benefit is directly to the International Atomic Energy Agency.

Senator, the Americans who participate in positions at the IAEA now, without going into an exhaustive list, are there not just because they are Americans and because they have particular skills, but also because they serve in leadership positions, in important positions in management and in legal affairs, and in safeguards. These are important activities that have to do with the management of the International Atomic Energy Agency, and where American leadership is crucial.

I would welcome the opportunity, if confirmed, to work with you, to work with other Senators who similarly have investments in international labs in their States where this constant conversation between our institutions and our specialists and those at the IAEA is going to benefit both institutions and do so in a way that does deserve full and adequate funding.

Senator UDALL. You know, you mentioned something that leads me to the next question in terms of American serving in IAEA. And apparently, you know, we contribute about 25 percent of the budget, but I think 12 percent of the employees are American citizens. Do you think there is room for improvement there? I mean, I know you talked about what good leadership we provide right now. But is there room for improvement in those numbers?

Mr. MACMANUS. Well, Senator, of course there is. You have identified it exactly as that, and I agree with you.

Now of course an international organization would, by its nature, seek the broadest possible participation from nations, many of which are either incapable of certainly providing the kinds of resources that we provide. And I am not only talking about financial resources, but I am talking about Americans being placed in jobs at IAEA, and I am talking about our consultancies and no-cost experts, the general flow of intellectual conversation that takes place.

There are meetings hosted throughout the year in Vienna at IAEA where important delegations that include representatives from the Labs, from national security elements of the executive branch, especially the Department of Energy, attend and engage in important work, work that shapes the outcomes that are valuable to our leadership in the IAEA.

Of course, again, I would work, Senator, with you under your leadership and with other members of the committee to ensure that

we were always putting the best candidates forward, that we were seeking opportunity to place people in appropriate and important positions, and that, you know, if at the end of the day we are never going to get the percentage to quite fit, that is all right. That is an impetus for a chief of mission to take a hand at seeing if we can get those numbers to increase.

Senator UDALL. Great. Great. Thank you. Now I am changing direction just a little bit on you here. As you are aware, the agency you have been nominated for works closely with the U.N. Office on Drugs and Crime.

Mr. MACMANUS. Yes.

Senator UDALL. And the United States has embarked on a major new strategy for dealing with Afghanistan's narcotics production problem. At the same time, the UNODC has become increasingly active in Afghanistan. What role do you see for this U.N. Drugs and Crime organization playing in the United States counter-narcotics strategy in Afghanistan?

Mr. MACMANUS. Thank you, Senator. Certainly in Central Asia, the contributions that do derive from our working with UNODC are important. You know, the State Department has always had an active counternarcotics program run out of our Bureau of International Narcotics and Law Enforcement, INL. That Bureau is certainly the focus for coordinating policy and programs when it comes to international cooperation.

UNODC may not be the sole or best mechanism for cooperation in other parts of the world where we have a strong program. But in Central Asia, we have a good and productive relationship with UNODC.

These are difficult endeavors politically. They are, I think, aided by international support and not just bilateral activities. And in that sense, the UNODC does contribute to what still remain U.S. national security goals.

Senator UDALL. Thank you for those answers.

And let me thank the entire panel. I think your testimony today and your answers to questions have been excellent. I really look forward to working with you closely on moving these nominations along.

We are going to keep the record open for 24 hours for any questions for the record. And if you can help us with answering those as quickly as possible, we can then move your nominations along.

And so with that, I am going to adjourn this hearing and look forward to visiting with you a little bit.

The hearing is adjourned.

[Applause.]

Senator UDALL. Thank you.

[Whereupon, at 3:44 p.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF SHARON ENGLISH WOODS VILLAROSA TO QUESTIONS SUBMITTED BY  
SENATORS JOHN F. KERRY AND RICHARD G. LUGAR

The Office of Inspector General (OIG) issued a Report of Inspection of Embassy Rangoon in June 2008 covering the time period for which you served as charge d'affaires at the mission. The "key judgments" section of the report stated as follows:

Leadership and management of the mission by the [chargé d'affaires ("CDA")] and [Deputy Chief of Mission ("DCM")] have been inconsistent and have failed to provide the necessary communication, coordination, problem solving and fairness to foster a genuine sense of teamwork or address morale problems at post.

The "Mission Coordination" section of the report stated as follows:

While most individual elements of the mission function reasonably well and manage to work appropriately with each other, the Office of Inspector General (OIG) team found the absence of a genuine sense of teamwork under a unified command. The embassy holds one country team meeting per week and another meeting of section and agency heads. The CDA and DCM meet or converse numerous times each day, but they sometimes send mixed or conflicting messages to the staff. They have not conveyed a consistent sense of trust or confidence in their staff, but immerse themselves, at times, into the details of an issue in an unproductive fashion. In the personal questionnaire administered by OIG, mission staff assessed that the CDA and DCM were not performing well in the categories of coordination, communication, allowing dissent, problem solving, fairness or feedback. At times of stress, the CDA has berated American and [Locally Employed] staff in public. The DCM has mostly good interpersonal relations with staff but has failed, at times, to accept responsibility for his own statements. In the course of the OIG inspection the CDA and DCM acknowledged the perceived weaknesses in the leadership and began an intensive set of individual consultations with staff intended to listen to staff concerns and staff suggestions on how they might improve mission teamwork.

The "Morale" section of the report stated as follows:

Morale within Embassy Rangoon was mixed, only partly due to living in an isolated post with poor communications, limited opportunities for travel and recreation, and a negative relationship with the host government. In the administrative services questionnaire prepared for OIG, embassy personnel assessed that the attentiveness of the CDA and DCM to morale was low. The CDA and DCM did not effectively address morale problems at post because of unclear communication with staff and perceived indifference of the CDA to family members in the embassy community. The CDA has organized and hosted a number of community events, but she has at times not included family members or international school staff in such events. The CDA told the OIG team that she recognizes the importance of doing more to demonstrate her interest and support for American staff and the community.

*Question.* Do you believe the conclusions reached by OIG in its report are accurate? If not, please comment.

*Answer.* I appreciate this opportunity to respond to the above questions and to detail efforts I have since made to strengthen my leadership and management abilities. I fully understand that, as the chief of mission in Burma and—if confirmed—Embassy Port Louis, morale and leadership are my primary responsibility. The OIG report on Rangoon made legitimate criticisms that served as a powerful wake-up call to me on the need to make certain changes. Based on the OIG's findings and suggestions, I immediately took steps to adjust my approach, starting by acknowledging to my staff that I had not been the leader they deserved and committing myself to improve. The DCM and I moved quickly to better clarify our respective roles, and I increased my communications with my staff and their families. I believe that these efforts paid off 2 months later, after OIG inspectors had departed, during the mission's response to the massive 2008 cyclone. However, I did not stop there and have since used my time in Washington to further improve my leadership skills. I am committed to making improvements on a continuing basis so that everyone who works with me realizes how much I respect their efforts. I will detail further background in my responses below.

The OIG conclusions accurately identified morale as a serious issue, but I believe they failed to describe the difficult circumstances that we faced or our efforts to address the problem. I knew that morale was a serious problem and had requested a Crisis Management Exercise months before the inspection in order to get a better handle on the problems. Unfortunately the Exercise leaders could not obtain visas. I also flagged morale as an issue in my Memorandum to the inspectors in the hopes that they would have constructive advice to offer.

I did try repeatedly to take steps to address morale. For instance, I worked with the Embassy Information Management Officer to set up an Internet cafe at the American Club for family members and teachers to have access through our State Department system to get around the filters, slow speeds, and blackouts that the military regime imposed on Internet access. This is not generally done elsewhere in the world and required special permission from the State Department. Additionally, in order to empower our more junior staff, I let them take the lead in developing proposals for our small grants program and followup on the implementation and results.

I fully understood the high anxiety caused by the military regime's refusal to grant or renew visas for more than 6 months, not because people were worried that they could not leave, but because they were worried that if they had to leave for any reason they might not be able to get back into Burma. I frequently spoke to many staff members individually during the 6-month visa hold regarding these frustrations and was able to secure assistance for several. I understood their tremendous dedication our mission's role in Burma and their desire to be part of it.

Further, throughout my 3 years in Rangoon, I hosted at least five social functions a year that included families and the broader American community in Rangoon. In addition, I arranged for regular presentations to the broader American community by our Regional Medical personnel to address health concerns and organized well-attended townhall meetings with the entire American community to answer all questions after the September 2007 demonstrations and the 2008 cyclone.

In addition to our attempts to improve morale, I believe the mission's performance in handling multiple crises over time provides a more positive example of my leadership of a unified mission team. It is important to understand that the mission was under constant surveillance and high levels of stress by a hostile military regime. Yet we managed to keep people motivated and highly productive despite the stress level. I am very proud of the outstanding collaboration and teamwork shown by every member of our mission team, which went well beyond what duty required. They deserve the lion's share of the credit, but I believe that my leadership was also important.

For example, our move into a new chancery in September 2007 required careful leadership by both the DCM and me because we had to ensure that we accomplished our move in 1 day, while still continuing to cover massive pro-democracy demonstrations that had begun a few days earlier. The day of the move was further complicated by torrential rains and fallen trees that shut streets throughout the city and blocked the entrance to the new chancery. After talking with our staff—who were most interested in covering the demonstrations—we arranged for them to trade off responsibilities so they could both escort classified shipments and cover the demonstrations. Their reports enabled us to report back the latest developments to Washington even though most of our communications were down. The DCM and I had listened to our staff and came up with a fair way to divide the work that satisfied everyone. This team effort helped build everyone's sense of pride and accomplishment. I considered this was the most impressive display of teamwork that I had ever seen until the following May.

Rangoon and the southern delta were hit by a cyclone in May 2008, 2 months after the inspection. This was a massive storm unlike anything experienced in over 100 years. Several of the American staff sustained major damage to their homes and many of our Locally Employed Staff were hit much harder. My first focus was to ensure the safety and well-being of my team and our mission. The DCM and I convened a meeting with key staff the next morning to elicit status reports, assess the damage, and guide our cleanup. We recognized that communication was critical and that most phone lines were down, so we utilized the Embassy radio system to communicate frequent updates to our entire staff throughout the coming days. The entire staff and family members could listen, nonstop, to our discussions if they wished and could ask questions and raise concerns as they arose. Guards stayed at their posts for up to 3 days straight before replacements could reach them.

After moving families to safer quarters, we quickly turned our attention to helping the millions of Burmese who suffered terrible losses. Since the military regime initially rejected offers of international assistance, and our American and Burmese staff wanted to respond, I encouraged them to organize private relief efforts and permitted them to deliver the relief supplies to remote villages. We also organized a relief fund to help our Burmese staff most harmed by the cyclone that served as a model for subsequent efforts elsewhere. Finally, overcoming military resistance to outside assistance, we moved quickly to show U.S. leadership of relief efforts with almost 200 U.S. military C-130 flights over 6 weeks delivering relief supplies. This ended up being a massive undertaking that involved the entire mission. We had first-tour officers directing unloading operations at the airport to make sure they

were not diverted to the military. Our staff accompanied relief shipments to the devastated villages, so that we could report back to Washington on the ultimate destination of the deliveries. The USG response to Cyclone Nargis required a dedicated, motivated, and cohesive team to sustain this effort over 3 months. There was no way our response could have been effective without strong leadership, clear communications, and careful coordination to overcome the numerous obstacles the Burmese military tried to put in our way. It was an honor for me to lead our outstanding dedicated staff and keep them motivated over time to creatively overcome the many obstacles we faced.

In sum, I agree that morale was a serious problem and I tried my best to make improvements. The ultimate responsibility for mission morale is the chief of mission and, before the OIG inspectors had even departed, I assumed personal responsibility before the entire mission and reiterated my personal desire to do better at boosting staff morale in my individual sessions with them. If confirmed as chief of mission to Mauritius, I will do my utmost to support staff morale at all times by making sure that I am aware of my staff's concerns, input, criticisms and thoughtfully discuss with them our approach forward. Although we have a much friendlier relationship with Mauritius than we do with Burma, our staff will still be far from their families and friends. During my consultations, I have learned about the resources—medical, psychological, personnel, education—that are based in the region which I can call on for support. I am determined that my leadership will provide the necessary communication, coordination, problem solving and fairness to foster team spirit and high morale.

*Question.* Please describe any steps that you took while serving as chargé d'affaires at Embassy Rangoon to address the issues raised by the OIG report.

*Answer.* I immediately convened a Country Team meeting at the conclusion of the inspection and congratulated the entire mission staff for their outstanding work as evidenced by the relatively few recommendations. I explained that the inspectors' primary concerns were focused on the Front Office and pledged to improve communication and clarity, and stated my intent to sit down with everyone individually to listen to his or her concerns. The DCM and I were able to quickly agree on our respective roles and responsibilities, which we then communicated jointly to the staff. In addition, we met jointly as needed with individuals to ensure we gave no mixed messages.

Listening to concerns and discussing morale with my American staff, and several family members, proved very informative. I learned that most of our American staff, and near all of our local staff, had no discussions with the inspectors about morale and/or the Front Office. My individual discussions reinforced my positive impression of extremely dedicated individuals. They were all very proud of their contributions to our mission and pleased to be part of the team. Many offered suggestions on how we could do more. Their realization of my openness to their suggestions paid dividends later on, perhaps best evidenced during our response to the May 2008 cyclone. The staff readily responded during that crisis that affected us all with many great ideas on how we could help our families and the Burmese people devastated by the cyclone, which we then implemented while publicly recognizing the individual initiatives. We also circulated materials for dealing with stress and obtained increased support from the Regional Medical Office in Bangkok to attend to health concerns. We also revised bidding materials to give a clearer picture of the some of the hardships at Post.

During these individual meetings, I specifically asked about perceptions of favoritism or unfairness, and only one gave those assertions any credence. Several did inquire about my reasoning on particular decisions, which I explained and requested their feedback on how I could have done better.

Finally, I learned that I should engage more with individual staff about decision-making and our policies, rather than relying on supervisors to brief their staff on my behalf. Accordingly, I made more of an effort to speak regularly to individual staff members and actively solicit questions.

*Question.* Has your management style changed since you left Embassy Rangoon? If so, please describe the specific steps you have taken in this regard.

*Answer.* Thank you for the opportunity to address this issue, as I have worked hard to strengthen my management and leadership styles since serving in Embassy Rangoon.

I now make it a point to meet often with my staff on an individual basis in order to listen to their concerns and views and to seek out their opinions and feedback. I meet almost daily with individual staff members and I make a point of proactively seeking them out for conversations. My staff also often regularly drops by my office,

as I have made it clear that they do not need to make an appointment to do so. My staff has welcomed the access and my receptivity to their thoughts, which has empowered them as they meet with other agencies and bureaus. In addition, these personal contacts have given me a much better sense of their concerns and challenges, thus allowing me to step in early on to help address any problems. My current office is a talented mix of civil servants, Foreign Service officers, and detailees from other agencies. It is an actively sought-after place to work because people have heard that I am a good person to work with. My staff regularly solicit career advice from me and I have helped several obtain positions that advanced their career aspirations.

In addition to increasing my outreach to staff, I have also sought out courses to help improve my leadership skills. I recently completed a crisis leadership course that emphasized the importance of clear communications and listening carefully to the concerns of the staff. I also enrolled in an executive mentoring program which provided an in-depth look at my leadership and management style as viewed by subordinates and peers, and which identified areas where I could further refine my skills. In the course of further reading, I have also learned that I should treat everyone as unique individuals and utilize a variety of leadership skills depending on the needs of the particular individual.

I will always be open to suggestions on what more that I can do to lead the talented Americans and local employees on my staff.

*Question.* You are currently serving in a management position at Main State Department headquarters in Washington DC, which is a considerably different environment for employees than serving in isolated posts such as Rangoon or Port Luis. If confirmed, what steps will you take to ensure that Embassy Port Luis does not suffer from the same sorts of mission coordination and morale problems that were identified by OIG as being a problem in Embassy Rangoon?

*Answer.* I believe that there are key differences between a post like Burma, where we must deal with a hostile regime that has actively sought to hinder the mission's activities, and a post like Mauritius with a friendly democratic government.

That said, I can cite several examples of my successful leadership in small, isolated posts, as well as high stress posts before I served in Burma. For instance, in 2002 I put together and managed a team of relatively junior officers and volunteers to help set up our new Embassy in East Timor. Our team successfully organized the visit to East Timor of former President Clinton, Richard Holbrooke, and then-Assistant Secretary of State Kelly. We followed that successful endeavor by securing in a matter of months several key agreements which ordinarily take years to negotiate, including a Status of Forces agreement.

Additionally, the Economic Section I ran in Jakarta in 2001–2004 was broadly viewed as having the best morale of any section in the Embassy despite losing two-thirds of our staff due to multiple evacuations in response to serious terrorist threats over 2 years.

Some of the lessons that I learned from these experiences, as well as my time in Burma, is the importance of clear communication—not just saying something, but asking questions to see what message was received and also asking for suggestions so that the individual feels invested in the decisions. I also liberally include all the interested officers on internal e-mails and transmit policy decisions to the entire staff so they have a better idea of other issues that we are working on. This later leads to lively discussions with individuals and the group about the other factors that led to the decisions, so they have better insight into senior policymaker thinking.

I also learned that, rather than just proposing solutions for problems, I must also make sure to clearly indicate my sympathy and understanding for the challenges individuals who work for me face. To improve teamwork and cohesiveness, I have learned that it helps if individuals take on different tasks than their usual ones to both broaden their expertise and so they better understand the challenges their colleagues face.

Finally, as a manager of people I have learned that different people require different styles of management. Some individuals desire a great deal of autonomy while others require more hands-on guidance. I have learned to tailor my management style to each individual.

In the course of my Department of State consultations to prepare for my proposed assignment, I have learned that the current Charge in Port Louis is very highly regarded and presides over a contented, productive Embassy staff. My main responsibility is to keep it that way. I have no plans to overhaul a well-functioning operation. I am sympathetic to the isolation factor there and have explored the possibilities of exchanges with other embassies in the region in order to provide more oppor-

tunities for staff to broaden their experiences and learn how larger posts operate. Because we have a small staff, everyone will have to cover for each other, which also provides further opportunity for the staff to demonstrate their versatility and make them more attractive bidders for their followup assignments. I have also learned about the resources available in Washington and at other posts in the region that I can call upon as needed in the areas of medical and psychological care, educational opportunities, and personnel issues. Fortunately they will be able to travel easily should the need arise since visas will not be an issue.

RESPONSES OF WALTER NORTH TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* The U.S.-Pacific Islands Multilateral Tuna Fisheries Treaty has been a major success in fostering a better dialogue between the United States and Papua New Guinea (PNG). The recent treaty negotiations in Vanuatu were an important step forward and the negotiations appear to be moving in the right direction, but the treaty is set to expire in 8 months. Given that Papua New Guinea is a key Pacific Island nation in these negotiations and on fishery issues, what steps do you plan to take to engage the PNG Government in support of continued progress under this treaty and to help conclude negotiations in a timely manner?

*Answer.* For most Pacific Island nations, including Papua New Guinea, Vanuatu, and the Solomon Islands, the fishery resources in their waters, in particular tuna, provide a key natural resource to support their economic development. The United States has a long history of cooperation and collaboration with the Pacific Island States to protect these resources for current and future generations, while ensuring access to American fishermen. Since 1988, the United States tuna purse seine fleet has operated in the Western and Central Pacific under the terms of the South Pacific Tuna Treaty. This mutually beneficial treaty has provided access to Pacific fisheries for the U.S. tuna fleet and has served as a vehicle for the Pacific Island countries to receive hundreds of millions of dollars in revenues, U.S. Government economic development funding, and assistance with sustainable fisheries management as well as combating illegal fishing. The United States is negotiating with the Pacific Island Parties to extend the treaty beyond the June 2013 end date.

At the most recent round of negotiations to extend the South Pacific Tuna Treaty, held September 5–8, 2012 in Port Vila, Vanuatu, U.S. negotiators made good progress in closing the gaps on a number of remaining issues. This progress, in addition to the agreement reached in Auckland on access for the U.S. fleet and the associated financial package, brings us closer to a final agreement. If confirmed, I will engage heavily with the governments of Papua New Guinea, Solomon Islands, and Vanuatu to press for a successful conclusion to the treaty at the next negotiation round in Solomon Islands in November.

*Question.* Papua New Guinea comprises over 28 million hectares of rainforests. It is home to over 200,000 species and boasts a rich and diverse ecosystem. Forest degradation in particular is a critical concern in the region. Forestry and agriculture account for 90 percent of greenhouse gas emissions in the country. Extensive logging and removal of forests for agricultural use are a significant driver of this forest degradation and source of emissions. How do you plan on engaging in addressing the drivers of forest degradation as well as conservation of the forest biodiversity in Papua New Guinea? How do you plan to work with private sector, nongovernmental groups, and other key stakeholders in your efforts?

*Answer.* Papua New Guinea (PNG) is one of the most richly diverse places on earth. There are millions of hectares of rainforests, as well as abundant marine resources. These rich resources provide the livelihoods for a significant portion of the population and are particularly important to the poor.

Regrettably, there are multiple causes driving forest loss and degradation in PNG. These include invasive species, slash and burn agriculture, and local conflicts related to land use and access. The most challenging issue is weak governance. Because of weak governance, there has been extensive overexploitation and poor management of forest interests. I believe that there are a number of ways in which the United States can work with the government and people of PNG on these issues, and, if confirmed, I will work hard to advance the following efforts.

The United States is addressing the drivers of deforestation in a number of fora, from the United Nations Framework Convention on Climate Change (UNFCCC), to the Forest Investment Program (FIP) and Forest Carbon Partnership Facility (FCPF), to bilateral programs. Most relevant is a new alliance announced at the Rio+ 20 meeting (June 21, 2012) by the United States and the Consumer Goods

Forum to bring together governments, the private sector, and NGOs to address deforestation associated with commodity production. The first meeting of this alliance will be held later this fall; both palm oil and pulp and paper, which are important issues in PNG, will be priorities for this alliance. PNG will also submit a Readiness Preparation Plan in the next few months to the FCPF, where the United States is an active donor and participant; this plan includes strategies to address the drivers of deforestation.

The United States will also continue to work regionally and with key countries such as PNG to combat illegal logging and associated trade, and more broadly to promote sustainable management of forests, through cooperation in the International Tropical Timber Organization, the U.N. Forum on Forests, and APEC.

Bilaterally, we are working to encourage commitments by the Government of PNG to strengthen democratic institutions to reduce corruption, expand inclusiveness, and strengthen law enforcement. In this regard, the intention of the PNG Government to join the Extractive Industries Transparency Initiative is a very positive development. If confirmed, I will encourage the PNG government to sustain and build on improvements in the management of rich biodiverse protected areas, including stimulating ecotourism. I will work to advance the PNG Government's commitments under the representations that it has made to the United Nations Framework Convention on Climate Change (UNFCCC) on forest protection and will work with them and NGO partners to monitor progress toward those objectives.

Finally, the United States will continue to make direct investments through USAID. A new Coastal Management Program will focus on PNG's rich coastal forest resources and work with communities in those areas on sustainable management of terrestrial and marine resources. Resources permitting, we would augment this with support for active on-the-ground monitoring and scientific research. Meanwhile, ongoing programs through the Coral Triangle Initiative engage NGOs, local communities, government, researchers and academics in increasing the scale of and better managing protected areas, getting local buy-in to these approaches, and working in surrounding areas to better manage them.

If confirmed, I will seek opportunities to work with NGOs, the private sector, academia, the people of PNG, and other governments to explore further ways to enhance conservation and protection of Papua New Guinea's incredible biodiversity.

*Question.* Climate change poses devastating risks to small island nations that are particularly vulnerable to sea-level rise because of their geography. By 2008, the sea level surrounding the Carteret Island, an atoll of the Autonomous Region of Bougainville, had risen to a point where residents began to relocate to higher ground and/or neighboring islands. The impacts of climate change and the threat it poses on small island nations is an important issue for our diplomatic missions to address. Please describe what you consider to be effective ways to diplomatically address climate change. What in your previous experience lays the foundation for you to be successful in working on these issues?

*Answer.* The United States recognizes that climate change is an urgent environmental, economic, development and security issue for the Pacific region. The United States will continue our efforts to assist the people of the Pacific in finding workable adaptation solutions to the challenges of climate change. We stand behind our pledges in the United Nations Framework Convention on Climate Change (UNFCCC) to take prompt, substantial action to help vulnerable countries adapt to climate change and, if confirmed, one of my priorities is to work with Papua New Guinea, Solomon Islands, and Vanuatu on ways to tackle the problem of climate change. Existing programs provide an avenue to open enhanced regional dialogue and cooperation on this difficult issue. I hope to develop those channels during my tenure, if I have the honor of being confirmed as Ambassador. In addition, the newly opened USAID office in Port Moresby extends added opportunities to bring together regional and U.S. experts on climate change and environmental degradation. The United States currently provides significant climate-related assistance to the region, with \$40.5 million in appropriated and requested funds for climate programs between fiscal year 2010 and 2013. At the Pacific Island Forum Post Forum Dialogue on August 31, Secretary Clinton announced a \$25 million USAID program to help vulnerable coastal communities in the Pacific region to withstand extreme weather events in the short term, plus sea-level rise in the long term.

As a long-time USAID mission director, I have overseen the development and implementation of successful programs to address a number of comparable challenges, particularly in Indonesia where I worked on the Coral Triangle Initiative and significant bilateral terrestrial and marine programs. If confirmed, I will draw on that experience in reaching out to actors in the region to do all that we can to build on the serious commitments made by the administration.

We want to ensure that our programs in the region not only support adaptation efforts related to food security, water resources, coastal infrastructure, and ecosystems, but also address critical governance issues that will help the region build institutional and human capacity to access adaptation funds and to understand, forecast, and use climate information. If confirmed, I look forward to working with the committee on these issues.

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RESPONSES OF WALTER NORTH TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Mr. North, you have extensive background on a wide range of development issues. What are “lessons learned” during your time in Indonesia that may be helpful as you consider development opportunities and challenges in Papua New Guinea?

*Answer.* If confirmed, I believe that I will be able to build on my experiences in Indonesia and elsewhere. In Indonesia, by listening carefully to a variety of partners, we were able to build alliances for sustainable change on education, the environment, jobs, food security, health, disaster risk reduction, and democratic governance. We relied heavily on our committed local staff of Indonesians who cared deeply about their country and its future. They and our dedicated American team helped us reach out to local communities, the Government of Indonesia, nongovernmental partners, academia, business, and faith-based organizations to build interventions that could be implemented on a broader scale. The Embassy’s power to bring together stakeholders, the contributions of a number of other U.S. Government entities, and the support of successive strong, creative, and dedicated Ambassadors was a huge plus. That combined with ability to draw on the best of American know-how and first-rate technical assistance kept the momentum going forward. Finally, we had excellent counterparts in the Government of Indonesia who shared a commitment to regular monitoring and rigorous evaluation. When things were not working, we changed course or stopped them. And when they did do well, the Government of Indonesia was ready to expand them using their own resources. I expect that elements of this approach will be useful in Papua New Guinea, too. I am particularly committed to using the influence of the Embassy and my position as Ambassador, if confirmed, to advance existing and future initiatives to advance development and address critical issues, such as public health, climate, and the environment.

*Question.* What is the status of the \$1.5 million-per-year U.S.-funded HIV/AIDS project in Papua New Guinea? Please provide details of the latest evaluation of this program’s effectiveness.

*Answer.* USAID and the Centers for Disease Control (CDC) jointly implement the U.S. Government’s HIV/AIDS prevention, care, and treatment programs in Papua New Guinea. Papua New Guinea suffers from the highest HIV/AIDS prevalence rate in the Pacific, and U.S. Government efforts are targeted to reach the most at-risk populations in the country. The geographic focus of U.S. Government-funded programs is carefully coordinated with the programs of other bilateral and multilateral donors, as well as with the Papua New Guinea Ministry of Health and National AIDS Council, to avoid duplication of efforts and maximize coverage. USAID programs focus on building the capacity of the host government to scale up public and community-based, fully integrated HIV prevention, care, and treatment programs in defined geographic areas to halt the spread of the disease and mitigate its negative effects on society. CDC works closely with the Ministry of Health to improve its laboratory testing and surveillance capacity to enable better understanding of the epidemic and support a fact-based public health response.

U.S. Government programs have been instrumental in raising awareness of HIV/AIDS transmission patterns, establishing treatment protocols, and pioneering work in promoting voluntary testing and counseling among at-risk groups. Indeed, many of the approaches adopted by U.S. Government programs have served as models for other donors and the national Ministry of Health. Comprehensive reviews of the initial 5-year program, which will be completed in December 2012, have been uniformly positive. In accordance with the recommendations of the review, the next 5-year program will increase focus on the intersection between HIV/AIDS and violence against women, while still maintaining the overall focus on an integrated model of prevention, care, and treatment in targeted geographic areas. In FY 2012, Papua New Guinea received \$5 million from the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR) for its HIV/AIDS response.

*Question.* Please provide details of the model or approach you utilized as USAID mission director in Indonesia to review the effectiveness of U.S.-funded assistance.

*Answer.* In Indonesia, U.S. investments benefited from a legacy commitment to evaluation that had been instilled and nurtured in the mission culture over successive directors. This meant that there were staff with requisite skills, tracking and monitoring systems in place, resources set aside for monitoring and evaluation, and a consideration of monitoring and evaluation at every step of an activity's cycle. Regular portfolio reviews and consultations with counterparts reinforced the importance of the issue. Consequently, when USAID Administrator Shah's AID Forward reform agenda focused on evaluation, we welcomed the commitment and were well positioned to participate in it.

*Question.* Having worked in Indonesia, you are familiar with efforts between the United States and Indonesia, to study tropical diseases. Is such a collaborative project presently underway in Papua New Guinea? If not, what do you see as prospects for the United States and Papua New Guinea to work together so that tropical diseases and other public health issues connected to the country's biodiversity may be studied?

*Answer.* The National Institutes of Health currently partners with the Papua New Guinea Institute of Medical Research in Goroka through a Malaria Center of Excellence. This initiative brings together researchers from both countries to examine collaboratively new ways to control the spread of this tropical disease, which is endemic throughout Papua New Guinea. Both the National Institutes of Health and USAID are examining ways to increase this collaborative work in Papua New Guinea through expanded tropical disease research, prevention, and treatment. CDC is working to strengthen laboratory and disease surveillance systems in the country. The addition of a public health specialist from the Navy Bureau of Medicine and Surgery to the Embassy staff in October 2012 will help facilitate expanded Department of Defense engagement in this area. If confirmed, I will work closely with all elements of our health diplomacy team in Port Moresby to identify areas for closer partnership and collaboration on tropical diseases and public health challenges in Papua New Guinea, Solomon Islands, and Vanuatu.

*Question.* When did the latest review of security at the U.S. Embassy in Papua New Guinea occur? Were there recommendations for improvement? If so, have the recommendations been implemented?

*Answer.* The last Diplomatic Security Program Management review for Embassy Port Moresby was published on June 8, 2011. Two of the recommendations contained in that report have not yet been fully implemented. The outstanding recommendations deal with timekeeping and communication equipment that the local guard force contractor has not yet provided to local guard force employees. Embassy Port Moresby has been in regular contact with the local guard force contractor to press for the deployment of the recommended equipment. The local guard force contractor is working to procure its equipment—a difficult exercise in Papua New Guinea—and intends to deploy it in the near future. In the interim, Embassy Port Moresby has provided U.S. Government-owned equipment to local guard force employees to ensure that there are no gaps in security coverage.

*Question.* To what degree are the people of Papua New Guinea reliant upon fish for their food supply? To your knowledge, have any studies been conducted regarding the longevity of the fish stock supplying Papua New Guinea for domestic consumption as well as export?

*Answer.* Fish and seafood are an important source of protein in the diet of coastal communities in Papua New Guinea. Numerous studies have been conducted both by governmental and nongovernmental sources analyzing the sustainability of Papua New Guinea's fish stocks, particularly migratory fish stocks, including various tuna species, the country's principal fish export. In addition, a number of governmental and nongovernmental studies have been conducted to determine the impact of climate change on Papua New Guinea's fish stocks, focusing primarily on various species of reef fish, which are important for domestic consumption. These studies have all highlighted the need for careful conservation of Papua New Guinea's fish stocks in order to ensure their long-term viability, as well as the need for measures to protect Papua New Guinea's coral reefs from the impact of climate change.

The Government of Papua New Guinea has been a credible partner in efforts to ensure the sustainable management of migratory fish stocks in the Pacific. Papua New Guinea's waters contain about 10 percent of the world catch of tuna, the biggest tuna resource base of any country on earth. The South Pacific Tuna Treaty and the Western and Central Pacific Fisheries Convention (WCPFC) are the two major treaties regulating tuna fishing in the South Pacific region. Earlier this year Papua New Guinea revoked its prior withdrawal from the Tuna Treaty, and since then has been a constructive partner in the ongoing negotiations on its extension. The United

States looks forward to working with Papua New Guinea to conclude the remaining steps to extend this agreement.

Both Papua New Guinea and the Solomon Islands receive USAID support as members of the six-nation Coral Triangle Initiative, which also includes Indonesia, Philippines, Timor-Leste, and Malaysia. The Coral Triangle Initiative—which is also supported by other bilateral donors, multilateral development banks, and international NGOs—works to protect mangroves, coasts/coral reefs, fisheries, and other coastal resources within a 5.7 million square kilometer area of ocean and islands with the highest marine biodiversity on earth. To complement this work, USAID, as part of the regional climate change work being done through its Pacific Islands Office in Port Moresby, is establishing a coastal mangrove planting, protection, and management program that will assist coastal communities in Papua New Guinea and Solomon Islands in protecting reefs and fish breeding grounds. In addition, as part of its program to assist communities in Papua New Guinea, Solomon Islands, and Vanuatu to adapt to the realities of climate change, USAID intends to assist with sustainable fisheries management in coastal communities.

*Question.* According to the U.S. Department of State's Background Notes for Papua New Guinea, "petroleum and mining machinery and aircraft have been the strongest U.S. exports. Looking to the future, do you see opportunities for expanded categories of U.S. exports to the country? Please elaborate.

*Answer.* Given the projected expansion of Papua New Guinea's petroleum and mining sectors over the next several years, it is very likely that U.S. exports to the country will continue to be dominated by machinery related to these industries. There is potential for immediate growth in other categories, however, particularly renewable energy technology and construction machinery. The potential for increased export of U.S. food and consumer products to Papua New Guinea also exists. The export of such products has, however, been hampered by Papua New Guinea's stringent sanitary and phytosanitary regime and weaknesses in intellectual property protection. To address these barriers to increased U.S. exports, the United States has agreed to begin bilateral discussions on trade matters with the Papua New Guinean Government.

If confirmed, I will work closely with all elements of the U.S. Government to identify ways to broaden our exports to Papua New Guinea and will engage with Papua New Guinean Government authorities to reduce barriers to the entry of U.S. products in their market.

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RESPONSES OF JOSEPH MACMANUS TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT MENENDEZ

*Question.* Mr. Macmanus, as you assume a key role as the lead U.S. Representative to the IAEA, what are the administration's top priorities? Where do IAEA priorities differ from those of the United States? Where differences between U.S. and IAEA priorities exist, do you have a plan to bring those priorities more in line with our own?

*Answer.* The administration's top foreign policy priority at the IAEA is to prevent Iran from obtaining a nuclear weapon and to support the IAEA's efforts to monitor and inspect both Iranian and Syrian nuclear activities, as the international community continues to pressure these countries to comply fully with its international nuclear obligations. As set out by U.N. Security Council Resolutions (UNSCRs) 1696, 1737, 1747, 1803, 1835, 1929, and 1984, such cooperation entails access for the IAEA to sites, materials, and persons relevant to the effort to ascertain the true nature of Iran's nuclear program, including the possible military dimensions of that program. If confirmed, supporting IAEA's efforts to gain full access to Iranian and Syrian nuclear programs and to prevent Iran from obtaining a nuclear weapon will be my top priority.

Another priority is to support the IAEA's efforts to maintain readiness to reestablish a long-term presence to effectively monitor and verify the cessation of nuclear activities in the DPRK. UNSCR 825 concerns the DPRK's nuclear activities and requires access for IAEA inspectors.

The 2011 Fukushima tragedy in clearly demonstrated the critical importance of international cooperation on nuclear safety and incident response. The administration is committed to supporting IAEA initiatives in this area, including implementation of the Agency's Nuclear Safety Action Plan which was adopted by member states in September 2011.

Keying off U.S. leadership on nuclear security matters, the IAEA is also exploring how it can play a strengthened role in promoting nuclear security and keeping

nuclear materials out of the hands of terrorists. This effort reinforces President Obama's Nuclear Security Summit Initiative and will help to sustain and strengthen international focus on this issue beyond the planned 2014 summit to be held in the Netherlands.

The administration is committed to supporting the Agency in its unique and indispensable role in implementing nuclear safeguards, which provide the technical and substantive case for U.N. Security Council and other actions and sanctions. To that end, if confirmed, I will do all I can to ensure that the IAEA has the resources to carry out the infrastructure improvements and technical upgrades it may need to maintain its effectiveness.

In the same vein, the United States has long been the greatest supporter of the Agency's role in promoting the availability of the peaceful uses of nuclear energy through its program of Technical Cooperation. Technical Cooperation projects promote food security, human health/cancer treatment, water management and other benefits, particularly for the developing world. U.S. support was demonstrated most recently in President Obama's commitment to the IAEA Peaceful Uses Initiative, which was announced by the Secretary at the 2010 Nuclear Nonproliferation Treaty Review Conference and which seeks to raise \$100 million to expand and accelerate Technical Cooperation. The Peaceful Uses Initiative has made possible such quick-reaction projects as the IAEA's study of the marine environment effects of Fukushima in the Pacific Islands region.

The administration also strongly supports the IAEA's ongoing work to set up an IAEA LEU fuel bank, which gives substance to member states' commitment to making the peaceful uses of the atom accessible to all and helps to reduce incentives for member states to develop the enrichment and reprocessing capabilities that can contribute to proliferation risks.

Despite overall strong management within the Agency, I believe that more progress could be made with respect to transparency and accountability. In 2012, the Agency took a welcome advance in transparency by publishing the first ever annual activity report for the Office of Internal Oversight Services (OIOS). The Agency has expressed reservations about public disclosure of individual OIOS internal audits reports due to concerns that it could impede access to member states' sensitive technical information and capabilities.

If confirmed, I will continue to press the IAEA to continue to work to enhance fiscal and management accountability. Given the Agency's positive track record in revising procedures for vetting Technical Cooperation projects, and a strong relationship of openness and candor, I remain very optimistic that we will be successful in our efforts to encourage the IAEA to continue to review and reform itself and its procedures in a way that benefits the overall efficiency and accountability of the organization.

*Question.* Can you tell us more about the IAEA Iran Task Force? Beyond the name, how will this task force change the short-term interaction and long-term approach that the Agency takes on Iranian nuclear issues? Has the IAEA had a similar task force before? If so, do you think it was effective, and if not, what will you do to ensure that the Iran Task Force produces results?

*Answer.* The International Atomic Energy Agency (IAEA) has stood up an Iran Task Force. This is the first such Task Force organized to handle an ongoing investigation of a specific country in noncompliance with its safeguards agreement. Given Iran's ongoing and increasing intransigence and failure to cooperate with the IAEA, we consider the Task Force to be a positive development and an example of both the commitment of the Director General and the seriousness of the IAEA in resolving this issue. Among the first jobs of the task force should be the successful conclusion of discussions leading to a structured approach to resolving outstanding issues concerning Iran's nuclear program as articulated by the Director General's report of November 2011 and subsequent reports.

The Task Force will consolidate Iran experts into a single unit that will allow them to more deeply analyze the information available to the IAEA. This will allow the IAEA to put together an even better picture of the Iranian nuclear program and, among other things, be better poised to implement a structured approach when Iran agrees to doing so. It could also make additional information available to the international community through the Director General's reports to the IAEA Board of Governors.

If confirmed, I will work to ensure that both the IAEA and the Task Force produce positive results on this issue.

*Question.* Mr. Macmanus, as you know the IAEA plays a critical role in standards setting and information-sharing with regard to nuclear energy safety. Following the Fukushima disaster this role is more important than ever. What role do you think

the United States should play in shaping the IAEA's response to this disaster and what lessons, if any, do you think the United States can learn from other member nations' responses to the disaster?

Answer. The United States, along with many other member states, played a key, and I believe appropriate, role in supporting the efforts of the IAEA to share-information during the Fukushima crisis. During the crisis, the IAEA was somewhat constrained by its regulations that do not permit dissemination of information to other member states or the public without the consent of the Government of Japan and other countries concerned. While these governments were forthcoming in providing such consent, the additional requirement caused unavoidable delays in some announcements and briefings by the IAEA.

I would note that member state support in the form of extra-budgetary contributions, Cost-Free Experts, and additional technical information and resources provides the IAEA with the considerable expertise and capability it needs. Moreover, other organizations also contributed valuable assistance. For example, the Preparatory Commission for the Comprehensive Nuclear Test-Ban Treaty Organization (CTBTO) provided real-time seismic data that greatly assisted the IAEA and the international community in predicting tsunami and other activities during this crisis period.

The Fukushima disaster and member states' responses underscored two important aspects of nuclear safety: First, that preparation for and response to nuclear safety incidents remain first and foremost responsibilities of the individual state; and second, that international standards of regulation, practice, and response bring needed transparency and predictability to disaster preparedness.

Moving forward, the United States will continue to play an active role in shaping the IAEA's continued response to the Fukushima disaster. The administration commended the efforts of the Agency and its member states in implementing the Action Plan for Nuclear Safety and absorbing lessons from the Fukushima Daiichi accident. Among the many actions taken, the United States believes self-assessments by national regulators and efforts to strengthen the effectiveness and thoroughness of international peer review missions have been especially helpful in assessing and providing insights into how national regulatory programs can be strengthened. For example, the United States is actively compiling lessons learned from assessment mission programs such as the Integrated Regulatory Review Service, which aims to make these peer reviews more robust. In addition, under IAEA auspices, the Parties to the Convention on Nuclear Safety held an Extraordinary Meeting on August 27-31, where they identified a number of actions in the "Action-Oriented Objectives" document that I understand can and should be taken immediately to enhance nuclear safety worldwide.

These actions focus on implementing IAEA Safety Standards broadly and effectively, strengthening the independence and transparency of national regulatory bodies, employing international peer review missions (such as those already offered by the IAEA) to consult with member states on their safety regimes, and increasing transparency and public involvement with respect to nuclear safety activities. To be truly effective, in my view, states must implement these identified actions in an expeditious, thorough, and continuing manner.

No nuclear program can be verifiably safe without a robust, effective, and independent regulator, like the U.S. Nuclear Regulatory Commission (NRC) that operates in an open and transparent manner. Contracting Parties to the IAEA Convention on Nuclear Safety are committed to reviewing their national regulatory programs to implement the lessons learned after the Fukushima accident, and to develop regulations and other mechanisms to anticipate, prevent, mitigate and effectively respond to events in the future.

Immediately following the Fukushima accident, the NRC established a task force to review data and actions taken by Japan. The objective of the task force was to better understand the accident itself, and to also make recommendations on how to enhance the safety of the U.S. nuclear program. The NRC has also participated in ongoing consultations with counterpart regulators in Europe to study the criteria established for, and the results of, the nuclear power plant "stress tests" initiated for European countries. NRC has had similar consultations with regulators with mature nuclear programs elsewhere in the world to ensure that the recommendations provided to the Commission are informed by actions taken by other countries.

As I understand, governments are committed to assisting and learning from the Fukushima accident as they develop technical and regulatory approaches to their nuclear activities. If confirmed, I will work to see that this focus on safety remains in the forefront of IAEA activities.

RESPONSES OF WALTER NORTH TO QUESTIONS SUBMITTED  
BY SENATOR MARCO RUBIO

*Question.* The State Department's 2012 Trafficking in Persons Report lists Papua New Guinea as a Tier 3 country for trafficking due to its failure to meet minimum standards for the elimination of trafficking and failure to make significant efforts to combat trafficking. Papua New Guinea is a source, transit and destination country for men, women, and children subjected to sex trafficking and forced labor. Papua New Guinea had been listed as a Tier 3 country since the 2008 Trafficking in Persons Report.

- If confirmed, what would be your new strategy to engage the government in beginning to seriously combat this crime?

*Answer.* In the 2012 Trafficking in Persons (TIP) Report, Papua New Guinea (PNG) was ranked Tier 3 for the fifth year in a row. If confirmed, I will work closely with PNG authorities to reverse that trend by adopting and implementing tools required to address human trafficking.

For example, with U.S. assistance the Government of PNG has drafted anti-trafficking legislation and has taken tentative action toward enacting this legislation. If confirmed, I will urge the PNG Government to enact this legislation. The next step will be to work with the PNG Government to ensure that it enforces this legislation by investigating, prosecuting, and punishing trafficking offenders, including government officials complicit in trafficking. I will also work with the Government of PNG to encourage the development and implementation of procedures to identify trafficking victims among vulnerable groups and ensure they receive protective services.

In addition, the State Department's Office of Trafficking in Persons has provided grants between 2010 and 2012 to the International Organization for Migration (IOM) to assist PNG in designing and implementing antitrafficking legislation and to help launch PNG's first antitrafficking awareness campaign. If confirmed, I intend to work closely with the government and with the IOM to ensure that the legislation is implemented effectively and other antitrafficking measures are adopted and implemented.

*Question.* What specific benchmarks must Papua New Guinea meet to earn a Tier 2 Watch List designation? How do you plan on reaching these?

*Answer.* Each country narrative in the TIP Report includes a list of recommendations, providing governments with a roadmap for addressing deficiencies in their antitrafficking efforts and improving their performance and their tier ranking. The 2012 TIP report on the PNG provided a number of recommendations, such as enacting legislation prohibiting and punishing all forms of trafficking; investigating, prosecuting, and punishing trafficking offenders; instituting a formal procedure to identify victims of trafficking among vulnerable groups; training law enforcement officers to proactively identify victims and refer them to protective services; ensuring that victims of trafficking are not arrested, deported, or otherwise punished for acts committed as a direct result of being trafficked; and acceding to the 2000 U.N. TIP Protocol.

If confirmed, I will ensure that the Embassy regularly engages with the PNG Government to discuss the recommendations, to evaluate progress made to date, and to encourage additional actions as needed.

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RESPONSE OF SHARON ENGLISH WOODS TO QUESTION SUBMITTED  
BY SENATOR MARCO RUBIO

*Question.* The State Department's 2012 Trafficking In Persons Report lists Seychelles as a Tier 2 Watch List country for trafficking. Seychelles is a source and destination country for sex trafficking. Currently there are contradictions in existing laws relating to the sex trafficking crimes of child prostitution and forced prostitution of adults.

- If confirmed, what steps will you take to ensure that Seychelles passes clear and comprehensive antitrafficking legislation?

*Answer.* Secretary Clinton has spoken out forcefully against sexual slavery as a crime that cannot be tolerated in any culture. If I am confirmed, I will give this critical issue increased attention and urge the Seychelles Government to take immediate action to enact clear and comprehensive antitrafficking legislation. I will also seek to mobilize Seychelles civil society to protect women and children from this pernicious crime. The Seychelles economy is very dependent on tourism, and absent

clear legislation, the type of tourists it risks attracting, could negatively impact its reputation for high-end tourism.

To assist in these efforts, if I am confirmed, I will work with Congress and the State Department to provide assistance on legislative drafting, and follow that up with training of police, prosecutors, judges and civil society to protect women and children from further victimization. Our mission in Mauritius has collaborated with the Department of Justice to conduct training for the Mauritian judiciary, and I believe a similar training program could have significant benefits in combating trafficking in the Seychelles once the appropriate legislation is in place.

**NOMINATIONS OF STEPHEN D. MULL AND  
DAWN M. LIBERI**

**THURSDAY, SEPTEMBER 13, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

Hon. Stephen D. Mull, of Virginia, to be Ambassador to the Republic of Poland  
Dawn M. Liberi, of Florida, to be Ambassador to the Republic of Burundi

The committee met, pursuant to notice, at 10:30 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Richard Durbin, presiding.

Present: Senators Durbin and Lugar.

**OPENING STATEMENT OF HON. RICHARD J. DURBIN,  
U.S. SENATOR FROM ILLINOIS**

Senator DURBIN. Good morning. This hearing of the Senate Foreign Relations Committee will come to order. Today the committee considers two nominations: The Honorable Stephen Mull to be Ambassador to the Republic of Poland, and Ms. Dawn Liberi—did I pronounce that right?

Ms. LIBERI. Liberi.

Senator DURBIN. Liberi—to be Ambassador to the Republic of Burundi. Welcome to the nominees, their families, and friends.

I am pleased to stand in for Senator Kerry, who is unable to join us. I will be brief with my introductory remarks, and then turn to Senator Lugar. I am glad that he has joined us. And then we will give you two an opportunity for opening statements. Please feel free at that time to introduce any family members that are here with you.

Congratulations to both of you. I am pleased the President has nominated two experienced individuals who, if confirmed, will bring years of service to our country to bear in their respective posts.

With the tragic deaths in the last several days of four Americans serving in our consulate in Libya, including Ambassador Chris Stevens, we are all reminded of the difficult and sometimes dangerous environment in which our dedicated State Department staff serve. Over my travels to some of the most remote and isolated corners of the globe, I have always been struck by the talented, dedi-

cated U.S. personnel representing America in our embassies and consulates.

Before we take your testimony, I would like to start with the introduction of each our nominees.

Stephen Mull—I have the distinct pleasure of representing Illinois where Chicago is often noted as home to the largest Polish community outside of Poland. As Polish-Americans have been vibrant and active members of the fabric of our Nation since the 19th century, many even earlier, so, too, is the relationship between the United States and Poland.

It was no coincidence President Obama awarded a posthumous Presidential Medal of Freedom to Prof. Jan Karski this last spring. A member of the Polish underground during World War II, Professor Karski was among the first to provide eyewitness accounts of the horrors of the Holocaust. I knew Jan Karski. He was my professor at the Georgetown School of Foreign Service—yours as well. What a magnificent man. He was a great teacher and a great individual, and I am glad that he was recognized. He touched the lives of so many people in and out of the classroom. His spirit and compassion were displayed many times both in Poland and in the United States.

The strong diplomatic ties between the United States and Poland are reflected in every aspect of our efforts to maintain international security, support economic development, promote democracy, and respect for human rights. Poland's historic entry into NATO and the European Union, its support in Afghanistan, collaboration on missile defense, its economic growth in a financial crisis that continues to sweep across Europe, are among the many examples of its outstanding progress over the past few decades, and its commitment to democratization and free market.

Russia, in particular, has too often been a troubling neighbor to Baltic and Eastern European states, many times using blustering language and energy to bully its neighbors. Next door to Poland's thriving democracy is Belarus. What a contrast: a brutal dictatorship that still uses its own version of a KGB—and that is what they call it—to repress its own people and lock up those who dare to run against their President, Alexander Lukashenko.

Poland has been a good friend to the Belarusian neighbors who are still struggling for freedom. When I visited Belarus after the imprisonment of these Presidential candidates, how many of those families said that the only place they could go to speak out about what was happening was Poland. Poland allowed them that opportunity to visit and a venue for expressing themselves.

As the current Executive Secretary of the State Department and a diplomat with years of experience in Europe, Ambassador Stephen Mull, if confirmed—and he will be—is praised to confront—pardon me, poised to confront these many issues in Poland.

Former Senior Advisor to the Under Secretary for Political Affairs, Ambassador Mull is currently Executive Secretary of the Department of State. He served previously as Acting Assistant Secretary of State for Political-Military Affairs. He served as U.S. Ambassador to Lithuania from 2003 to 2006, Deputy Chief of Mission at the U.S. Embassy in Indonesia from 2000 to 2003. He has

over 30 years of experience at the State Department. He received his B.S. degree from the prestigious Georgetown University.

If confirmed, Ambassador Mull can offer the leadership necessary to continue cooperation between the United States and Poland.

Having traveled to the central African region on many occasions, I have seen for myself, as I am sure Senator Lugar has, the significant challenges that countries, such as Burundi, face. Civil war, lack of clean water, schools, and jobs, and the need to ensure that a true democracy is nurtured, are just a few of the issues that face Burundi.

In addition, the ongoing conflict in the Democratic Republic of Congo threatens to spill over and destabilize the Great Lakes Region. It is an issue I have tried to address through legislation and several visits to the Democratic Republic of Congo. I recently worked with some success with my colleagues on both sides of the aisle to address the issue of conflict minerals in that part of Africa.

Dawn Liberi joins us today with many years of experience in many challenging countries. She served as senior assistant coordinator in Tripoli, Libya. Before that was the coordinator for Inter-agency Provincial Affairs and senior civilian representative for Regional Command East in Afghanistan. She has also served as the executive civil military counselor at USAID. Prior to that, was USAID mission director in Iraq, Nigeria, and Uganda. That may be where I met you the first time was Uganda.

Ms. LIBERI. Yes, Senator.

Senator DURBIN. Ms. Liberi holds a B.A. from Hampshire College and a master's in public health from the University of California at Berkeley. A seasoned diplomat with on the job experiences that help her serve as a true advocate for U.S. priorities and a comprehensive approach to assistance.

If confirmed, Ms. Liberi will face enormous challenges in Burundi. Her nomination serves as a fitting followup to the assignments she had in the past. If confirmed, Ms. Liberi will be vital in helping Burundi continue to rebuild from its years of war and instability, as well as working with the government to contribute to the need for peace in the Great Lakes Region.

I encourage all of you to respond expeditiously to any questions that may be forwarded after this committee hearing. The record is going to remain open for questions through noon on Friday.

Senator DURBIN. I want to thank you and all of your families for your service, and look forward to your testimony. In the interest of time, I will limit your testimony to 5 minutes and then open it to questions.

And before I proceed to your testimony, I would like to turn to my colleague, Senator Lugar.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,  
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Well, thank you very much, Mr. Chairman. I thank you for chairing this hearing and to the President and the Secretary of State for making these nominations in a timely way before we adjourn because the need to fill these posts is obvious.

I am especially pleased to see Stephen Mull here. I remember our visits in Poland and your kindness during one of my travels

there. And I have appreciated especially your ambassadorship in Lithuania. It was a very important time as Lithuania came into NATO's responsibilities, and a good number of other situations that are very important to our security.

And, Ms. Liberi, I am so pleased that you have been nominated, as reassuring as you know Uganda will next door. As in the case of the chairman, my privilege at the behest of the Department of Defense to visit Kenya, Uganda, and Burundi a year ago in November. At that time, really taking a look at laboratories that had dangerous pathogens, but had no guards, and some diplomacy was required so there would not be a question of sovereignty, but a joint situation.

Burundi did not have the pathogens. It had arms of all sorts, even in the neighborhood of Lawrence, as well as farm fields left over from previous wars, and huge problems in terms of health and education and problems of youth.

As our notes committee has posted with our staff, Burundi points out has not often been a major focus of United States foreign policy. But it needs to be, and your presence there is likely to highlight that in a very timely way.

So we are grateful to both of you for your willingness to assume these new obligations of service. We look forward to asking questions of you so that we can have our thoughts illuminated by your experience.

I thank you again, Mr. Chairman, for having the hearing.

Senator DURBIN. Thank you, Senator Lugar.

Ambassador Mull, please begin.

**STATEMENT OF HON. STEPHEN D. MULL, OF VIRGINIA, TO BE  
AMBASSADOR TO THE REPUBLIC OF POLAND**

Ambassador MULL. Thank you very much, Senator Durbin, Mr. Chairman, and Senator Lugar. It is actually a real honor to be here with the both of you, having met not only you, Senator Lugar, but I believe I was the control officer for your first visit to Poland as a Senator in 1997, Senator Durbin. So it is a nice turnabout to be here with the both of you today.

I would also like to introduce my family, who has joined me today: the love of my life and best friend, Cheri Stephan, and the light of our life, our son, Ryan, who we agreed to let play hooky so he could be with us today.

Mr. Chairman and Senator Lugar, it is a great honor to appear before you as President Obama's nominee to be the next Ambassador to the Republic of Poland. I am deeply grateful to Secretary Clinton and to the President for their confidence and trust. And I pledge to you, if confirmed, to work very closely with the Congress in advancing America's interests with this most valuable and important ally.

Beginning with Kazimierz Pulaski's and Tadeusz Kociuszko's really decisive support for the American Revolution almost 240 years ago, through daily sacrifices in support of our common objectives in Afghanistan today, the people of Poland have repeatedly proven themselves to be among America's best and most reliable friends.

Americans draw great inspiration from the Poles' stubborn resistance to oppression, whether confronting Nazi occupiers in the streets and forests, or exposing the horrors of the Holocaust, as Jan Karski did, but also when they were fighting for justice in the shipyards of Gdansk in the 1980s.

The American people are proud to have supported their Polish friends over the years, beginning with President Wilson's steadfast support for Poland's independence at the end of World War I, through our assistance to Poland's new democracy in the 1990s.

Our friendship with Poland is based on the very strong ties of family, a love of freedom, and a shared vision based on common values. Our friendship with Poland has very strong roots in the past, but it also has bright promise for the future. Poland has pledged to remain with us in Afghanistan through the end of combat operations through 2014, and to continue assisting Afghanistan after its troops depart.

The United States and Poland will strengthen our promising economic relationship through working together to promote solid growth through expanded two-way investment, enhanced trade, and supporting energy independence, even as we closely cooperate in responding to the European financial crisis. Our two countries will continue to work to expand the frontiers of freedom through a close and hardworking partnership in support of democratic values and human rights around the world. And the United States and Poland share an important common agenda in modernizing NATO to meet the security challenges of the 21st century.

If I am confirmed, it will be an extraordinary privilege to lead our team of over 140 Americans and more than 350 locally employed staff representing a large interagency presence at our Embassy in Warsaw and consulate general in Krakow.

I will work hard, if confirmed, to protect American citizens, to deepen and broaden our cooperation with Poland on so many of our common issues, and to open new opportunities for American investment in Poland's growing economy, helping to bring jobs back home for Americans.

Returning to Poland will have a special personal significance for me. I fondly remember working there as a junior officer in the mid-1980s when I had the honor of carrying messages of support between Lech Walesa and President Reagan, and meeting many of the activists who would later lead Poland to freedom. I returned to serve there in the exciting days of Poland's new democracy in the 1990s, where I had the honor of helping to prepare the way for Poland's membership in NATO. Returning to Poland a third time as Ambassador would open a rewarding new chapter in my work to strengthen this vital and important relationship for the United States.

Thank you very much for the honor of appearing before you today, and I look forward to answering your questions.

[The prepared statement of Ambassador Mull follows:]

PREPARED STATEMENT OF STEPHEN D. MULL

Mr. Chairman, members of the committee, it is a great honor to appear before you today as President Obama's nominee to be the next Ambassador of the United States to Poland. I am deeply grateful to Secretary Clinton and the President for their confidence and trust, and I pledge to you that if confirmed, I will work closely

with the Congress in advancing America's interests with this most valuable and important ally.

From Kazimierz Pulaski's and Tadeusz Kosciuszko's decisive support for the American Revolution almost 240 years ago through their daily sacrifices in support of our common objectives in Afghanistan today, the people of Poland have repeatedly proven themselves to be among America's best and most reliable friends. Americans have drawn inspiration from the Poles' stubborn resistance to oppression, whether challenging Nazi occupiers in the streets and forests and exposing the horrors of the Holocaust, or fighting for justice in the shipyards of Gdansk. The American people have been proud to assist our Polish friends through the years, from President Wilson's steadfast support for Polish independence at the close of World War I through our support for Poland's new democracy in the 1990s. Ours is a friendship based on the ties of family, a love of freedom, and a shared vision based on common values.

While America's friendship with Poland has strong roots in the past, it also has bright promise for the future. Poland has pledged to remain with us in Afghanistan through the end of combat operations in 2014, and to continue supporting Afghanistan after its troops depart. The United States and Poland will strengthen our promising economic relationship by promoting solid economic growth through expanded, two-way investment, enhanced trade, and support for energy independence, and through close consultation in responding to the European financial crisis. Our two countries will continue to work together to expand the frontiers of freedom, with a close and hardworking partnership in support of democratic values and human rights around the world. And the United States and Poland have an important common agenda in modernizing NATO to meet the security challenges of the 21st century.

If I am confirmed, it will be an extraordinary privilege to lead our team of over 140 Americans and more than 350 locally employed staff representing a large inter-agency presence in our Embassy in Warsaw and Consulate General in Krakow. I will work hard, if confirmed, to protect American citizens, promote even closer cooperation with Poland on our common interests, and open new opportunities for American trade and investment in Poland's growing economy, helping to deliver jobs back home for Americans. Returning to Poland will have a special personal significance for me. I fondly recall working there as a junior officer in the mid-1980s, when I had the honor of carrying messages of support between President Reagan and Solidarity leader Lech Walesa and meeting many of the activists who would later lead Poland to freedom. I served there again in the mid-1990s in the exciting days of Poland's new democracy, when I helped prepare the way for Poland's membership in NATO. Returning as Ambassador, if I am confirmed, will open a rewarding new chapter for me in working to strengthen this important and valuable friendship.

Senator DURBIN. Thank you, Ambassador.

Ms. Liberi.

**STATEMENT OF DAWN M. LIBERI, OF FLORIDA, TO BE  
AMBASSADOR TO THE REPUBLIC OF BURUNDI**

Ms. LIBERI. Thank you, Mr. Chairman, Senator Durbin, and Senator Lugar. Senator Durbin, you may recall that I had the honor to host you in Uganda, and we visited a women's financial micro-enterprise program. And I was very impressed because you actually agreed to hold the meeting in a chicken coop, which is where the women wanted to have the meeting. So thank you. [Laughter.]

I am very honored to be here today, and I am honored that President Obama has nominated me to be the next Ambassador to the Republic of Burundi. And if confirmed, I will do everything in my power to live up to the trust that President Obama and Secretary Clinton have placed in me.

I have spent the majority of my Foreign Service career in sub-Saharan Africa, as well, as has been noted, in postings most recently in Iraq, Afghanistan, and Libya. Serving in Africa over a span of 20 years provides me with an understanding of the challenges that Burundi faces, also as well as the opportunities that they present. If confirmed, I will work closely with the government

and people of Burundi to strengthen our bilateral relationship and support its burgeoning democracy.

A friend of the United States, Burundi is also one of the world's poorest countries, and 70 percent of the population live below the poverty line. A young, unskilled labor force, high population density, and refugees returning from Tanzania, pose daunting challenges for Burundians' fledgling democracy and struggling economy. Despite these challenges, it is important to note the steps that Burundi has taken toward achieving peace, stability, and democratic transition.

The Arusha Peace Accords, signed in 2000 and codified in Burundi's 2005 Constitution, created a framework for power-sharing and de-ethnicizing political competition. Burundi has held two rounds of successful democratic elections in 2005 and 2010, when President Nkurnziza was reelected for a second term.

However, Burundi's institutions of democracy are young and evolving. There remain very serious challenges to protection of human rights, trafficking in persons, political violence, and extrajudicial killings. Endemic corruption, coupled with a lack of judicial independence and transparency, create a culture of impunity that has lasted for decades. These are challenges that must be actively engaged. If confirmed, I am committed to speaking out against these serious problems, working to advance the protection of human rights, pushing for accountability and real progress on establishing independent justice mechanisms, and working in partnership with the Burundian Government and civil society to strengthen and protect the gains that have been made with democratic institutions. And this will be a critical step toward successful elections in 2015.

A committed contributor to the African Union mission in Somalia since its inception in 2008, Burundi is a critical partner of the United States in our collective efforts to fight the al-Qaeda linked terrorist group al-Shabab. Currently, six battalions of Burundian troops support the AMISOM operations with a strength of over 5,500 soldiers, making it the second-largest troop contributor to this mission.

Ranking 185 out of 187 countries on the human development index, transforming Burundi's economy to produce sustainable job-creating growth is the cornerstone toward maintaining long-term peace and stability. Reliant on subsistence agriculture, Burundi faces high unemployment, food shortages, growing youth population, and historic land disputes. HIV/AIDS and high rates of maternal and child mortality also undermine the economy.

To address these issues, the Burundian Government has adopted a poverty reduction strategy plan, and is now implementing phase two in accordance with this economic vision, Burundi 2025, which was launched last year. This vision focuses on economic diversification with private sector development, strengthening rule of law, good governance, and promoting gender equality and access to services. A key factor in this will be Burundi availing itself to a larger regional market and improved trade and investment regime by participating in east Africa community's trade regime integration. The United States continues to support a development assist-

ance program in Burundi with an emphasis on health and HIV/AIDS.

America's relationship with Burundi has been historically constructive based on trust and shared values.

If confirmed, I will build on that solid foundation and work tirelessly to successfully represent American values and to pursue American interests in Burundi.

Mr. Chairman, members of the committee, I thank you again for this opportunity to appear before you. And I would be happy to take questions.

[The prepared statement of Ms. Liberi follows:]

PREPARED STATEMENT OF DAWN M. LIBERI

Mr. Chairman and members of the committee, thank you for the opportunity to appear before you today. I am honored that President Obama has nominated me to serve as Ambassador to the Republic of Burundi. If confirmed, I will do everything in my power to live up to the trust the President and Secretary Clinton have placed in me.

I have spent the majority of my Foreign Service career in sub-Saharan Africa, serving in five postings—including as USAID mission director in Nigeria and Uganda, and deputy director in Ghana. Most recently I have served in Iraq, Afghanistan, and Libya—countries at the forefront of U.S. foreign policy. Serving in Africa over a span of 20 years provides me with an understanding of the challenges that Burundi faces and the opportunities they present. If confirmed, I will work closely with the government and people of Burundi to strengthen our bilateral relationship and support its burgeoning democracy.

A friend of the United States, Burundi is also one of the world's poorest countries with 70 percent of the population living below the poverty line. A young, unskilled labor force, high population density, and reintegrating returning refugees from Tanzania poses daunting challenges for Burundi's fledgling democracy and struggling economy.

Despite these challenges, it is important to note the steps Burundi has taken toward achieving peace, stability, and democratic transition. The Arusha Peace Accords, signed in 2000 and codified in Burundi's 2005 Constitution, created a framework for power-sharing and de-ethnicizing political competition.

Burundi has held two rounds of successful democratic elections; in 2005 and 2010, when President Nkurunziza was reelected for a second term.

However, Burundi's institutions of democracy are young, and evolving. There remain very serious challenges relating to the protection of human rights, trafficking in persons, political violence, and extrajudicial killings. Endemic corruption, coupled with a lack of judicial independence and transparency create a culture of impunity that has lasted for decades. These are challenges that must be actively engaged. If confirmed, I am committed to speaking out against these serious problems, working to advance the protection of human rights, pushing for accountability and real progress on establishing independent justice mechanisms, and working in partnership with the Burundian Government and civil society organizations to strengthen and protect the gains made with democratic institutions—a critical step toward achieving successful elections in 2015.

A committed contributor to the African Union Mission in Somalia (AMISOM) since its inception in 2008, Burundi is a critical partner of the United States in our collective efforts to fight the al-Qaeda-linked terrorist group al-Shabaab. Currently six battalions of Burundian troops support AMISOM operations with a total strength of 5,542 soldiers, making it the second-largest troop contributor to this important mission.

Ranking No. 185 of 187 countries on the Human Development Index, transforming Burundi's economy to produce sustainable job-creating growth is a cornerstone toward maintaining long-term peace and stability. Reliant on subsistence agriculture, Burundi faces high unemployment, food shortages, a growing youth population and historic land disputes. HIV/AIDS and high rates of maternal and child mortality further undermine the economy.

To address these issues, the Burundian Government adopted a Poverty Reduction Strategy Plan (PRSP) in 2006, and is now implementing Phase II in accordance with its economic plan Vision Burundi 2025 launched by the government in 2011. This vision focuses on economic diversification with private sector development, strength-

ening rule of law, good governance and promoting gender equality, and improving access and quality of social services. A key factor in achieving these goals will be Burundi availing itself to a larger regional market and improved trade and investment regime by fully participating in the East African Community's efforts to advance regional integration. The United States supports continued development assistance to Burundi, with an emphasis on health and HIV/AIDS.

America's relationship with Burundi has been historically constructive, based on trust and shared values. If confirmed, I will build on that solid foundation, and work tirelessly to successfully represent American values and to pursue American interests in Burundi.

Senator DURBIN. Thanks, Ms. Liberi. There will be a few questions for each.

Ambassador Mull, if I asked the Polish community in Chicago their No. 1 concern, it is the visa waiver program. So could you please tell me what the position of the administration is and how you would explain it to Polish-Americans who wonder why they are not getting preferred treatment when it comes to this issue?

Ambassador MULL. Thank you for the question, Senator. The President very much supports the views of the Polish community of Chicago and that as well as many Poles who live in Poland. President Obama has committed in diplomatic channels to our Polish friends, as well as publicly, his support for bringing Poland into the visa waiver program.

Because of various technicalities associated with previous legislation governing participation in the program, it is quite possible that there will be required some legislative fixes to allow Poland to take its place. And so I know several of your colleagues are sponsoring legislation on that. And I know the administration and as well as I, if I am confirmed, look forward to working very closely with you to enact the necessary legislation, and also to work within the administration side to make whatever administrative changes we need to make it possible. It is a very important goal for our relationship with Poland, and I look forward to working hard on it.

Senator DURBIN. I am joining as a cosponsor on that legislation. My colleague, Senator Kirk, who is away recovering from a stroke, is one of the leaders on that legislation, and I think he is right. I want to support his efforts in moving toward visa waivers.

Tell me about Belarus because it is such a stark contrast. Leaving Lithuania or Poland, going into Belarus, you almost feel like you are driving onto a movie set. There is very little economic development, very little signs of economic activity other than agriculture until you arrive in Minsk, and then there is a flurry of activity in construction. And yet the man known as the last dictator in Europe, Lukashenko, still rules over that country.

So could you comment on our relationship and the Polish relationship with Belarus?

Ambassador MULL. You are right. Belarus has been a very difficult challenge I think, not only for us as a foreign policy question, but really all of our European friends. And it has been so disappointing after the tides of freedom washed over Central and Eastern Europe at the end of the Soviet era that there is one island of Soviet style repression that remains there.

I remember when I served in Lithuania, actually traveling over to Minsk just to see what it was like, and it was very strange, as you say. It is just a 2-hour drive from Vilnius to Minsk. But you

could not—it is like going into an alternate universe of repression, with no freedom of speech, and a very tight, repressive atmosphere.

Mr. Lukashenko, President Lukashenko, has done a very good job at building a repressive structure to keep himself in power. It is very clear he has no compunction about jailing his political opponents. The ability of foreign embassies is very much constrained to be in touch with the people there.

But that has not stopped us and countries like Poland in trying to keep alive and nurture the very same trends that freed Poland and other parts of the Soviet bloc. Poland has a very vibrant relationship with civil society and trade unions in Belarus. They host many people to come over to Warsaw, just as Lithuania does, to give them a home base to operate and to network, and to strengthen their organization.

Ultimately, I think democracy is going to come to Belarus just as it came to most other corners of the former Soviet empire. We are just going to keep working really hard at it to bring it about.

Senator DURBIN. I always found it interesting in the former Soviet republics that what drives the relationship with Moscow is usually energy. And in Belarus now, the proposal of building a new nuclear plant, I am afraid, along the design of Chernobyl, close to the border of Lithuania I am sure has raised some concerns in Poland as well. Have we taken a position in terms of that nuclear plant or nuclear expansion in the area?

Ambassador MULL. In terms of Belarus, Senator, I am afraid I am not very familiar with the proposal in Belarus. But I certainly look forward to learning about it. I know on the Poland side of the border, there is growing interest in nuclear power as a source of energy for Poland as it tries to diversify its supplies.

And, in fact, the government says that in the near future, they plan to offer a tender worth up to \$11 billion, of which \$6 billion can be accessible to American exports. And they are hoping to build a couple of reactors in Poland by 2030. I have said that if I am confirmed, one of my very highest priorities is to open the way for American exports in that sector.

Senator DURBIN. Thank you. Ms. Liberi, I remember when you hosted us at your residence in Kampala. And then I also remember the trip to the nearby village on microcredit issues. And I still remember the chicken coop because it turned out that there were two, if you will remember. They cleared out one chicken coop and scrubbed it clean, and moved all the chickens into the other coop. And so they were not happy with my arrival or my visit. [Laughter.]

But the people could not have been more gracious. That was the meeting, Senator Lugar, when I asked one woman how microcredit had changed her life, and she said her knees had gone soft. And I said what does that mean. She said, I no longer have to crawl on my knees to beg my husband for money for the kids.

Ms. LIBERI. Yes.

Senator DURBIN. And I have remembered that response ever since. So you have been at ground level with these economic development and social justice issues.

Burundi is in a tough neighborhood, the Great Lakes Region, which has a lot of instability and a lot of forces at work. I certainly see those in DRC, but Burundi has been touched by this as well.

So the obvious question is, as we fight for stability in this region, how do we address the issue you raised and we have read about about the repressive tactics of the Burundi Government when it comes to journalism and freedom of speech and press?

Ms. LIBERI. Senator, thank you very much for that question. Obviously, this administration, yourself, everyone in this room places a great emphasis on human rights. And if confirmed, this will be among my highest priorities to work with the Burundian Government to, again, impress upon them the importance that we place on human rights, free media, and obviously religious tolerance as well.

I think that there are ways in which the Burundian Government is in the process right now of engaging with political parties to ensure that they are actually part of the political process and the opposition parties. And I think that this is one way that they can help to move that process along.

Second, again, addressing these issues relating to civil society organizations, ensuring that they have a voice in this process so that they can express their interest in human rights. And also as you have stated, making sure that the media is free and it is allowed to express itself.

Senator DURBIN. One of the enduring memories of that trip, and it was many years ago, to Kenya and Uganda was the contrast in one important respect. Uganda was a government that was facing the AIDS crisis directly, showing real leadership when many parts of Africa were in complete denial. And it was also a government where women played a critical role in leadership. Kenya not so, neither at the Cabinet or sub-Cabinet level. That has changed in Kenya. I recently met with the Chief Justice of the Supreme Court with Senator Coons and Isakson just this week.

So what is the experience in Burundi in terms of the role and involvement of women in government leadership?

Ms. LIBERI. Thank you, Senator. That is a very important question. And the Burundian Government has made a commitment to enabling women to have leadership positions. This is codified in the 2005 constitution. Thirty percent of the seats, both in the national assembly as well as in the Cabinet, are for women. And, in fact, women are now ministers of health, agriculture, and trade, so I think that is very significant.

There are two areas I think that are very important. There is a women's entrepreneurship association, and there are over 200 members. These are key, influential women that run their own businesses, that employ people. They are seen as leaders in the community. And also there is a Burundi business incubator project that is now ongoing. And 40 percent of the beneficiaries of that program for entrepreneurship are women. So I think that the Burundian Government has made a commitment to this. And obviously, if confirmed, this is an area that I would continue to engage in.

Senator DURBIN. Great.  
Senator Lugar.

Senator LUGAR. Ms. Liberi, I just want to hear your views on this set of situations. When I visited Burundi, I was informed that the average life span of a citizen of that country was 50 years of age. That is sort of a shocking figure all by itself, quite apart from tables that were given of per capita income of people around the world. I think there were 175 countries on the chart, and Burundi was 173 or something in that neighborhood. Really staggering in terms of the economic predicament and health predicament reflected by those statistics.

But there were two factors that were helpful. We had State Department and Defense Department officials along, and, as I mentioned in my opening comments, saw these fields filled with arms that are sitting there. Now at that time, and I ask you for your research, there were some State Department funds to help clean this up. We were trying to energize that to occur, even cooperation in our own government between State and Defense.

And I hope that some movement has occurred in that respect because Burundi was sort of left as the crossroads of many battles of contending parties, and yet in a dangerous predicament.

The encouraging thing I saw was a university situation in which some persons from the Methodist churches in the United States that contributed a great deal of money. I visited with the students. They even had a radio broadcast in which we could broadcast to the citizens, whoever was listening at that hour of the day in Burundi. But this was encouraging. And my visit with the President and members of his Cabinet, the assembled, he was very pleased we were going to the university. He saw a great hope really in these young leaders and the idealism that they represented in addition the reflection of all these statistics that I have mentioned about health and education.

I am just curious. Where do we stand with regard to foreign assistance either through the State Department, the Defense Department, or anybody else? And how effective could that be? As Ambassador, how would you be able to at least direct those efforts of our departments back here to do some things which some people have been thinking about and have committed to for some time?

Ms. LIBERI. Senator, thank you very much for that question. Obviously economic development is key for Burundi. And in regard to your first question, regional integration is going to be key to help increase both the per capita income as well as life expectancy. The east Africa community has about 133,000 million people and an economy of about \$79 billion. So again, if confirmed I would work with the Burundian Government to ensure its integration into the east African community.

In terms of the United States, we have been supporting a development assistance program there, as well as through the Department of Defense promoting training for the troops that I mentioned that are going to AMISOM. In terms of development, there has been economic assistance, and this has been focused on agribusiness and some of the microenterprise programs I mentioned.

In the future, there is going to be a big emphasis, as I stated previously, on the issues that you just raised in terms of health, helping to address maternal and child mortality, and specifically helping to deal with the HIV/AIDS issue, prevention of transmission

from mothers to children. So all of these things are going to be very key.

And if confirmed, I as Ambassador would obviously seek to work very closely with my Burundian counterparts to enhance these programs to the extent that we can, and to ensure that they are benefiting as much as possible from the programs that we have.

Senator LUGAR. Thank you. Mr. Mull, I would say that one of the things that I have heard about Poland recently that has been most encouraging is that they have discovered more shale gas. And I am curious as to what your research and findings are about how extensive this is, and what difference this will make in the energy pattern in Poland, giving it a great deal more independence from whoever, as well as perhaps even some gas to sell as far as its own economy. What do you see in this development?

Ambassador MULL. Senator Lugar, you are right. There is a great deal of excitement in Poland about the prospects for what could be underground in terms of shale gas availability. And the U.S. Government has actually been a very close partner with Poland in working with not only the government, but, more importantly, with the private sector, in exploring how substantial these deposits might be.

For some years now, we have had some exchange programs with Polish industry and government under the Unconventional Gas Technical Exchange Program, in which we bring Polish and American experts together to look at best practices in the development of shale gas in an environmentally friendly as well as economically productive way.

As part of our discussions with the Polish Government, we earlier this year commissioned the U.S. Geologic Service to do a study on what deposits they believe are available in Poland. Their findings indicated much less there than what many Poles were hoping for. And around the same time that they announced their findings, Exxon-Mobil, which had a presence there in Poland, decided that it was not going to be economically viable to remain there.

However, there are many other companies that have remained there. Marathon Oil is there. Chevron is there. A couple of other smaller companies are there. They believe that the U.S. Geologic Service did not explore all of the places that could have been explored, and they are still quite optimistic that this will be a viable enterprise for them.

So I am going to continue, if I am confirmed as Ambassador, working very hard to support that very close technical cooperation and providing support to the Polish Government as they try to develop this as a source of new energy, because I completely agree with you. Not only is it in Poland's national interests. It is in all of our interests to really promote a much greater diversity of energy sources.

Senator LUGAR. This is a quick followup question. What is the situation for Polish agriculture? Is it a country that can feed itself? To what extent does it rely upon imports from other countries? Does it export? In other words, in a world in which the food supplies, I believe, are going to be more and more constricted, how do the Poles stand?

Ambassador MULL. Many economists and agricultural analysts believe, despite all of the good things that have happened in Poland since the end of communism over the last 23 years, that the agricultural sector has lagged behind. I remember actually visiting Poland as a tourist when I worked in Lithuania and found that in many of the smaller villages, they still use not the newest kind of technology, and things may not be organized in the best possible way.

The Polish Government currently is negotiating for its next tranche of structural funds from the European Union, and I know the Tusk government is very eager to apply some of that support from Brussels to modernize and develop the Polish agricultural sector.

That said, despite the technological progress that they still require there, I think most people agree there is enormous potential for Poland as an agricultural exporter. There is a long, proud tradition of farming life and cultural life in Poland. And I do not have the exact statistics in terms of what percentage of their exports comprise agricultural products, but I would be happy to find that out and look into it when I get to post.

Senator LUGAR. This may be an argument beyond which an ambassador should be proceed, but I would be hopeful, in a way that you could insinuate into the discussion, genetically modified processes clearly that lead to magnificent new yields.

Frequently we are busy focusing on African countries. There is the Gates Foundation or USAID, hoping somehow that people might be able to feed themselves, forgetting that there are European countries, and Poland is our good friend, who are not getting the kind of yields, the kind of production from the same land that they could.

So I ask you to sort of assume the Department of Agriculture role and a humanitarian feed the world role in addition to your normal duties. Thank you very much, sir.

Ambassador MULL. Thank you, Senator.

Senator DURBIN. Thanks, Senator Lugar. And I want to thank the two witnesses for coming today and answering the questions. As I mentioned, there will be an open opportunity until Friday—tomorrow—for more questions to be submitted, which I hope you can respond to on a timely basis. And I hope the Senate can respond to your nominations on a timely basis as well.

Thank you, I guess it bears repeating, for your service to our country, both of you, service overseas. We have been tragically reminded of the risk that is associated with that—with the terrible events in Libya just a few days ago. So thank you again for giving so much of your life to the service of this country.

At this point, this meeting of the Senate Foreign Relations Committee will stand adjourned.

[Whereupon, at 11:08 a.m., the hearing was adjourned.]

ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF DAWN LIBERI TO QUESTIONS SUBMITTED BY  
SENATORS JOHN F. KERRY AND RICHARD G. LUGAR

The committee expects all Embassy personnel to pay special attention to matters of ethics and professional conduct while serving abroad, and expects Chiefs of Mission and others serving in leadership roles at post to set the highest example for Embassy staff in this regard. In your response to question E.1 of the committee questionnaire, you indicated that you received a letter of admonishment in 2006 concerning incidents that took place during your time as Mission Director in Iraq.

*Question (a).* Please describe the incidents that led to the letter of admonishment and why these incidents occurred.

Answer. I understand that, if confirmed as Ambassador, I must lead by example and that my personal conduct must be beyond reproach. In this regard, I appreciate this opportunity to respond to questions posed by the committee regarding incidents during my tenure as Mission Director in Iraq which led to the issuance of a 2007 letter of admonishment.

The letter of admonishment addressed specific incidents in the following areas:

- (1) Travel issues relating to a February 2006 trip from Baghdad to Washington, DC;
- (2) Compliance with procedures for procuring art for the benefit of the USAID's Mission in Iraq and dispensation of an unsolicited gift of artwork; and,
- (3) Receipt of hospitality (housing and meals) from an outside source and use of my official position for the benefit of another in discussing a non-USAID related matter during a July 2006 boating trip.

*1. February 2006 Travel*

I was scheduled to travel from Baghdad, Iraq, to Washington, DC, for USAID-related business in February 2006. My departure from Iraq was scheduled for Friday, February 17, 2006, but was delayed for 3 days by a severe sandstorm. I was forced to wait out the entirety of the storm at Baghdad International Airport, as flights were on standby to leave immediately if the weather cleared.

Upon arrival for my layover in Amman, Jordan, on Sunday, February 19, I had no options for a rest day since I was due in Washington on Monday and therefore needed to depart immediately. As the Amman-Washington trip was longer than 14 hours, I requested approval from the mission in Baghdad to fly business class. I received an e-mail from the USAID/Iraq Executive Officer approving my request prior to my departure and was later informed by the Executive office in Baghdad that the necessary paperwork justifying business-class travel had been prepared. At that point, I believed my travel to have been approved by the correct authorities and documented properly. During my trip, which was comprised primarily of official meetings, I took 2 days of personal leave before subsequently accompanying the Acting USAID Administrator back to Iraq. I then spent several days hosting the Acting Administrator during his visit, traveling to a number of sites in Iraq.

I was not aware of any concerns relating to my travel until I was informed by the USAID Inspector General (IG) several months later that an investigation had been initiated into the trip. Specifically, the IG questioned: (1) the authority of the approval given for business-class travel, and, (2) that the 2 days of personal leave had not been properly documented in my travel voucher and that I had been erroneously given per diem during those 2 days. I immediately took two steps to rectify the situation upon learning of both concerns.

First, I immediately reimbursed the U.S. Government for full amount of the 2 days of per diem and adjusted the timesheets my secretary had prepared on my behalf during this period to reflect hours of annual leave taken. In hindsight, I should have ensured my secretary in Baghdad received information about my personal leave, instead of assuming she had the information based on my schedule.

Second, since concerns over the legitimacy of my business-class travel revolved around the policy interpretation of who had approval authority in this case—the statutory requirements for allowing business-class travel had been met based on the duration of the Amman-Washington flight—I chose to immediately reimburse the U.S. Government for the difference between the economy and business-class ticket.

*2. Artwork for USAID/Iraq Mission*

In approximately May or June 2005, USAID/Iraq Mission management had discussed purchasing Iraqi artwork for the representational office in the Embassy Palace building and the newly constructed building on the USAID compound. Given the

security situation, it was difficult to meet with artists in Baghdad. While on a USAID business trip to Amman, I was introduced to Iraqi artists through an Iraqi-owned gallery and subsequently purchased several pieces. I planned to keep one piece for personal use, while the remaining pieces would hang in the mission. I indicated to the USAID/Iraq Executive office to deduct the value of the piece I kept from the reimbursement amount. Unfortunately, due to confusion during the reimbursement process, my understanding is that the reimbursement message was transmitted verbally from the Executive office to the Controller's office and not made clear to the voucher examiner—who approved a payment for the full amount indicated on the receipt—I was reimbursed the full amount for all pieces. Upon learning of the mistake, I immediately reimbursed the mission for the piece I had kept. USAID IG's concerns were whether correct procedures were followed in: (1) procuring and (2) reimbursement for the art.

In my meeting with USAID IG, it was pointed out that the standard practice for procuring mission artwork involves a representative committee being formed to select the pieces with direct payment by the mission to the vendors. Having been Mission Director in two other posts where that was the practice, I acknowledged that I understood that was the case and, had we been able to do so in Iraq, we would have followed this practice. However, as noted above, the security and travel situation mitigated against this practice. I acknowledge I did not follow the normal procedure for procuring Iraqi artwork for the mission and utilized my own funds to make the purchase, since the Iraqi vendor in Jordan required immediate payment. In doing so, I recognize the mission was under no obligation to reimburse me for the artwork.

Separately, two pieces of unsolicited artwork of uncertain but insignificant value were delivered to the mission by an acquaintance working under a USAID contract in Iraq, who had previously worked in USAID/Nigeria when I was Mission Director there. I informed the Executive office the art was received in an unsolicited manner and would need to be disposed of appropriately. Given the urgency of other issues, the art work sat on the floor in the mission for several months. Prior to my departure, in order to ensure their final disposition I turned the two pieces of art over to the Regional Legal Advisor. In my meeting with the IG, it was pointed out that I should have turned the art pieces over to the Controller's office or Regional Legal Advisor from the outset, rather than going through the Executive office, and I acknowledge that would have been the correct administrative course of action. At that point the matter was considered closed.

### *3. July 2006 Gifts of Hospitality from Outside Source and Discussion of non-USAID Matter*

In July 2006, I was scheduled to meet the Canadian Ambassador to Jordan and Iraq and his wife, both of whom are close friends, in Paris for the weekend of July 6–9 to celebrate mutual birthdays. In the interim, the Ambassador and his wife were invited to spend the same weekend with another friend and his wife on their houseboat in Turkey. I was invited to join. Prior to accepting this invitation, I evaluated whether I was precluded by any USAID regulation from doing so. I had not been invited in my capacity as USAID Mission Director for Iraq. The host owned a shipbuilding company, so I checked whether he had any current business with USAID, or was bidding on or had any potential business with USAID. He did not in either regard. Consequently I agreed to join my friends and the weekend in entirety was spent socializing. Subsequently, USAID HR raised the issue of whether I needed to report my time on the houseboat—housing and meals—as a gift of hospitality from the host. Upon consulting a USAID ethics official, I did report the hospitality on my SF-278 Financial Disclosure Form and valued it at the USAID per diem rate for that region, as advised by USAID's ethics official. At that point the issue was considered resolved by USAID HR.

The only business related topic discussed during the trip was regarding U.N.-contracted work performed by the host's shipbuilding company in Basra, Iraq—to be paid from the U.N. Trust Fund—which Canada was chairing at the time. Payment from the Trust Fund was delayed and the host raised the issue with the Canadian Ambassador, who contacted his staff to ascertain the status. Simultaneously, the host made a call to the Deputy U.N. Director in Iraq, who was a friend and colleague of mine, and I was passed the phone to say hello. During my brief phone conversation with the Deputy U.N. Director, which was primarily social in nature, the contract paperwork was raised. I made it clear to the host that this contract issue was between his company and the United Nations. It did not involve USAID, or the U.S. Government. I had also made clear that I would not intervene in any way whatsoever regarding his receipt of payment from the U.N. USAID HR raised the issue of whether or not my participation in the telephone call regarding the sta-

tus of this paperwork might create an appearance of impropriety. However, upon my interview with the IG, my admonishment letter concluded that “[my] participation in the telephone call noted above apparently constituted nothing more than a gesture of good will.”

*Question (b).* Please describe the steps you have taken to ensure that such incidents will not be repeated.

Answer. I have taken to heart the issues raised above to ensure there are no similar occurrences, and accept responsibility for my actions. The 2007 letter of admonishment indicated the one factor common to each situation was a failure on my part to exercise the proper degree of care in ensuring I fulfilled my duties at the first opportune moment. I acknowledge and accept this criticism and since receiving the letter have made a priority of addressing such issues in a timely manner. As a representative of the U.S. Government charged with executing programs paid for by U.S. taxpayers, I take my ethical and administrative responsibilities very seriously. I have learned from the incidents outlined above, and have redoubled my efforts not to repeat them.

I have taken several steps to ensure that such incidents will not be repeated, and to avoid any appearance of impropriety. I have taken extra care to personally ensure proper documentation of all administrative procedures. I now perform personal validation of my time sheets and all travel vouchers, as well as seeking written verification of all relevant regulations. Additionally, I seek to consistently stay abreast of best practices for adhering to relevant administrative and ethical procedures and requirements, and consistently reflect on how any potential action could be interpreted from an ethical standpoint. As a leader, I fully recognize the importance of modeling all aspects of my position from crisis management to routine paperwork. I also recognize that circumstances of assignment do not exonerate inattention to administrative detail or adherence to USG regulatory process. Throughout my career I have faithfully executed my duties and responsibilities, and that is my priority for any future public service position.

*Question (c).* Please explain whether you believe matters of ethics and professional conduct are important, and how these incidents bear upon your ability to manage Embassy personnel successfully with regard to matters of ethics and professional conduct.

Answer. I firmly believe that matters of ethics and professional conduct are vital and I recognize they directly bear upon my ability to manage personnel successfully. I have a deep and abiding commitment to outstanding leadership and recognize that in my position I am always a representative of the United States—a charge I take seriously. I believe that ethics and professional conduct are the pillars of public service, and I have a renewed appreciation of the importance of modeling impeccable qualities of leadership, particularly serving as a Chief of Mission in an Embassy.

I believe that a Chief of Mission must be unimpeachable in his or her actions from an ethical and professional standpoint and must lead by example. Ensuring that all staff understand the importance of professional and ethical behavior, and that their actions must be above reproach, as they represent the U.S. Government, will be my highest priority. As a steward of the public trust, I will ensure that my own behavior demonstrates the highest moral and ethical levels, and that my staff understands that is the standard upon which they will be expected to execute their duties. In addition, I believe that my experiences will enable me to mentor staff at all levels to ensure they understand the importance of their own behavior as Foreign Service professionals and representatives of the United States Government.

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RESPONSE OF STEPHEN D. MULL TO QUESTION SUBMITTED  
BY SENATOR MARCO RUBIO

*Question.* The State Department’s 2012 Trafficking in Persons Report lists Poland as a Tier 1 country for trafficking. The TIP report noted that Poles are brought to the United Kingdom by organized crime groups and coerced to commit other crimes.

- What steps is the Polish Government taking to prosecute organized crime groups which engage in human trafficking?
- If confirmed, how will you encourage Polish and British cooperation on these cases?

Answer. Polish authorities, including the Central Bureau of Investigation, the Polish Border Guards, and the Polish prosecutors’ office, conducted several investigations and prosecutions against human trafficking offenders in 2011. The Polish Government also accelerated antitrafficking training for judges, police, and border

guards in Poland to strengthen antitrafficking law enforcement activities, including against organized groups.

The British and the Polish authorities have a longstanding relationship in cooperating on trafficking in persons investigations. We anticipate this cooperation will be strengthened through activities planned in the new European Union (EU) strategy against trafficking, which contemplates more robust cross-border collaboration against trafficking within the EU through joint investigation teams and by collaboration with Europol and Eurojust. If confirmed, I will engage the Polish Government to encourage continued proactive initiatives both within the EU context and bilaterally to combat modern day slavery. I will also work with the interagency team at Embassy Warsaw and with the Department to explore what further we might do bilaterally with Poland to complement and enhance Poland's own antitrafficking efforts.

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RESPONSE OF DAWN M. LIBERI TO QUESTION SUBMITTED  
BY SENATOR MARCO RUBIO

*Question.* Burundi was identified as a Tier 2 Watch List country in the State Department's 2012 Trafficking Report for its lack of compliance with the minimum standards for the elimination of trafficking. In 2011, the government did not collect aggregate data on its antitrafficking law enforcement efforts.

- If confirmed, what would be your strategy to encourage the Burundi Government to collect data on law enforcement's efforts to combat trafficking?

*Answer.* Trafficking in persons in Burundi remains a challenging issue which Burundian officials have acknowledged. The Government of Burundi has made some important efforts to address trafficking, including ratifying the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children ("Palermo Protocol"), supplementing the United Nations Convention against Transnational Organized Crime in 2012 and conducting a nationwide awareness-raising campaign. The signing of the Palermo Protocol demonstrated a renewed interest in combating trafficking in persons.

The current lack of mechanisms in place, however, to collect aggregate data is a significant issue that should be addressed. If confirmed, I will work closely with the Government of Burundi to strongly encourage implementation of a National Action Plan to combat trafficking in persons. A major component of that plan would include a formalized collection of data.

The Children and Ethics Brigade leads antitrafficking efforts within the Burundian Police Force. To effectively combat trafficking and collect accurate data, the government should ensure that all police officers within its police force are trained to identify trafficking victims and potential trafficking cases within the course of their routine enforcement activities.

If confirmed, I will also support continuing the government's awareness campaigns that are already underway—another important component of collecting data. The Commander of the Children and Ethics Brigade in charge of the TIP awareness training program, for example, has visited each region in the country since the beginning of the year to further awareness of trafficking among local police and civil society. I will urge the government to continue such awareness campaigns to include working closely with civil society, NGOs, and community leaders to raise public awareness, which will also support the effective collection of data.

*Question.* According to the 2012 TIP report, in 2010 Burundi police discovered government officials soliciting people in prostitution, including children during raids on hotels functioning as brothels. Two years later, the government has yet to prosecute or convict any official for their complicity in trafficking.

- If confirmed, how do you plan to address the issue of government complicity in trafficking?

*Answer.* The United States remains deeply concerned that law enforcement in Burundi has identified clear cases of trafficking, including the trafficking of children—which have to date, not led to prosecutions.

If confirmed, I will strongly encourage the Government of Burundi to comply with its 2009 Criminal Code amendments to investigate, prosecute, convict, and punish trafficking offenders, including officials suspected of complicity. I would emphasize that these actions are obligatory as a signatory of the United Nations Palermo Protocol.

Within the larger context of human rights, I would also urge the Burundian Government to take concrete steps to address human rights violations and the lack of accountability within the judiciary. Members of the police force and intelligence

services are known to have committed gross human rights violations such as extrajudicial killings and torture, as well as complicity in the trafficking and exploitation of children.

If confirmed, I would strongly and persistently urge the Government of Burundi to protect the civil liberties of its citizens, particularly children victimized by trafficking, and to fight impunity by bringing all criminal perpetrators justice.



**NOMINATION OF ROBERT STEPHEN  
BEECROFT**

**WEDNESDAY, SEPTEMBER 19, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

Hon. Robert Stephen Beecroft, of California, to be Ambassador to  
the Republic of Iraq

The committee met, pursuant to notice, at 9:42 a.m., in room SD-419, Dirksen Senate Office Building, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Casey, Udall, Lugar, Corker, Rubio, DeMint, and Barasso.

**OPENING STATEMENT OF HON. JOHN F. KERRY,  
U.S. SENATOR FROM MASSACHUSETTS**

The CHAIRMAN. The hearing will come to order. Thank you all. I apologize to everybody that we are running a little bit late. Even though it does not appear as though a lot is happening around here, there is actually a lot going on. And I am sorry for the competing process.

I want to thank everybody for coming. I am very, very pleased to welcome Robert Stephen Beecroft, who is a Career Foreign Service officer and nominated by President Obama to be our Ambassador to Iraq. And I think all of us on the committee are pleased that the President has nominated somebody of high caliber, great experience, who has already been serving as the deputy chief of mission in Baghdad for the past year and previously served as Ambassador to Jordan and Executive Assistant to Secretaries of State Colin Powell and Condoleezza Rice.

While America's war has ended in Iraq, the struggle for Iraq's future obviously has not ended. Violence is down, but Al Qaeda in Iraq remains a very deadly foe. And Iraq may not capture the day-to-day headlines, but no one should make the mistake to somehow come to the conclusion that Iraq does not present extraordinary challenges.

This administration has worked tirelessly to assure that it does not become a forgotten front. Through the Strategy Framework Initiative Agreement, we have put in place a roadmap to expand our relations with Iraq on a broad spectrum of issues: political, economic, cultural, educational, scientific, and military. Our bilateral

partnership has the potential to contribute, we believe, to the stability in the Middle East.

But Iraqi leaders have to decide for themselves what kind of country they hope to create. And as they do, we need to devote the diplomatic energy and the civilian resources necessary to help them succeed.

Ambassador Beecroft, all of your skills—considerable skills—are going to be called on in Iraq. And among the many challenges that you will face, there are four to which I would personally particularly like to just call your attention.

As we mourn the tragic death last week—deaths of Ambassador Chris Stevens and his three colleagues in Benghazi, we are reminded that our diplomats all around the world serve on the front lines of some of the world's most dangerous places. And they do so at great risk to themselves and at great personal sacrifice for their families.

Our Embassy in Baghdad, the consulates in Basra and Erbil, other offices supporting the Embassy and Office of Security Cooperation still number about 14,000 people. And that makes it our largest mission in the world. We are going to need someone with Ambassador Beecroft's demonstrated management skills to right size the mission and ensure that all the appropriate security measures are in place to keep our staff safe and secure.

Iraq's leaders have a rare opportunity to consolidate their democracy and build a strong, durable institution or set of institutions that can hold the country together. But more will be required from the Iraqi Government.

Questions remain about whether Iraqi leaders, including the Prime Minister, aspire to represent a unified Iraq in all of its diversity, or whether they seek to govern narrowly according to ethnic and sectarian constituencies.

To ensure that parliamentary elections in 2014 are free and fair, Iraq's electoral commission must be professional, transparent, and impartial. Iraqi leaders across the political spectrum must also be willing to make tough compromises and put national priorities over personal ambitions.

It is no secret that we are at a moment of heightened sectarian tensions in the Middle East. Iraqi leaders should understand that the best way to insulate themselves from the horrific violence in Syria is through a meaningful, political compromise in Iraq. As Iraq's leaders work to establish a more stable political order, they need to redouble efforts to reach agreement on disputed boundaries, on oil, and on Kirkuk's final status. If progress is not made in diffusing tensions, the window for a peaceful resolution of Kirkuk and other disputed territories may well close.

Baghdad and Erbil must resolve their differences on the Kurdish region's authority to enter into oil exploration and production contracts. And to their credit, the Iraqis have made efforts to resolve issues related to revenue-sharing, but the country still lacks an overarching legal framework for its oil industry. Without this agreement, Iraq will be unable to unleash the full potential of its oil sector.

For years, Iraq has focused on its internal politics, but it now must also begin to look outward. It is not surprising that Iraq

seeks neighborly relations with Iran, but the reports of Iran using Iraqi air space to resupply Assad's ruthless regime are troubling. Just this week, the commander of the Islamic Revolutionary Guard Corps acknowledged that Iran is providing assistance and training to groups inside Syria, begging the question of how else Iranian material might get into Syria. This is a problem, and it will only grow worse if it is not addressed.

Iraq's response to the situation in Syria will also be an important test case. The Maliki government should play a constructive role in supporting initiatives that bring about a peaceful transition in Syria. At a minimum, it should avoid fanning the flames of violence. It will also be incumbent on other countries in the region, particularly the Gulf Cooperation Council, to recognize Iraq as something other than an Iranian proxy and to work more proactively to normalize relations.

I continue to believe that Iraq has an opportunity to chart its own course as an alternative to the Iranian model and demonstrate the vibrant potential of a truly multiethnic, Shia majority democracy.

Let me just close by reiterating that our Embassy in Baghdad is one of our most important today. And what happens there is critical to our bilateral relationship, but also to all of our work in the Middle East. This is not a time for delay. There is no substitute for having a confirmed ambassador in place and ready to hit the ground running, especially at this critical moment in the region.

It is my hope to move this nomination as rapidly as we can in the next 48 hours because we must have a confirmed ambassador, and it would be a dereliction of the Congress' responsibility were we to leave here for the next 6 weeks and not have done so.

I strongly support Ambassador Beecroft's nomination and intend to work for that swift confirmation.

So, Ambassador Beecroft, we welcome you today. Thanks for coming on short notice. I know we appreciate it, and we look forward to hearing your thoughts on the way forward in Iraq.

Senator Lugar.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,  
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Thank you very much, Mr. Chairman. Today's hearing is our first since the attack in Libya that claimed the lives of four Americans, including our Ambassador, Chris Stevens. The events in Benghazi and ongoing threats to our embassies remind us of the dangers and difficulties of performing diplomatic missions. It is almost impossible to be an effective American diplomat without exposing oneself to risk.

In some countries, these risks can be intense, yet exceptional Americans, like Ambassador Stevens, continue to volunteer for these assignments. We are grateful that you continue to volunteer, sir.

Chris' life and work resonate especially with our committee, not merely because he was a talented diplomat, but also because he was one of us. On many occasions during his time as a detailee to the Republican staff in 2006 and 2007, he sat directly behind where I am sitting now. He staffed hearings on Lebanon, Iraq, and

other Middle East topics. In fact, exactly 6 years ago today, he helped staff a hearing on Iran. After departing the committee, he stayed in close touch with friends here as he did at every stage in his career. We will miss our friend dearly. Our thoughts go out to his family.

Although the death of Ambassador Stevens and three others was a blow to the State Department and our country as a whole, it also underscored the importance of our diplomacy and the difference that an ambassador can make. All of us have read accounts of Chris Stevens' extraordinary service and it should be clear to everyone that he was personally instrumental in advancing United States interest in Libya.

We need good ambassadors at their posts providing energetic leadership to their embassy teams. I appreciate Ambassador Beecroft's courage and commitment in taking on an extremely difficult assignment that has been complicated even further by violence in the Middle East. He has been functioning as chief of mission for several months, and I believe we should move with dispatch to confirm him as our Ambassador to Iraq.

His experience with managing large embassies is especially critical given that the United States mission in Iraq is the biggest Embassy in the world. The operation includes the huge Embassy Complex in Baghdad, several outlying facilities in Baghdad, about 10 security cooperation and police training sites, and consulates in Basra and Erbil. Employees number approximately 1,600 United States direct hires, 240 Iraqis, and thousands of contractors.

Iraq sits astride the Sunni-Shia divide that has been the source of great conflict. Politically, Iraq remains fractured along sectarian lines, and those divisions appear to have deepened in the last year. Iraq's stability depends on it being integrated with responsible neighbors and the world community. Its long-term future depends on its willingness to stand on the side of human rights, democracy, and the rule of law.

Iraq's political fragmentation and corruption also present fundamental challenges to its economy. An annual World Bank report that analyzes the ease of doing business and the protection of property rights across 183 economies ranked Iraq 164th in 2012, down five slots from its 2011 ranking.

Despite Prime Minister Maliki's claims that Iraq is open for business, most interested investors and trade partners are challenged to get a visa or definitive answers from the government about its tender and bidding processes. According to the World Bank, Iraq last year implemented policies that made it more difficult for Iraqis themselves to do business.

I look forward to hearing Ambassador Beecroft's insights into the security situation in Iraq, as well as his views of the prospects for economic improvement and political stability. Beyond reports on the current status of Iraq, the administration needs to illuminate United States intentions in Iraq for the long term. Though some significant downsizing has occurred, the Iraq operation continues to be enormously expensive. How does the administration define United States goals in Iraq? What are the prospects for achieving these goals? And what resources will be required over the long term?

I thank the chairman for this hearing.

The CHAIRMAN. Thanks very much, Senator Lugar, and thanks for your personal recollections of Chris Stevens. We appreciate it very much.

Ambassador Beecroft, you can tell there is a considerable interest here, and we look forward to your comments, and then some period for the committee to ask some questions.

**STATEMENT OF HON. ROBERT STEPHEN BEECROFT, OF CALIFORNIA, TO BE AMBASSADOR TO THE REPUBLIC OF IRAQ**

Ambassador BEECROFT. Thank you, Chairman Kerry, Senator Lugar, members of the committee. It is an honor to appear before you today as the President's nominee to serve as the United States Ambassador to the Republic of Iraq. I am deeply grateful to the President and to Secretary Clinton for this opportunity. With your permission, I would like to submit my full statement for the record.

The CHAIRMAN. Without objection, it will be placed in the record. Thank you.

Ambassador BEECROFT. Thank you. I would like to begin by taking a moment to acknowledge my colleagues who perished in Benghazi only last week. These four brave public servants represent the best of the United States. My thoughts and prayers remain with their family and friends.

I have spent most of my career working on the Middle East, including my assignments in Syria and Saudi Arabia and as Ambassador to Jordan. For much of my career, I have been immersed in Iraqi issue, from serving on the Iraq desk in Washington, DC, to most recently serving as deputy chief of mission and now Chargé d'Affaires in Baghdad, where I have had the honor to work with an extraordinarily talented, hardworking, and collegial team, the best in the business in my experience.

Today the United States is engaging with an evolving Iraq. The country is only now emerging from over 50 years of isolation, fragmentation, and war. We have a strong relationship with the democratically elected government. This relationship is codified in the U.S.-Iraq Strategic Framework Agreement, which lays out a shared vision and a concrete common roadmap for our bilateral commitments across the fields of defense, economics, justice, diplomacy, education, and energy. Through this agreement, we support and assist the Iraqis in building a united, federal, and democratic country that can play a constructive role in the region.

Of course, challenges abound, and our work is not easy.

Sectarian frictions remain strong and often threaten to derail negotiated accords and institutional progress. Lack of a hydrocarbons law feeds this tension and unsettles Iraq's oil expert sector. Factional feuding in the Council of Representatives has slowed the organization of provincial elections scheduled for early 2013. Tensions with Turkey, the conflict within Syria, and Iraq's relationship with Iran all fan anxiety and complicate our relationship with Iraq.

Nevertheless, developments I have seen in Iraq give me reason for optimism. A large majority of Iraqis of all confessions and ethnicities remain committed to resolving their differences politically instead of through violence. Iraq's oil production recently passed 3 million barrels per day, a level it had not achieved for

more than 3 decades. U.S. commercial interests are returning to Iraq, and Iraqi students are studying in the United States in increasing numbers. These are signs of positive change, and the United States retains a vital and continuing role in support of Iraq's democratic progress.

If confirmed, I pledge to continue working with our allies across the Iraqi political spectrum to strengthen Iraq's democracy and its democratic institutions. I also pledge to continue engaging with the Iraqi Government on a wide range of initiatives to expand economic growth, strengthen the justice sector, fight corruption, and protect human rights. If confirmed, I assure you that my No. 1 priority will continue to be the safety of Embassy personnel and U.S. citizens living in Iraq. Nothing is more important to the President, the Secretary of State, or to me personally.

I will also work to ensure that we have the right personnel and resources to successfully carry out our mission. As Chargé d'Affaires, I am continuing the GlidePath process begun by Ambassador Jeffrey earlier this year. As part of that effort, we have already made significant cuts in our staffing and contractor support, and will further reduce our footprint without compromising our mission or our security. We continue to work toward a more appropriate posture in Iraq, while even more effectively pursuing our policy objectives.

It is a tremendous honor to have been nominated by President Obama to serve as the U.S. Ambassador to Iraq. Should I be confirmed, I will seek to expand and deepen our collaboration with Iraq and its people, and to secure our vital interests.

I look forward to collaborating closely with you and your staffs, and I encourage you to visit Iraq to see the important work we are doing there.

Thank you for the opportunity to testify today. I welcome your questions.

[The prepared statement of Ambassador Beecroft follows:]

PREPARED STATEMENT OF ROBERT STEPHEN BEECROFT

Chairman Kerry, Ranking Member Lugar, members of the Senate Foreign Relations Committee, it is a distinct honor to appear before you today as President Obama's nominee to be the United States Ambassador to the Republic of Iraq. I am deeply grateful to the President and to Secretary Clinton for the opportunity to serve my country in this capacity and, if confirmed, I will work closely with you to advance our many interests in Iraq and in the region.

I would like to begin my testimony by taking a moment to acknowledge my colleagues who perished in Benghazi only a few days ago. Those four brave public servants represent the best of the United States and I feel their loss keenly. My thoughts and prayers remain with their families and friends.

Mr. Chairman, I have spent most of my career working on the Middle East, including assignments in Syria and Saudi Arabia and as Ambassador to Jordan. For much of my career I have been immersed in Iraq issues, from the Iraq Desk in Washington, DC, to recently serving as deputy chief of mission and now Chargé d'Affaires in Baghdad. I stand on the shoulders of the thousands of brave and committed Americans who have worked, fought, and died to help the Iraqi people achieve our shared goal of a united, federal, and democratic Iraq. If confirmed, I would commit to continuing their work to build a lasting partnership with Iraq. In so doing, I would labor alongside a team of able and dedicated personnel who understand the importance of achieving success. While the size and nature of our presence may have changed, our interests and commitments remain the same, and Iraq continues to be a top priority for the United States.

Today, the United States is engaging with an evolving Iraq. The country is only now emerging from over 50 years of isolation, fragmentation, and war. We now have

a strong relationship with a democratically elected government. As President Obama stated last year, our relationship with Iraq is a “normal relationship between sovereign nations, an equal partnership based on mutual interests and mutual respect.” This relationship is based on a shared vision of the future and a concrete, common roadmap of how to get there. This fundamental accord is codified in the 2008 U.S.-Iraq Strategic Framework Agreement (SFA), a comprehensive document that structures our bilateral commitments across the fields of defense, economics, justice, diplomacy, education, and energy. Through the SFA, we support and assist the Iraqis in building a united, federal, and democratic country that is a strong partner that can play a vital and constructive role in the region. I am confident that our policy based on the Strategic Framework Agreement offers a new window of opportunity for sound relations with Iraq for years to come. If confirmed as Ambassador, I will deploy all the tools available to me to this end.

Strengthening our partnership with Iraq will help us to advance significant U.S. national interests, including counterterrorism cooperation against threats to our national security and that of the region, economic growth and the stabilization of global energy markets, and the development of democracy during this historic moment of transition in the Middle East. I would like to share with you some of my views on the work ahead and on the priorities that we have in Iraq.

#### SECURITY AND COUNTERTERRORISM

Terrorists and extremists in the region continue their destructive efforts to hinder the great strides made by the Iraqi people to put aside violence. The Iraqi security forces are aggressively pursuing and disrupting these enemies, but Al-Qaeda in Iraq (AQI) and other militant groups continue to pose a threat to the Iraqi people and to U.S. personnel working in Iraq. The Department is taking all possible measures to mitigate the threat to our personnel and facilities in Iraq and we continuously monitor security conditions throughout the country. However, terrorist violence still occurs on a regular basis in Iraq and presents an inherent risk and threat to our mission, which will continue to exist for the foreseeable future.

We share a common goal with the Iraqi people—to ensure that Iraq does not become a land that provides safe haven to those who mean harm and to those who seek to reverse the progress that has been made. While some significant attacks continue to take place in Iraq, security today is nonetheless far better than in 2006 and 2007, and we must be mindful of this strong progress as we work to understand the reality of the situation on the ground. These gains were achieved through a strong partnership with the Iraqi Government and engagement on a wide range of counterterrorism and security-related efforts that aimed to provide an environment of safety and stability for both the Iraqi people and for U.S. personnel and interests in Iraq. This partnership continues to this day. It is in our strategic interests that Iraq is now defending itself, as the Embassy’s Office of Security Cooperation in Iraq helps train and professionalize Iraqi defense forces, and the Police Development Program and the Anti-Terrorism Assistance Program advises and trains Iraqi law enforcement units. No one wants peace in Iraq more than the Iraqi people, and we will continue to work with the Iraqi Government and security forces toward that goal.

#### ECONOMY

Although security often dominates what we hear and read about Iraq, I would like to draw attention to the remarkable progress made to spur the growth of the Iraqi economy. Iraq’s oil production recently passed 3 million barrels per day, a level it had not achieved for more than three decades. The influx of revenue from increased oil production and exports is driving growth in all sectors of the Iraqi economy, which is expected to continue to expand at double-digit growth rates in the next few years. With the third-largest conventional oil reserves in the world, Iraq’s potential is extraordinary, and we are working closely with the Iraqis to help them reach this potential.

We are working with the government and private firms on initiatives to more transparently manage Iraq’s oil revenues, enhance Iraqi entrepreneurialism and integration into the global economy, and reduce its dependence on the oil and gas sector. Iraq’s growth and potential also offer exciting opportunities for U.S. firms. We are encouraging and working with U.S. businesses, universities, and other institutions to partner with Iraqi organizations and find new opportunities that will bring benefit to all sides and to remove barriers to deeper economic ties. The response has been strong, both from Iraqis and from Americans.

## SERVICES

We are working with Iraq to ensure that the benefits of growth accrue to all Iraqis in all corners of the country. The Iraqi people, through their votes and their voices, have demanded better access to water, electricity, and other important services. The Iraqi Government, working to address the concerns of its people, created a 5-year national development plan that includes more than 2,700 projects valued at about \$186 billion—including projects to support its utilities infrastructure, transportation network, education, health care, agriculture, and telecommunications systems. In the 2012 budget alone, the Iraqi Government has allocated \$32 billion for public investment. Still, there is much more work needed to be done by the Iraqi Government to give the Iraqi people what they deserve—a stable, secure nation where basic services are readily available and one in which they can build a prosperous future.

## DIPLOMATIC AND POLITICAL SUPPORT

Iraq's diversity has made it a unique and important nation in the Middle East for thousands of years. This same diversity now serves as one of the most important tests to democracy in the region. As with all democracies, Iraq's Government contains myriad differing opinions regarding the rightful direction of the country. Sectarian friction remains strong and often threatens to derail negotiated accords and institutional progress. There is no denying the tensions between the Kurdistan Regional Government and the central government, even as increased dialogue to discuss these issues appears possible. The lack of a hydrocarbon law feeds this tension and unsettles Iraq's oil sector and thereby its primary source of income. Factional feuding in the Council of Representatives has slowed the organization of provincial elections scheduled for early 2013. Tensions with Turkey, the conflict within Syria, and Iraq's neuralgic relationship with Iran all fan anxiety and complicate our relationship with Iraq. My colleagues and I at Embassy Baghdad and its constituent posts have no illusions about the difficulty of addressing these challenges.

Nevertheless, developments in Iraq give me reason for optimism. Despite disputes and disagreements, Iraqi leaders have worked within the political process and have chosen to use dialogue and negotiation rather than resort to violence. Iraq's Government institutions, like those of any democracy, are far from perfect, but they have become an important space where both agreement and dissent can be raised and discussed—a far cry from the dictatorial domination of the past.

The United States continues to play a central role in facilitating dialogue between the various political parties and leaders in Iraq. We assume this role while remaining clearly cognizant of the need to respect Iraq's sovereignty. We are not in the business of telling the Iraqi people what they can and cannot do. Instead, working closely with all Iraqis, including ethnic and religious minorities, displaced persons, widows, and other populations, we help ensure that all groups in Iraq, no matter how large or how small, have a voice. Our efforts seek to promote important issues such as human rights, anticorruption, religious freedom, economic development, political openness, and opportunities for women. Through a range of programs and initiatives, we strive to increase the capabilities of Iraqi Government institutions to ensure that the decisions that affect the fate of the Iraqi nation are not made at the whim of individuals, but through the deliberative process laid out in Iraq's Constitution.

## REGIONAL RELATIONS

Turning to the region, the U.S. effort in Iraq has far-reaching effects as Iraq remains vital to U.S. interests in the Middle East. Strategically positioned between Syria and Iran, bordering regional powers and important U.S. partners in Turkey, Saudi Arabia, Jordan, and Kuwait, Iraq plays a vital role in a wide range of U.S. interests and in major foreign policy priorities throughout the region.

It is clear that Iraq is growing stronger, and there is no doubt that it will become a major power in the region as it continues to ascend. It is developing its own unique identity, one that is fiercely protective of its sovereignty. Iran will continue to try to exert influence on Iraq but, the stronger and more cohesive that Iraq is as a nation, the more resistant it will be to unwanted pressure. Maintaining Iraq as a strong, stable, and strategic partner will help the United States maintain visibility and influence in this dynamic and vitally important region for years to come.

## EMBASSY MANAGEMENT

To better achieve our policy goals and to pursue our national interests in Iraq, we must maintain a strong, safe presence capable of addressing the many facets of

our strategic partnership. If confirmed as Ambassador, I assure you that my No. 1 priority will be to ensure the safety of Embassy personnel and U.S. citizens living in Iraq. Nothing is more important to the President, the Secretary, or to me personally.

As we planned and executed the transition to a wholly civilian-led presence in 2011, we began looking at the next phase of our transition to the post-Security Agreement era. We prudently built a robust structure to cope with the enormous uncertainties in the wake of the withdrawal, but we always anticipated streamlining and normalizing our operations in a methodical, phased fashion to something more consistent with our other missions around the world.

With our personnel safely in place, we will do our best to carry out the mission we were sent to do; the mission I have described in my testimony. Let me speak for a moment about the resources required to make all this happen. Earlier in my testimony I noted that the U.S. relationship with Iraq is transitioning. Our Embassy footprint reflects this, in tandem with our bilateral relationship. As *Chargé d'Affaires*, I am continuing the glide path process begun by Ambassador Jeffrey earlier this year. As part of that effort, we have already made significant cuts in our staffing and contractor support and will further reduce our footprint without compromising our mission and security.

Managing our presence and efforts in Iraq also takes a significant degree of coordination between leadership here in Washington and those working on the ground. Our effort in Iraq is still very much a collaborative process with a wide range of U.S. departments and agencies working together to provide the expertise needed to support our policy and goals. I would like to thank all involved for their continued support in Iraq. To succeed in Iraq, it will continue to take a whole-of-government approach to make sure we have the right expertise, the right resources, and the right policies.

If confirmed as Ambassador, I will continue the rightsizing effort, matching resources to mission, and will work closely with the Congress to ensure that we have what we need to reach our policy objectives and support the national security interests of the United States.

It is a tremendous honor to have been nominated by President Obama to serve as the U.S. Ambassador to Iraq. Should I be confirmed, I will seek to expand and deepen our collaboration with Iraq and its people and to secure our vital interests. We accomplish our work ever mindful that our country has given much in support of our objectives in Iraq. Although our troops have departed Iraq, we will never forget their sacrifices and accomplishments. Working side by side with hopeful Iraqis, they created an Iraq with a brighter future. And for those who gave their lives for this cause and their families who bore the brunt of our Nation's loss, we will continue to work to build a lasting and successful relationship with Iraq that pays tribute to and honors their sacrifice.

The CHAIRMAN. Thanks very much, Mr. Ambassador. Thank you.

Can you share with me an answer to the issue I raised about the Iranians using Iraqi air space in order to support Assad? What are we doing—what have you been doing, if anything, to try to limit that use?

Ambassador BEECROFT. I have personally engaged on this repeatedly at the highest levels of the Iraqi Government. My colleagues in Baghdad have engaged on this. We are continuing to engage on it. And every single visitor representing the U.S. Government, from the Senate—recently 3 visitors—to administration officials, has raised it with the Iraqis and made very clear that we find this unacceptable, and we find it unhelpful and detrimental to the region and to Iraq, and, of course, first and foremost, to the Syrian people. It is something that needs to stop and that we are pressing and will continue to press until it does stop.

The CHAIRMAN. Well, I mean, it may stop when it is too late. If so many people have entreated the government to stop, and that does not seem to be having an impact, that sort of alarms me a little bit and seems to send a signal to me that maybe we should make some of our assistance or some of our support contingent on some kind of appropriate response.

I mean, it just seems completely inappropriate that we are trying to help build their democracy, support them, put American lives on the line, money into the country, and they are working against our interests so overtly—against their interests, too, I might add.

Ambassador BEECROFT. Senator, I share your concerns 100 percent. I will continue to engage, and, with your permission, I will make very clear to the Iraqis what you have said to me today, and that this is—you find it alarming, and that it may put our assistance and our cooperation on issues at stake.

The CHAIRMAN. Well, I think that it would be very hard to—I mean, around here I think right now there is a lot of anxiety about places that seem to be trying to have it both ways. So I wish you would relay that obviously, and I think members of the committee would want to do so.

Can you tell us, with respect to the safety issues, and personnel, and our citizens there, are you taking extra steps now? Are there additional initiatives in place as a result of what has happened in the last week or two?

Ambassador BEECROFT. For some time now, and all the more so in light of recent events, we have taken a very cautious and careful look at our security on a regular basis. We have our own security at the Embassy. We think it is sizable. It is robust. And we are very confident that it is what we need at this time.

At the same time, we are fully engaged with Iraqi officials, both political and security officials, at the most senior levels to ensure that they give us the cooperation that we feel we need. And so far they have done that. They have pledged to protect us, and we are doing everything to ensure that they keep to that pledge, and that we meet our part of it by ensuring that we are as safe as can be on our terms.

At the same time, I would comment we enjoy geographic advantages. The Embassy is located inside the international zone, the green zone, as you know. And there are a number of checkpoints that are closely guarded getting into it. It is not a place where demonstrations usually take place.

The CHAIRMAN. What has the reaction of the Iraqi people been to the events of the last week?

Ambassador BEECROFT. So far compared to other places in the region, it has been quite muted. There have been demonstrations throughout the country, but they have been low level. And there has been nothing that is specifically threatening. There have been statements highly critical of the film that is at issue, and statements by some political leaders that they should examine their relationship with the United States because of this film.

But on the whole, we get good cooperation. We continue to engage, and Iraqi officials are meeting with us as regular in going about business.

The CHAIRMAN. Increasingly we are hearing more anecdotal and other reports about the increased authoritarianism of the Maliki government and the political system itself, perhaps becoming less democratic and so forth. Can you share your perceptions of that with us, and how you see this trend line moving?

Ambassador BEECROFT. Iraq is a democracy. It does face a lot of issues that are challenging to that democracy. It is fragile in many

ways. We are working constantly with all sides, with the Prime Minister, with his party, his bloc, with other blocs and other parties across the political spectrum to ensure that democratic institutions and the democratic process is strengthened.

In short, what we are doing is pushing them all to engage to pursue their interests in the legislative process, in an independent reform process that they have agreed to. In other words, use the system to achieve what you need to achieve rather than look outside the system and make it fall apart.

The CHAIRMAN. So, Mr. Ambassador, I remember sitting downstairs—we in this building on the ground floor in that big hearing room when Secretary Condoleezza Rice testified. And I remember her saying to us vividly, well, we are just a few weeks away from signing an agreement on the oil—on the division of the oil and having an oil agreement—you know, global oil agreement for Iraq.

I guess we are about 5 years later now, maybe 6. I do not remember the precise timing of that. Still no agreement. Still the problem with the Kurds. Still the problem with Sunni minority feeling divorced, et cetera.

There is certain skepticism now about whether or not the current government actually intends to have a diverse, pluralistic representative government, or whether we are moving toward some other form of sectarian division here. I think a lot of people are worried about it. Can you share your perspective about that?

Ambassador BEECROFT. You are right about the hydrocarbons law. There still is no hydrocarbons law. We think this, next to Iraq's Constitution, is one of the most important laws that could go into place in the country. We are pushing it very aggressively.

Most recently, Ambassador Carlos Pasqual from the State Department, who looks after energy issues there, and a representative from the Department of Energy, came to Iraq, met with Iraqi officials. Deputy Secretary Bill Burns followed up last week with a visit and pushed the same issue. We are pointing out to them this is a way to unify and unite the country, which is what they need to do at this time.

I am pleased to be able to say that there has been some subsequent engagement by the Iraqis on oil issues, and some discussion of restarting negotiations on the hydrocarbons law. And we are going to continue to push them in that direction. It is a positive trend, a positive sign.

Most recently, representatives from the Kurdish regional government were in Baghdad only a few days ago meeting with the Minister of Oil there. And by all reports what we hear, what we see in the press, they did make some progress, and they are moving forward on that. So while it is not the hydrocarbons law itself, these are issues which should smooth relations and allow for the hydrocarbons law to go forward in the future. Thank you.

The CHAIRMAN. Well, Inshallah.

Ambassador BEECROFT. Inshallah.

The CHAIRMAN. Senator Lugar.

Ambassador BEECROFT. Thank you, sir.

Senator LUGAR. Let me just follow on Senator Kerry's questioning, because what he and you have described is a country which clearly is a sovereign country. But without the hydrocarbons

law, which was anticipated so that the oil, the basic revenue for a good part of managing the government, never came to be. Therefore, deals have been made by the Kurds on occasion with companies outside of Iraq, that sort of commerce is proceeding with or without the hydrocarbon law. Therefore, there is some dispersion of the wealth of the country, quite apart from some questions about how the Kurds fit into this Iraq situation.

The question that Iraqis must have, quite apart from Americans, sort of getting back to testimony we used to hear before this committee, in which some people were advocating there really were three different countries, or we ought to recognize really the realities of Iraq as opposed to having this fiction that there was one country, and somehow or other this oil and constitutional framework representing the three major groups and others would come into being.

How does the country operate given these divisions, granted that Maliki has authority. From time to time, there are reports of terrorism in Iraq against Iraqis. And you mentioned these are still going to happen, but how do they move toward happening at all? Is there an impetus toward unity in the country that we should say, given patience and given time, this is going to work out? Or is the trend maybe the other way given the events in the Middle East, given the ties with Iran, whatever they may be, or problems of Shiites and Sunnis everywhere? Is this really a solid country?

Ambassador BEECROFT. Thank you, Senator Lugar. Yes, I think it is. There's a solid basis for the country to go forward and succeed here. While there are forces that would pull Iraq apart, what we continue to see and what is encouraging is that Iraqis continue to resolve their differences through dialogue, through negotiation. And so when they do have disputes, which they have frequently to be perfectly honest, they find ways to resolve them peacefully and as part of this democratic process.

Our job is to continue to encourage that and then continue to support them as they do that, and point out ways where they can do it more effectively.

The hydrocarbons law, as you point out, is one way of doing that. Strengthening the legislative process is another way of doing that, focusing on key—helping them to focus on key laws that they need to pass as part of that legislative process. For example, the law on the High Electoral Commission, putting new commissioners in place. These are things that will help unify the country over time.

But right now, I think it is headed in the right direction, but with plenty of ups and downs on that trend line. We need to keep the trend line going and try to minimize the downs.

Senator LUGAR. Is your counsel appreciated? Our enthusiasm in the United States obviously is for a unified Iraq.

Ambassador BEECROFT. I think by and large, we are listened to very closely. Most Iraqis will say the United States continues to have a role to play in Iraq. And I think most Iraqis are committed to the same thing we are committed to, which is a unified federal and democratic Iraq.

Senator LUGAR. Now you mentioned the relative security of our Embassy. In the past, there has been considerable discussion, not only among diplomats, but the American public, about the size of

the Embassy in Iraq. There was discussion when this was first built, a rather monumental structure to say the least.

I remember at one conference I suggested that, in fact, this structure was so big, it might really serve as a unifying purpose for Middle Eastern countries, a sort of united forum in which they would all come together in this like The Hague. Some people found some interest in this even if the Iraqis did not. Some members of our government were not fond of this idea since it is our Embassy.

What is the future of all of the real estate, all of the responsibilities? They are huge, and this is going to be an ongoing debate, I am certain, in the Congress, as we come to budget problems in this country.

Ambassador BEECROFT. Thank you very much. We recognize that this is an issue. We started with an Embassy that was staffed to address all possible contingencies, to follow up on the wonderful work that the United States military had done in Iraq. Since that time, and again starting with Ambassador Jeffrey, and it is something that I personally am continuing and have been very, very closely involved in, and that we will pursue. We are calling it a GlidePath exercise where we are looking at what our objectives are and how we are resourced and staffed to meet those objectives. And what we have found is that we can prioritize and focus our mission and will continue to do that on what we really need to accomplish. And as we do that, we are able to reduce personnel.

Since the beginning of the year, we have reduced personnel by more than 2,000. We are now somewhere between 13,000 and 14,000 personnel in Iraq, down from over 16,000. Facilities, we have given back in the last couple of days facilities we had in Kirkuk at an air base up there, and facilities we had in Baghdad for a police training center. And we have another facility in the next few days, which we will give back also in Baghdad.

So we are reducing not just the number of personnel, but we are reducing the number of pieces of property that we occupy and use. And we are very mindful of the costs that it takes to support the mission in Iraq. And I personally am dedicated to reducing those costs by again focusing our mission on what we really need to achieve and to reshaping it so that it best does that.

Senator LUGAR. Well, we congratulate you on your service. I join our chairman in saying we are hopeful we can get action on this nomination very swiftly so that you are there and can serve our country well during these weeks and months ahead.

Thank you very much.

Ambassador BEECROFT. Thank you, Senator.

The CHAIRMAN. Thank you, Senator Lugar.

Senator Corker.

Senator CORKER. Thank you, Mr. Chairman, and thanks for calling this hearing. And thank you, Mr. Ambassador, for your willingness to serve here, and what you have been there, and for your earlier comments along with Senator Lugar's regarding Chris Stevens. I was just sitting here thinking. I listened to Senator Kerry's comments, and, you know, over the last decade there has been quite a turn of events in Iraq and for Iran over the last decade.

I mean, 10 years ago their most major enemy was right next door in Iraq. Today they are flying airplanes over Iraq into Syria to help

one of their allies. And I know that you have mentioned that everyone at every level has talked to Maliki about this, and I know that you say you will continue to do that. What I would like to hear is what his response is when you say that you would like for him to cooperate with us in our interests. What does he exactly say in response to our efforts there?

Ambassador BEECROFT. Thank you, Senator. The response is typically to express a lot of concern about events in Syria. And they are very clear that both the Prime Minister and other Iraqi officials, that they have no interest in seeing the current government continue, the regime continue. That they are no friends of that regime; that that regime has been hostile to them in the past and allowed terrorists to come into Iraq hostile to democracy in Iraq, and the institutions in Iraq, and the people of Iraq.

What they are interested in seeing, though, is that there is a clear outcome in Syria that protects their interests. And they are having a little trouble seeing that.

Senator CORKER. But what about the air space issue? I mean, why are they continuing to cooperate with Iran in that effort? What do they specifically tell you regarding that? I know we talk with them, but what is their response?

Ambassador BEECROFT. They say they engage with all parties, that they will not allow their air space, their land, their ground, to be used to transport weapons. And so that they read the manifest closely, and they have instructed that they will not allow flights in. We think—

Senator CORKER. Well, they are convinced that the flights are not carrying armaments into Syria.

Ambassador BEECROFT. Well, they are taking the manifest at face value. And what we are urging them to do is either disapprove the flights, or per U.N. resolutions, ask them to land in—

Senator CORKER. And they are taking the manifest at face value.

Ambassador BEECROFT. And so again, we are pressing them to have the aircraft either disapprove the flights or have them land and be inspected, which is their right to do.

Senator CORKER. So I think it really does—you know, I think speak to our continuing role there. And I know the first two questions have asked this, and by the way, again I thank you for your service there, and I know it is a heavy lift.

When Senator Barasso and I first got here, which was 5½ years ago roughly, 5 years ago for him, we were talking about this hydrocarbon discussion at that time. And I remember sitting and interact with Khalilzad as he was running back and forth trying to work out some hydrocarbon law at that time. Still nothing has happened. There is no constitution. And so I think it does beg the question. I mean, we have a situation where obviously our national interests in Syria is very different than whatever Iraq is allowing to happen.

I would like for you to point to some of the things that our involvement there has caused them to do that is in our national interest, and what our continuing role should be in Iraq.

Ambassador BEECROFT. Well, let me point to—thank you very much—one particular example. Iraq recently passed the 3 million barrels per day threshold production of oil. This is certainly some-

thing, getting more oil on the market; 2.5 million barrels per day of that are exported. The rest is used domestically. This is something that is in our interests.

Senator CORKER. In the world's interest, right? It is in China's interest. It is in everybody's interest, right?

Ambassador BEECROFT. That is correct.

Senator CORKER. Yes.

Ambassador BEECROFT. But it is particularly in our interest is there are sanctions on Iran, and as Iran's production has decreased, an increase in Iraq's production helps counter that and helps maintain stable oil markets across the world. You might imagine—

Senator CORKER. It is very much in Iraq's interest, too, right?

Ambassador BEECROFT. Yes, it is, but at the same time you might imagine that they are under pressure from others not to do this, but they are doing it anyway. And it is, again, something we work closely with them on. So I take your point, but I did want to flag that as one example.

Senator CORKER. I think it is a serious question. We have had ambassadors, really good ambassadors, and I am sure you are going to be equally as good. But we have the best of the best in Iraq, and as you look at the things that we have encouraged them to do, it is really difficult. I cannot really remember anything of significance that our involvement there through diplomatic relations has caused them to do that is in our national interest.

If you could just point to one. I mean, selling 3 million barrels of oil is in their interests, OK? I mean, it would be cutting their nose off to spite their face not to do that. So I would not say that is in our interest.

So what is it that we have shaped there diplomatically since we have been there that has been in our national interest?

Ambassador BEECROFT. Well, it is certainly national interests, I believe, that we have a unified Iraq that plays a productive, constructive role in the region. Iraq recently hosted back in March, end of March, the Arab League summit, where it brought all the Arab leaders, and you had 9 heads of state, and I believe 22 delegations present for that. Again, a sign that it is a unified peaceful Iraq, not Iraq that is fractured, broken up, at war with itself, or at war with its neighbors.

It continues to battle al-Qaeda very, very strongly. This is something also that is in our interests, the fight against terrorism. And we will continue to work with them on things like this. These are our most important priorities, in my view, and we are getting a degree of success.

Senator CORKER. Are there not some border leakages right now between Iraq and Syria that are allowing more al-Qaeda folks to flow into Syria at present? I mean, is that not an issue?

Ambassador BEECROFT. The Iraqis have dispatched a whole number of troops to the border to protect the border to stop the flow either way into or out of. I read in this morning's news, for example, sir, that they had killed, I think, three terrorists attempting to cross over, AQL, into Iraq from Syria. So they are there. They are trying to protect the borders, and again they are trying to stop the flow of weapons on the ground and personnel, either way.

Senator CORKER. Well, I know my time is up, and I think you have heard from the three questioners so far of different parties that, first of all, we thank you for your service, and I do think you will be approved very quickly. And we thank you for coming in for this hearing.

We know that the work there is very difficult, and we are dealing with folks that obviously, as you would expect, are looking after their own interests first. But I think you are going to be pressured by folks here and other places to see results there with our diplomatic actions. I know that they are asking for increased aid. I do think that aid is coming under increased pressure. And I think people are going to want to see results.

So I thank you for your willingness to take on this role. I thank you for answering in an earnest way our questions. But I think there are going to be many, many more. And as you take this on, I hope the Government of Iraq understands also that we would like to see some movement in a positive direction on issues that have been sitting around for a long, long time and left unaddressed.

Thank you very much.

Ambassador BEECROFT. Thank you, sir.

The CHAIRMAN. Ambassador, I have to go to another meeting, and I apologize to you. Senator Casey is going to chair, and he is going to be recognized as the next questioner anyway. But I just want to wish you well. As I said, we will try to move this as fast as we can.

I want to thank you for your taking on this tough task, and thank your family at the same time for their contribution to this effort. We really appreciate it. Thank you very, very much.

Ambassador BEECROFT. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Casey.

Senator CASEY [presiding]. Thank you, sir. We are grateful for your willingness to serve yet again, and we appreciate that.

I have a couple of questions to start with that involve the issue of the over flights over Iraq. And as a predicate to that, I wanted to ask you about your sense of what we can do to be as vigilant as possible.

A number of weeks ago now, I chaired a hearing on the Iranian influence in the region, especially their support for terrorism in the region. And one of our witnesses at that hearing was Ambassador Jim Jeffrey. And as a predicate to my question, I want to quote from something Ambassador Jeffrey said. I asked him about Iranian influence in Iraq, and he said the following, and I am quoting. He said, "At present, our overall strategy in Iraq, including stemming strategy Iranian dominance of the country, has been successful despite a massive cut in our resources committed. That is a policy we should continue, bearing always in mind that this success is fragile and should not be placed at risk for wider policies. If Iranian pressure increases, we have tools to counter it." That is what Ambassador Jeffrey said at the time, not too long ago. So it is clear that Iran has brought to bear great pressure on Iraq as it relates to allowing that air space for the over flights.

I wanted to ask you specifically, What tools do we have to deal with that problem? And I know you spoke to this in response to

questions already this morning. But just to put an even finer point on it, if you can do that.

Ambassador BEECROFT. Thank you, Senator. I will answer what I can in this setting.

Senator CASEY. Sure.

Ambassador BEECROFT. And I am sure that there could be a classified meeting if necessary. But what I want to say is that our major tool is to work with the Iraqis. I think the starting point that they have their own self-interests that all groups in Iraq recognize that they have their own interests, and those are not necessarily Iranian interests, and why there is some overlap or some shared interests.

On the whole, Iraqis take the approach that they are a sovereign democratic nation, that they are independent of Iran. If their interests happen to coincide, that is fine. But if their interests do not coincide, what we see is that they follow their own interests, and they do not succumb to pressure. And one example of this is the oil example I just gave.

What we need to do is again strengthen this democracy, that there is an Iraq. Make sure that it is not a house divided which is easily influenced and pressured, but a house that is united and strong by getting all parties to play in the political process constructively. And we need to work with them to show them that, you know, we will support them in pursuing their own interests. That we will counterbalance the influence that is coming from outside to the extent we can, except we can play a helpful role. That we will have a strong relationship with them that supports them.

Senator CASEY. Well, I appreciate that because I have great confidence you will be confirmed. And as you assume your new posting, I hope that you make it very clear to the Iraqi leadership that we have great concerns about this. I think people in both parties here in the House and the Senate have concerns, first and foremost, about the Iranian nuclear program and preventing them from getting a nuclear weapons capability. At least that is my position. I think that is a widely shared belief or point of view.

But in addition to that, even if there was not this nuclear threat, the threat that they pose to the region and beyond is of paramount importance to us. So I hope that you continue to reiterate that position.

I want to ask you as well about the politics of Iraq. We sometimes do not have a chance to spend a lot of time on an issue like that. But I was struck when I was there in July 2010 with Senator Shaheen and Senator Ted Kaufman from Delaware. Our visit to Iraq just happened to overlap with a visit by the Vice President. So we had a moment, probably about a 2-hour window, when we could actually sit with him. And he had just come from a series of meetings with the various Iraqi officials trying to work out the politics and the difficult management of that and doing everything he could to bring the sides together.

As you know a lot better than I, it is one thing to have political or ideological differences. It is another thing when it has its origin in ethnicity and all kinds of other divisions. So it is particularly difficult to bring the sides together.

I was also struck by how capable the Vice President was in dealing with that because he spent a lot of time with all these players.

There is still a real concern now that those politics have not worked out as well as we had hoped. And in particular, there is a concern or maybe an allegation—that might be too strong a word—that Prime Minister Maliki is becoming more and more authoritarian. And I wanted to get your sense of that and your sense of the overall politics, because that, of course, will be the underpinning of the progress. They cannot make progress to the extent that we would hope, unless they can manage those political differences.

So I wanted to get your sense of that and what you could do to further advance those areas of cooperation or consensus.

Ambassador BEECROFT. Thank you. There clearly are divisions within Iraq and different interests. But what we see and what is encouraging is that the parties when they have disputes, when they have differences, that at the end of the day, they come together to talk and negotiate their differences. And they continue to function as a democracy. They continue to work through the legislature and the council of ministers, and outside it in informal processes or unofficial processes, to work out their differences and find ways forward.

Now it is oftentimes a slow, protracted process. It certainly does not move at the pace that we would like to see or with the efficiency we would like to see. But as I see it, our role is largely to continue to encourage this, to be helpful in pointing out ways forward, the ways things might be done, the way they might be able to compromise or reach consensus on issues. And then to be as supportive as possible in helping them avoid any backsliding on those agreements, and to find ways to help consolidate them. And we will continue to do that as best we can.

But again, I would like to reiterate, the encouraging thing is that Iraq has not fallen apart, that it has held together. And there certainly are forces that would like to pull it apart both internally and externally. But the Iraqis themselves, much to their credit, have found ways to continue to work with each other and continue to resolve their disputes.

And I do not want to minimize the importance of these disputes. There have been very serious ones that are of great concern to particular groups in Iraq or to all Iraqis. But again, at the end of the day they find a way to step back from the precipice, to talk, and find a way forward. And we will continue to work with them on that to push them in those directions in the most positive, constructive, and encouraging way we can.

Senator CASEY. Thank you. I will have another line of questioning, but my time is up. And I think Senator Rubio is next.

Senator RUBIO. Thank you. Congratulations. Thank you for your service. I, too, anticipate there will be little, if any, objection to your nomination. I know you want to get to work quickly.

So let me touch on three subjects. The first one, there has been already discussions about Iran's influence in Iraq. In your opinion, does that influence extend to the judiciary? And I am particularly concerned in light of the Vice President's trial. There is growing evidence, at least allegations, that the Prime Minister and others have manipulated the judiciary to persecute their political enemies.

Do we have concerns that Iran's influence in Iraq has now reached or extended into the judiciary as well?

Ambassador BEECROFT. Thank you, Senator. I would say we have concerns across the board that any country, Iran or others, not play an overbearing or an overly influential role, particularly a negative one, in Iraq. We work closely with the judiciary in Iraq and the legal community. We do everything we can to ensure that there is support for rule of law programs. And so far what we see is a largely functioning judiciary that, while not—again, I cannot give it a 100 percent endorsement as perfect. No country has a perfect judiciary. It is something that again continues to function and will continue to help it function better to the extent we can.

Senator RUBIO. My second concern is about the well-being of the leader of the Democratic Party of the Iraqi Nation, Mithal al-Alusi. Have we expressed our concerns about the way he has been treated? And I believe he is now in the northern region. He has been given—I guess he has been allowed to enter and is living under their protection. But I have read a series of accounts about how different types of protections have been withdrawn. His life has been made a miserable mess in Baghdad. Apparently he has to leave Baghdad.

Have we expressed our concern about his well-being and our concern about how he has been treated?

Ambassador BEECROFT. I am sorry, Senator. I missed the name.

Senator RUBIO. Mithal al-Alusi. He is the leader of the Democratic Party of the Iraqi Nation.

Ambassador BEECROFT. Excuse me. Let me just say that first and foremost, we have concerns about human rights across the board. And we will raise those concerns at every opportunity, as well as rule of law concerns to make sure everyone is treated fair and freely.

On this specific individual, I am going to have to go back for an answer and get back to you as quickly as I can.

[The written reply from Ambassador Beecroft to the above question follows:]

Through our ongoing engagement with the Government of Iraq (GOI), we place the highest priority on respect for human rights. We will continue to encourage the GOI to adhere to the highest standards of human rights and the rule of law in a fair and transparent manner, including in the case of Mr. al-Alusi. If confirmed, I will personally look into this case with my Embassy colleagues on my return to Baghdad.

Senator RUBIO. Well, just so that I can point, he, in addition to being the leader of the Democratic Party of the Iraqi Nation, he has also been a staunch ally of the United States, courageous in many instances, a proponent of a more open society, basically everything we hope the region will become in terms of the things he stood for.

I encourage you to look into his case. It is actually well documented and pretty well known. And he has now had to leave to northern Iraq for protection because of the way the current government in Baghdad has treated him. I think it sends a terrible message to our friends and to moderate reformers in the region when the United States is silent about their well-being. I think it is con-

cerning that, quite frankly, that there is not more awareness about his plight.

But let me just to add to that. What is your view of our relationship with the regional government in the north, the Kurdish regional government? There have been accounts about how well they have developed. Certainly it is a safer region than the rest of Iraq. They have certainly progressed economically quicker than the rest of the nation. How is our relationship with them? How do you envision our relationship with them moving forward as far as their own aspirations, et cetera?

Ambassador BEECROFT. Thank you, Senator. On the first case, I will look into the case personally and we will get back to you and your staff.

Regarding the north, we are very supportive of the autonomous region of the north, and you are absolutely right, has progressed in many ways, and in many ways sets an example for not just the country, but the region, and what it can be. We will continue to support them and work with them as part of a unified, federal Iraq. And we have the best of relations with them, and we will continue to have those relations.

Senator RUBIO. I have heard concerns that the closer we get to them, the more we risk alienating the Prime Minister, and the less cooperative he may be with us. Do you share that view?

Ambassador BEECROFT. We have excellent relations also, sir, with the Prime Minister and we are going to continue to keep those. And so long as people understand this is part of a unified, federal Iraq, our work with the north should not be objectionable, and it so far has not been objectionable.

Senator RUBIO. Right, but I have heard some commentators say that we have got to be careful how we deal with them and not to appear too close to them because it may alienate or make the Prime Minister less cooperative with us. I think—and I do not want to put words in your mouth, but I think what you are saying is that there is nothing necessarily that would stand in your way of reaching out to them, and working with them, and having a close relationship with them. You do not view it as a zero sum game. You think you can have a good relationship with both.

Ambassador BEECROFT. That is absolutely right.

Senator RUBIO. OK, thank you.

Senator UDALL. Senator Casey.

Senator CASEY. Senator Udall.

Senator UDALL. Are you our chairman here?

Senator CASEY. You just arrived. I want to make sure you are OK for questioning.

Senator UDALL. Great. I am ready to go here.

Senator CASEY. Senator DeMint is ready, so I want to warn you.

Senator UDALL. OK. Thank you for being here, and we very much appreciate your service, especially in light of all of the things we have seen over the last couple of weeks. And so we are pleased that you are willing to serve.

According to the Special Inspector General for Iraq Construction, in its report of this year, the inspector said, "Antigovernment forces continue to target prominent Iraqis for assassination. Thirty-two senior government officials were killed from April until July of this

year. Not only are government officials being targeted, but judges and military offices have been targeted by assassins.”

How have these tensions impacted governance in Iraq, and are people becoming reluctant to participate in the system? And if so, how does this impact the long-term political health of Iraq?

Ambassador BEECROFT. Thank you, Senator. Violence is certainly at the top of our list of concerns in Iraq, and we are doing everything we can to cooperate with Iraqis in confronting violence, and reducing it, and holding those responsible for it accountable.

While a serious threat, we have not seen that it keeps Iraqis from continuing to work in the system. And not just that, but Iraqis from going out on the street and participating in normal life out on the street. While there may be some examples of Iraqis opting not to serve, most Iraqi are more than happy to serve and take government positions, judicial positions, and to vigorously carry out their jobs and responsibilities.

That is something we will encourage. It is something we have worked with the Iraqis on in the past is protecting their officials, and we will continue to do that very much with them so that these people can carry out their jobs safely without fear of retribution assassination.

Senator UDALL. And some of this, as you know, has been attributed to Al Qaeda in Iraq. And I was just wondering about your assessment of that. How much are they involved? Is there a resurgence there? How big of an impact are they having?

Ambassador BEECROFT. You are absolutely right. Al-Qaeda is a huge concern. They continue to perpetrate violence in Iraq. The Iraqis are focused on it. Fortunately, we are finding that the violence has not led to the things that al-Qaeda is hoping to achieve. It is not leading to sectarian conflict. It is not undermining the government in a way that people have lost complete confidence in it. It is something that again is a major concern that we need to help Iraqis deal with.

They have asked for our help, and we are going to help them as much as possible. But, yes, it absolutely remains a concern, and it needs to be dealt with.

Senator UDALL. And do you believe that the Iraqi military and intelligence services are focused on that, and that they are putting their maximum effort there?

Ambassador BEECROFT. They are focused. They have good people that are working this issue. We talk to them regularly about it, and they assure us that they are strong in their commitment.

What they have also asked us for frankly is assistance; assistance in providing information that we have, and we are doing that, and assistance in providing equipment. And we are also doing that as well.

Senator UDALL. Ambassador, I know it is not on the same level as in Afghanistan, but corruption is still a very big issue in Iraq. And I am just wondering, what do you believe they have done to effectively deal with this? Are there efforts that you would take when you get there to kind of move this whole effort along. I mean, how are we dealing with the corruption issue?

Ambassador BEECROFT. Corruption is a large issue. I think Transparency International's last report had Iraq ranked eighth in

the world on corruption, not something you want to be. Iraqis are aware of this, and the government is focused on it. We are continuing to work with them. We have people in the Embassy that work on corruption issues and engage with them regularly. It is a concern.

What we would like to point out—what we do point out to them and what they are perfectly aware of is that this hurts the things they want or diminishes the opportunity for those things—business investment first and foremost. People find it not just a difficult environment to operate in because of other reasons, but because of corruption by and large. And it makes it very, very difficult. And it discourages businesses from coming forward. So we will continue to work with them to try to deal with the problem and improve it.

Senator UDALL. One of the major criticisms that has been leveled against our participation was the signing of the agreement between Iraq and the United States as we left. Do you have any thoughts on that in terms of where we are today? Have we been able to function effectively with them? Has that set back our efforts?

Ambassador BEECROFT. Let me start by saying that United States military did fantastic work in Iraq. And I think most Iraqis today recognize that and appreciate it.

Let me also say that we put in place the Strategic Framework Agreement, which we are working through with the Iraqis to engage in a whole range of issues, everything from justice, to diplomacy, to economic issues, education issues. And this is the framework we are pursuing to ensure that we are fully engaged with them on issues that are of concern to us and also of concern to them where we can make some traction.

I think we continue to see this function well, and it continues to make progress, the progress that we want to achieve and that we want to see Iraq achieve.

Senator UDALL. Great. Thank you. Thank you very much, and once again, thank you for your service.

Senator CASEY. Thank you, Senator Udall.

Senator DeMint.

Senator DEMINT. Thank you, Mr. Chairman. Mr. Beecroft, I also thank you for your service and your willingness to continue to serve in Iraq. We have got a lot of our blood and treasure invested.

Frankly, you have encouraged me today just as I have heard you talk. You have answered a lot of questions I have had, because I have heard a number of folks say that Iraq is unraveling, that it is just coming apart. The fact that we did not leave a stabilizing force in Iraq makes it virtually impossible for us to impact policy. And some of the things you have said suggested otherwise.

I have to admit that I am a little cynical because over the last 10 years I have gotten a number of reports that were very rosy, only to find out that was not the case at all. But you seem to be very credible and knowledgeable, so I am encouraged by what you said.

But I will just ask a few questions as a followup, and you have answered some of these to some degree. Clearly there is a growing anti-American sentiment throughout the Middle East. How pervasive is that in Iraq? And do you think the manipulated rage I think that we have seen in other countries, can that take hold in Iraq?

Ambassador BEECROFT. Thank you, Senator. Starting with manipulated rage, we have seen reactions recently in Iraq. While there have been demonstrations, they have not been of the size or severity that we have seen in other countries. And the Iraqi Government has handled matters in a very calm and peaceful way as well, and has not sought, for the most part at least, from what I have seen, to inflame things.

I think, and going to the larger question that you ask, that there is increasing good will toward the United States in Iraq, and increasing recognition of the positive role that the United States, starting with the United States military, has played there. It is our job to capitalize on that and make the most of it, and build a partnership and a relationship with Iraq.

And I do not want to minimize the difficulties that Iraqis face and that we also face. But I do want to stress that there are signs that are encouraging. There are rays of light and hope. And we will continue to work to increase the number of encouraging signs, increase the successes. And a large part of that is building the partnership that we have with Iraq and making it stronger. And this is the platform we have been left by the excellent work of the U.S. military.

Senator DEMINT. You mentioned a house divided, and this question has already been asked. But we have seen a number of reports that both Sunni Arabs and Kurds are fearful of a power grab by the Prime Minister. Some sectarian division going on there. How serious is that?

And you mentioned that it seems to be working out in a democratic way rather than a violent way. Is that the good news is there is division, but it is being worked out?

Ambassador BEECROFT. Sir, yes, you are absolutely correct, that is the good news. There are divisions. There are disputes. There are disagreements. Interests vary from issue to issue. But what we see is that Iraqis continue to talk, and, more importantly, they continue to channel their concerns through the democratic process and handle things as part of the democratic process.

So if it comes to, let us say, recently there was talk of a no confidence vote. Again, that no confidence vote was allowed in the Iraqi Constitution. And again, it was a democratic procedure which people were looking at and considering. It was not something that was outside the democratic framework.

Senator DEMINT. Just one other question, just religious freedom. You mentioned human rights. We get a lot of reports, particularly from Christian missionaries that the religious freedom is not being protected by the Iraqi Government. Is this a priority of theirs or something they try to sweep under the rug? Is there hope that the different faiths can operate within Iraq?

Ambassador BEECROFT. I think there is hope. That said, it is one of the concerns that the Embassy and that the State Department and others are very focused on in Iraq. We have received I think since 2008 three directives from Congress to spend \$10 million each, so \$30 million. We have actually spent \$72 million pursuing religious freedom and looking for ways to protect minority religious groups in Iraq. We are going to continue to do that.

We engage with them regularly. We will continue to engage with them regularly. And while the Iraqis have shown that not only do they have laws protecting religious freedom and minority religions, they have taken steps in the past in response to attacks to protect, for example, Christian churches. And when there are holidays for minority religious groups, they frequently will increase the security presence to protect these people.

These are things that, again, we need to continue to encourage and to see expand so that all people can practice their religion freely.

Senator DEMINT. Thank you. I look forward to meeting with you a little bit later. Thank you, Mr. Chairman.

Senator CASEY. Thank you, Senator DeMint. Mr. Ambassador, I just have a couple more questions. I may be the last questioner, so you can get a sense of the light at the end of the tunnel for the hearing.

I have two lines of questioning, one on the special immigrant visas, which we know are a program that allows Iraqis who have helped American forces and helped our efforts in Iraq to have their visas expedited. As you know better than I, these are people of uncommon courage and who were of great assistance to us. They obviously live under threat of death or something very serious in terms of a threat to their safety.

I realize as well that these have been expedited, and there is some good news about the numbers. I am told that in fiscal year 2012, that there was enough expediting that the United States admitted more SIV applicants in 2012 than we did in 2011. That is encouraging, but there is a backlog, and I wanted to have you address where we are with that. How many applicants are in the pipeline and how can you, upon assumption of your new duties, move that forward?

Ambassador BEECROFT. Thank you, Senator. This is an issue that we at the Embassy, working with Washington, are very focused on. I do not have off the top of my head—I mean, I will have to go check the exact number in the pipeline right now. But you are absolutely right that numbers in 2012 have exceeded numbers in 2011 already.

[The written reply from Ambassador Beecroft to the above question follows:]

A total 707 SIVs were issued to Iraqis in FY 2011 and 3,802 have been issued in FY 2012 through August 31. As of August 31 a cumulative total of 11,165 SIVs have been issued to Iraqis since 2007.

We are going to continue to do everything we can to process these as quickly as possible. And as we get the approvals from Washington, we will expedite them.

Let me also assure you that what I have seen happen at the Embassy, and something we will continue to do, is when there are particular individuals that are suffering or under a particular threat and their case is urgent, we go out of our way. Our consular section has done a brilliant job on this, of going out of its way to make sure these people get immediate service as fast as possible, and make sure that they are as reassured as possible. We stay in touch with them. We get back to them. We do everything we can to help these people, because as you rightly point out, they have

risked their lives on our behalf, and we need to do everything we can to repay that.

Senator CASEY. Thank you. And finally, I know that you have addressed this, and it has been raised before, but I want to discuss Syrian refugees. I think there are so many of us that, even as we introduce, as I have, legislation to try to move forward in terms of humanitarian and other assistance to the Syrian people, we have a real concern about refugees. And there has been news in the last couple of days about denying men coming in, allowing women and children in in one instance.

I think there is a real concern, and you can understand how difficult it is for the Iraqis to be able to handle a lot of new refugees coming in. I remember going back—way back to 2007 when I was in my first visit to Iraq and hearing stories when we went to Jordan, a place you are familiar with, about the number of Iraqi refugees into Jordan, and how big a number that was, tens of thousands. So it is a difficult problem to manage.

But I would ask you if you can, in a broad way, assess the Iraqi refugee policies that relate to Syrian refugees. And maybe in particular, how many, if you know that number or a ballpark figure on that. And also what kind of support they have, what they can expect when they get there, and what kind of challenges there are. If you address those questions as broadly or as specifically as you can.

Ambassador BEECROFT. Thank you, Senator. The figures I saw earlier this morning, and I check these regularly, there were a little over 27,000 Iraqi refugees now in Jordan. The majority of those, roughly 23,000, are in the north, and these tend to be Syrian Kurds who have come across into the Kurdish area of Iraq.

Senator CASEY. You said 26?

Ambassador BEECROFT. Twenty-seven thousand, roughly a little over 27,000 total.

Senator CASEY. Oh.

Ambassador BEECROFT. Twenty-three thousand of those are up in the north.

Senator CASEY. OK.

Ambassador BEECROFT. Around 4,000, a little over 4,000, are in the south or center of the country. They come across largely at border crossing between Syria and Iraq, the Iraqi side known as al-Qaim. And the ones there, that border crossing has been closed. Only 2 days ago it reopened. This was very encouraging. It is something that we have been urging the Iraqis to do for some time. I think it closed around the middle of August. They let in, I believe, about 121 people yesterday. We expected more to be let in today.

The Iraqis have been constructing camps for refugees, but a lot of them that are cross are still in Iraqi Government institutions or with friends, families, and others.

What we are doing as the U.S. Government is we have contributed heavily to UNHCR and its efforts in the region. I cannot break down specifically the amount of money that goes for UNHCR's work in Iraq. I do not know that. But we do work closely with UNHCR and in touch with them on a daily basis about this issue. And we are providing all possible support for their efforts to help address the refugee inflows into Iraq.

Senator CASEY. I know this is a generalization, but do you feel positive about the Iraqi Government's and either the government or other support systems, their capacity to handle the inflow, or do you think that there are some pretty significant challenges they have to surmount?

Ambassador BEECROFT. I think they can handle the inflow if they focus on it and prioritize it. And we have seen evidence that they have done that at times. They need to continue to do it. And again, this is something that we engage regularly with them on, and something our visitors from the administration and, most recently, three from the Senate, have engaged with them on as well.

This is an important issue. Many Iraqis were refugees in Syria, and this is something that many Iraqis see as something positive they can do for Syrians in return. And we will continue to work with them to make sure that they do the right thing, and that they have the support they need to do it the right way. And we will continue to work with UNHCR also so that it is out there able to assist and provide support to the refugees that come in.

Senator CASEY. Well, Mr. Ambassador, we want to thank you for your testimony today and your presence here in answering our questions. But also in a much more significant way, thank you for your commitment to the country. This is a tough assignment even for someone who has spent a lot of time there as you have. And we know you will do well, and I know I will and a lot of members of this committee will do everything we can to move your nomination as fast as possible so that we can get you started.

But thanks for your commitment and that of your family.

And unless there is anything further, we are adjourned. But I do not have a gavel, so I will just pound the table.

Ambassador BEECROFT. Thank you very much, sir.

[Whereupon, at 11:56 a.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

##### RESPONSES OF ROBERT STEPHEN BEECROFT TO QUESTIONS SUBMITTED BY SENATOR JOHN F. KERRY

*Question.* The State Department has long promised faster action to resolve the issues surrounding the delays in approving Special Immigrant Visas (SIVs) for Iraqis who supported the U.S. effort in Iraq after the 2003 invasion.

- (a). How many SIVs have been issued, by fiscal year, since the inception of the program?

*Answer.* The chart below details how many SIVs we have issued to Iraqi applicants under both the section 1059 and section 1244 programs since implementation in FY 2007. FY 2012 numbers are through August 31, 2012.

	Principal	Derivatives	Totals
2007 .....	431	383	814
2008 .....	518	449	967
2009 .....	1,448	1,385	2,833
2010 .....	951	1,091	2,042
2011 .....	322	384	706
2012 .....	1,627	2,175	3,802
	5,297	5,867	11,164

- (b). How many applications have there been, by fiscal year?

Answer. The chart below details the number of approved I-360 immigrant visa petitions received by the State Department's National Visa Center (NVC) from U.S. Citizenship and Immigration Services (USCIS) for Iraqis applying for the section 1059 and section 1244 SIV Programs:

	Iraqi Section 1059 Ap- proved I-360s	Iraqi Section 1244 Ap- proved I-360s	Combined Total
FY 2007 .....	650	0	650
FY 2008 .....	149	48	197
FY 2009 .....	139	1,614	1,753
FY 2010 .....	10	1,025	1,035
FY 2011 .....	2	2,398	2,400
FY 2012* .....	1	873	874
Totals .....	951	5,958	6,909

\* Applications to August 31, 2012.

- (c). How long is the average processing time (as measured by application filing date until the date visa issuance or notice of denial) for such applications, by fiscal year?

Answer. Processing SIVs involves a number of different steps to ensure a complete security check is performed on each applicant. Several different U.S. Government agencies are involved in this process. We do not maintain average processing times year by year for SIVs. The SIV process begins with the individual applying to Embassy Baghdad through NVC for a chief of mission letter confirming his/her eligibility for the SIV program. If the individual is found eligible for the SIV program, s/he files an immigrant visa petition with USCIS. Upon approval, USCIS sends the approved petition and supporting documents to NVC, which schedules the applicant's visa interview at the embassy or consulate of his/her choice. At the interview, the consular officer reviews the case, and if everything is in order, requests the required security vetting for all adult applicants from our interagency partners. The security vetting has been the principal delay in processing these cases since the end of 2010, but we have made great improvements since spring 2012. This improvement is reflected in the FY 2012 visa issuance numbers, which are the highest since the program's inception.

Addressing delays in security vetting of Iraqi SIV applications remains a priority for the State Department. We have streamlined the application process—which must conform to the preexisting immigrant visa process under current law—as much as possible, eliminating redundant requirements and working with our interagency partners to accept electronic submissions wherever possible. This progress allowed us to cut the backlog of Iraqi SIVs pending final action (issuance or refusal of the visa application) by 50 percent since March. In late February, 2,832 Iraqi SIV applications were pending security vetting; as of September 19, that number was reduced to 1,348.

- (d). How many are pending as of September 19, 2012?

Answer. As of September 19, 2012, there were 1,348 Iraqi SIV applications pending security clearances.

- (e). How many have been denied by fiscal year? Please list the reasons for denial and the corresponding number of visas denied for each reason, by fiscal year.

Answer. To provide this information, we need to run a customized query. We are proceeding, but it will take a few days to generate the date for a response. We will transmit this information as soon as we have it.

*Question.* The security situation in Iraq has improved since the worst days of the civil war, but the terrorist attacks in July remind that extremist groups are still active and demonstrate the country's fragile peace.

- (a). What is your assessment of the current security situation? Where do you see the major threats?

Answer. The security environment in Iraq continues to present challenges, and we are supporting the Government of Iraq's (GOI) efforts to confront threats and build long-term security and stability in Iraq. It is clear that AQI remains a dangerous threat. While there has been clear and measurable success against AQI over the years, recent attacks make clear the security situation warrants attention.

While there are formidable security challenges, the Iraqi Security Forces (ISF) have made impressive gains in combating terrorism. We are confident the ISF will continue pressuring AQI—and others—to further diminish their capabilities. Although Iranian backed militias have largely been quiet since the departure of U.S. Forces, they remain capable of launching attacks against the residual U.S. presence. The United States continues to stand with the GOI and is ready to work within the scope of the Strategic Framework Agreement to ensure that the capacity and ability of extremists to carry out attacks is diminished.

- (b). How are the Iraqi Security Forces developing and do you think they are capable of addressing the threats?

Answer. We are encouraged by the GOI's continuing commitment and progress in developing the capacity of Iraqi military and police forces. In February, the GOI passed a budget for 2012 that included \$15 billion in defense and security spending—15 percent of their total spending.

While the GOI is increasingly capable and effective in addressing the various security threats, we are working with it through our security assistance office, Police Development Program, and other programs to further improve the capacity of its security forces to counter terrorism, insurgency, and external threats.

- (c). Given the military withdrawal, how is the security situation impacting our Embassy's access to places beyond Baghdad? What measures are in place to support diplomatic efforts to remain engaged with all cross-sections of Iraqi society? What more, in your assessment, is needed?

Answer. Engagement is a cornerstone of our relationship with Iraq and we are meeting on a regular basis with all levels of Iraqi Government and society including the Prime Minister, the President, Cabinet and Parliament members, politicians, and civil and social leaders. The Department places the highest priority on the protection of our personnel and we take extraordinary protective security measures to enable mission staff to engage outside of secure chief of mission facilities. Every protective security detail movement is assessed from the standpoint of threat and security conditions, prioritized on the basis of available resources. Only if necessary, moves are restricted or postponed.

In the first two quarters of this calendar year, more than 6,000 protective security detail missions were carried out. Only a small number of requests have been postponed or cancelled due to threat or lack of resources.

There has been no diminishment of our ability to meet with our Iraqi counterparts since U.S. Forces left Iraq and in some areas the level of engagement is higher today than it was before the withdrawal took place.

*Question.* When it comes to human security, what are the ongoing challenges faced by the most vulnerable groups, including women, children, and religious minorities as Iraq struggles to establish lasting peace? What specific programs would you as Ambassador support to assist these populations?

Answer. Iraq's vulnerable communities face ongoing threats of violence and discrimination as well as a lack of economic opportunities. If confirmed, I will ensure that we continue to utilize all Embassy assets to advance a human rights agenda that includes the elimination of violence and discrimination based on gender, religion, ethnicity, or sexual orientation.

If confirmed, I will continue to work closely with: the Government of Iraq; the Department's Deputy Assistant Secretary of State for Iraq, Barbara Leaf, who serves as the Secretary's Coordinator for Iraq's Religious and Ethnic Minorities; the Department's Ambassador at Large for International Religious Freedom, Suzan Johnson Cooke; and Ambassador at Large for Women's Issues, Melanne Vermeer, to help improve conditions for Iraq's vulnerable groups.

To date, we have provided over \$72 million in targeted assistance to Iraq's minority communities. Projects have provided short-term humanitarian assistance as well as long-term economic development initiatives to help create and secure the environment for these communities to remain in Iraq and play a meaningful role in Iraqi society. We are continuing to work with the GOI to improve security conditions for its vulnerable communities, including by urging the GOI to continue its efforts to provide additional security for places of worship and during religious holidays.

Other examples of our ongoing programs for vulnerable groups include: support for microfinance institutions to provide economic opportunities for at risk populations including women and minorities; a legal advocacy program for assistance to minorities in pursuing legal remedies through legal clinics; a "Minorities Caucus" within Iraq's Council of Representatives; and the Iraq Women's Democracy Initiative and Secretary's War Widows Program to strengthen political participation, eco-

conomic empowerment, women's rights advocacy, media skills, as well as negotiation and capacity-building for women's NGOs.

If confirmed, I will continue the good work that has been done to help create conditions for these communities to remain in Iraq and bring their concerns to the highest levels of the GOI.

*Question.* On September 16 the last major relocation of residents from Camp Ashraf to Camp Hurriya was successfully completed. But there remain concerns about the long-term safety of this group. What are the major humanitarian challenges for finding long-term solutions for the residents, and how can the U.S. Embassy and the Iraqi Government work together to overcome those obstacles?

*Answer.* The relocation of former Ashraf residents out of Iraq will not be easy or a quickly accomplished process. However, the United Nations (U.N.) and international community are turning their full attention to the task now that the major relocations from Ashraf have been completed. At Camp Hurriya, the Office of the U.N. High Commissioner for Refugees (UNHCR) continues an identity verification and refugee status determination process for the relocated residents. Embassy Baghdad, in support of the UNHCR process, is working closely with the diplomatic community in Baghdad to intensify efforts and if confirmed, I would be personally involved in these engagements, if confirmed as next Ambassador to Iraq. My colleagues in the Department are also working diligently with foreign governments to encourage them to help in the permanent resettlement of the former Ashraf residents.

With regard to their current situation, the Government of Iraq, the U.N. Assistance Mission for Iraq (UNAMI), and UNHCR—all with our support—continue to cooperatively address humanitarian concerns raised by the residents. For example, Iraqi authorities managing the relocation efforts have facilitated the transfer of a variety of property from Ashraf, ranging from televisions and computers to water storage tanks and other life support items. Additionally, in response to residents' concerns over access to a sustainable water source, Iraqi authorities are working with the residents to connect Camp Hurriya to a nearby reservoir. Also, Camp Hurriya residents have access to U.N. human rights monitors around the clock.

My colleagues at Embassy Baghdad have worked tirelessly to see the relocation effort from Ashraf to Hurriya concluded peacefully and safely. We will continue to visit Hurriya regularly, and, if confirmed, I will remain committed to seeing this issue through to humane and secure solutions for the individuals at Camp Hurriya.

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RESPONSES OF STEPHEN BEECROFT TO QUESTIONS SUBMITTED  
BY SENATOR JAMES M. INHOFE

*Question.* Considering that under the Saddam regime, minority and opposition groups were attacked using Soviet aircraft and helicopters, many Sunni, Shia, and Kurd communities fear it will happen again with U.S.-made aircraft. What safeguards has the United States placed on U.S. arms transfers to Iraq to prevent U.S. origin weapons and equipment from being used against Iraqi minority and opposition groups? What controls have been placed specifically on U.S. origin aircraft and associated munitions to ensure misuse does not occur?

*Answer.* We have encouraged and continue to encourage Iraqi leaders to settle their differences through the political process in accordance with the Iraqi Constitution without resorting to violence.

To achieve our strategic objective of a sovereign, stable, and self-reliant Iraq that contributes to peace and stability in the region, we will continue to responsibly support Iraq's efforts to develop capable Iraqi Security Forces (ISF) that adhere to the rule of law and respect human rights. We support Iraq's efforts to purchase defense equipment to meet its legitimate defense needs, in line with its domestic spending priorities and in accordance with its budget laws and procedures.

In reviewing security assistance programs and export licenses for U.S.-origin defense articles to any country, the United States takes into account a full range of foreign policy, national security, and human rights considerations. We consider a variety of factors, including consistency with arms control initiatives and agreements, appropriateness of the transfer in responding to legitimate U.S. and recipient security needs, internal political stability, and regional stability interests.

In addition, all equipment provided under our security assistance programs or sales is subject to end-use restrictions and conditions. Embassy Baghdad has implemented robust End Use Monitoring programs: "Blue Lantern" (State program) and "Golden Sentry" (DOD program). These programs require routine inspections to ensure there are no unauthorized transfers of arms and equipment.

*Question.* What initiatives or programs has the United States continued with minority security forces, such as the Kurdish Peshmerga, now that all U.S. forces have withdrawn from Iraq?

*Answer.* The Department of State is continuing a Department of Defense (DOD) effort to professionalize security forces in the Iraqi Kurdistan Region and to integrate them into the central government's Iraqi Security Forces. Earlier this year, the Department approved a program, fully funded by the DOD's Iraq Security Forces Fund (ISFF), to train and equip the Kurdistan Regional Government's (KRG) Regional Guard Brigades (RGBs).

Additionally, the Department of State's Police Development Program (PDP) and its Anti-Terrorism Assistance (ATA) program provide assistance to the KRG's police forces. The PDP provides training on criminal investigations, information technology and communication, professional development, and border security. The ATA program provides training in VIP protection, critical incident management, and explosive incident countermeasures.

*Question.* Recent reports indicate Iran has been using Iraqi airspace to transfer weapons to the Assad regime because the Iraqi Air Force doesn't have a capability to defend its territory. What confidence does the United States have that the Iraqi Government will use its newly acquired F-16s to protect its airspace and enforce U.N. sanctions against Iran and Syria? Is the Department of State providing foreign military aid for border patrol and air sovereignty training that includes arms smuggling scenarios?

*Answer.* The sale of F-16s and other military equipment is part of our long-term vision for a strategic partnership with Iraq. Iraq's F-16s are currently scheduled for delivery in September 2014. These aircraft will play a key role in helping Iraq protect its airspace, defend its sovereignty, and deter or counter regional threats. We believe the Government of Iraq can play an increasingly positive role in preserving regional stability, and this is one of the points that we stress to the Iraqis in pressing them to fully implement U.N. sanctions against Iran.

Air sovereignty and border security are legitimate defense requirements for Iraq. Department of Homeland Security (DHS) subject matter experts, through the Police Development Program, continue to support key ministries responsible for border security, including the Ministry of Interior, to achieve a level of self sufficiency in their operations and relevant training requirements. Should the Iraqis request additional border patrol or air sovereignty training aimed at arms smuggling scenarios in the future, the Department would review such a request under our Conventional Arms Transfer Policy, taking into account a number of factors ranging from regional security and nonproliferation to human rights. Some of the equipment which Iraq has purchased through a combination of host nation funding and Department of Defense-provided Iraqi Security Forces Funds (ISFF) will help Iraq confront a variety of security challenges including arms smuggling.

*Question.* Now that the last major group of residents from Camp Ashraf, home to 3,200 members of the Iranian opposition group, the Mujahedin-e Khalq (MEK), have relocated to Camp Liberty, what specific steps is the United States taking in ensuring the safety and security of the residents now in Camp Liberty?

*Answer.* In my capacity as Chargé d'affaires in Baghdad, my colleagues and I are fully engaged in ensuring the safety and security of the residents at Camp Hurriya (Liberty). Embassy Baghdad officers continue to visit Hurriya regularly and speak with the residents. My colleagues and I also work closely with U.N. and Iraqi officials regarding Hurriya. If confirmed, I will remain attentive to the situation at both Ashraf and Hurriya and remain in active, regular contact with both the U.N. and the Government of Iraq in support of completing a peaceful and safe relocation process. In addition, Embassy Baghdad officials will continue to observe movements at both Ashraf and Hurriya and to monitor relocations as they take place.

*Question.* As one of your first acts as Ambassador, if confirmed, will you convey to the Maliki government, that the Iraqi Government must ensure the safety, security, and dignity of all the residents of Camp Liberty so long as they are in Iraq?

*Answer.* In my capacity as Chargé d'affaires in Baghdad, I have personally engaged with Prime Minister Maliki and senior Iraqi officials to work to ensure the safety, security, and dignity of the residents of Camp Hurriya (Liberty). The United States has publicly supported a Memorandum of Understanding (MOU) between the Government of Iraq and the United Nations Assistance Mission to Iraq (UNAMI) that in part calls on the Iraqi Government to provide for the safety and security of Hurriya. If confirmed, I will continue to urge the Government of Iraq at the high-

est levels to continue to abide by the MOU and ensure the security of the residents of Hurriya.

*Question.* As one of your first acts as Ambassador, if confirmed, will you focus and work toward a permanent and just resolution to the MEK issue?

*Answer.* In my capacity as Chargé d'affaires in Baghdad, I take the greatest interest in working toward a permanent and just resolution to the MEK issue. My colleagues and I at Embassy Baghdad are fully engaged in the relocation process and in ensuring the safety of the residents of Camp Hurriya (Liberty). If confirmed, I will continue to work with all sides at the highest levels to bring this issue to a peaceful resolution.

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RESPONSES OF ROBERT STEPHEN BEECROFT TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT MENENDEZ

*Question.* Mr. Beecroft, as you assume the critical role of Ambassador to the Republic of Iraq, what are the administration's priorities as we transition from a military to civilian assistance role? How do we continue to encourage the Iraqi people to follow the path toward democracy and religious tolerance?

*Answer.* Progress in Iraq remains critical to U.S. national security. We are dedicated to supporting a sovereign, stable, and self-reliant Iraq that can be a partner to the United States.

Our relationship with Iraq is one of our most strategically important bilateral relationships. Our direct engagement with the Iraqi Government and people has remained robust since the departure of USF-I. As Chargé d'affaires, I have regularly engaged with President Talabani, and Prime Minister Maliki and my colleagues meet with cabinet ministers, parliamentarians, and civil society leaders throughout Iraq.

The administration's priorities in Iraq include supporting a unified federal democratic Iraq, fighting AQI and supporting human rights. We are working with Iraq to help develop their economy and Iraq's oil resources while promoting and increasing U.S. business engagement in Iraq. If confirmed, I will do my best as Ambassador to further these objectives. We remain focused on strengthening Iraq's democratic institutions and ensuring that their voices determine the future direction of their country. Part of our work to help build Iraq's democratic institutions is our continued support for the Independent High Electoral Commission (IHEC). We continue to work closely with the government and with IHEC in preparation for provincial elections in 2013 and parliamentary elections in 2014.

As part of our larger effort to promote religious freedom in Iraq, Secretary Clinton appointed Deputy Assistant Secretary of State for Iraq, Barbara Leaf, to serve as the Coordinator for Iraq's Religious and Ethnic Minorities. DAS Leaf has traveled to Iraq to meet with these communities and, along with the Ambassador at Large for International Religious Freedom, Ambassador Suzan Johnson Cook, has engaged Iraq's Christian diaspora communities in the United States. Our Embassy in Baghdad continues to meet frequently with minority religious and community leaders to discuss their concerns and to determine ways the U.S. Government can assist. To date, we have provided over \$72 million in targeted assistance to Iraq's minority communities. Projects have provided short-term humanitarian assistance as well as long-term economic development to help create and secure the environment for these communities to remain in Iraq and promote their rightful place in the social fabric of Iraqi society. We have also focused on strengthening the ability of Iraq's minority communities to receive the full attention and support of their own government through the Iraqi Minority Parliamentary Caucus. We believe these efforts are critical to strengthening the relationship between minority communities and their government and are critical to helping these communities secure their rightful place within Iraq's social fabric.

*Question.* For over 25 years, Camp Ashraf in Iraq was the home to more than 3,000 Iranian refugees. As provided for under the Memorandum of Understanding (MOU) with Iraq last December, the residents of Camp Ashraf began the transition to Camp Hurriya early this year, with the seventh convoy arriving on September 16. It is my understanding that, over the coming weeks, the small group temporarily remaining at the former Camp Ashraf will soon be making the final trip to Camp Hurriya.

It has come to my attention that there remain unresolved and legitimate concerns regarding the humanitarian conditions at Camp Hurriya.

- As Ambassador, will you commit to visiting the facilities at Camp Hurriya and meeting with its residents? Will you ensure that their concerns are addressed, to the best of your abilities?

Answer. We take the greatest interest that the residents of Camp Hurriya have access to facilities that meet international humanitarian conditions. At Camp Hurriya, the High Commission for Refugees (UNHCR) continues a verification and refugee status determination process for the relocated residents, and U.N. monitors are accessible round-the-clock. UNHCR and the U.N. Human Rights Office in Baghdad have determined facilities at Camp Hurriya, the previous home of U.S. troops stationed in Baghdad, to be in accordance with international humanitarian standards. A recent tour of the facilities found adequate electricity to power flat-screen televisions, sufficient water (residents receive on average in excess of 200 liters per person per day of water), landscaped grounds and fresh produce. There continue to be some complaints by the residents at Hurriya, but we have seen progress between the residents and the GOI on finding practical solutions to these issues.

U.S. Embassy Baghdad officers continue to visit Hurriya regularly and speak with the residents, and with U.N. and Iraqi officials regarding Hurriya. If confirmed, I will ensure that we remain attentive to the situation at both Ashraf and Hurriya and remain in active, regular contact with both the U.N. and the GOI in support of completing a peaceful and safe relocation process. I will make every effort to personally visit Camp Hurriya at the earliest, appropriate opportunity.

**NOMINATIONS OF ROBERT F. GODEC AND  
DEBORAH ANN McCARTHY**

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**WEDNESDAY, NOVEMBER 28, 2012**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC*

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Hon. Robert F. Godec, of Virginia, to be Ambassador to the Republic of Kenya  
Deborah Ann McCarthy, of Florida, to be Ambassador to the Republic of Lithuania

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The committee met, pursuant to notice, at 2:25 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Christopher A. Coons, presiding.

Present: Senators Coons, Lugar, and Isakson.

**OPENING STATEMENT OF HON. CHRISTOPHER A. COONS,  
U.S. SENATOR FROM DELAWARE**

Senator COONS. I call this hearing to order.

I am honored to chair this hearing for the ambassadorial nominees to serve this Nation in Kenya and Lithuania, Ambassador Robert Godec and Ms. Deborah Ann McCarthy. Both nominees have impressive and long records of service and accomplishment in the Foreign Service of the United States, and I look forward to hearing about their priorities for advancing U.S. policies and interests in the countries to which they may soon go as our Ambassadors.

I am also very pleased to be joined by my good friend and ranking member, Senator Isakson, of Georgia, and particularly honored that Senator Lugar, the ranking member of the full committee, has joined us today; and I understand Senator Durbin, of Illinois, may as well join us shortly.

I apologize for the delay in getting started. We had a vote on the floor of the Senate.

As some know, Kenya has particularly important meaning for me. The first time I ever set foot in Africa was as a undergraduate spending a semester at the University of Nairobi, and I later volunteered at an orphanage in Ngong. My experience there was transformative, and changed my perspective on the world, and gave me a new sense of purpose and focus. And I returned to Kenya, for the first time in 25 years, just a few months ago.

In Nairobi, I had the opportunity to speak at the Kenyan National Prayer Breakfast, as Senator Isakson has, as well, this year, with President Kibaki and others, where I affirmed the centrality for the United States of the upcoming elections and our sincere hope that the violence and chaos of the 2007 elections can be averted. The United States, in my view, is, and should be, closely watching the process surrounding this election, and we'll work closely with Kenyan officials to ensure the elections are peaceful, credible, and transparent. And I emphasized then, as I will again today, that we do not favor any particular outcome or candidate, but, instead, a free and fair process.

Kenya has made remarkable progress in recent years in reforming its constitution, building democratic institutions, expanding press freedoms, and improving its economy. I was particularly impressed, during that visit with the younger generation of Kenyans, in the great potential that exists amongst entrepreneurs.

There are many other things to be concerned about in the process toward the election, and I look forward to hearing about them in more detail from Ambassador Godec.

Several factors may well influence the outcome of the election—ethnic tensions, the balloting registration process, the behavior of the police and security services, messaging of the candidates—all of which I hope we will get into in some more detail.

The other main area of concern for me regarding Kenya is its military involvement in Somalia, the ongoing security challenges, both within and without Kenya and its borders.

Kenya is home to the largest diplomatic mission in Africa, from which a host of government agencies oversee bilateral and regional programs, and serves as a base for humanitarian relief, food security, and global health initiatives, and I'm eager to talk about that, as well as the potential for trade and investment in the region.

To serve as our next Ambassador in this critical post, in my view, President Obama has chosen wisely in nominating Ambassador Godec, who has served as Chargé in Nairobi since August and has been received positively by government, civil society, and NGOs. Having built a strong career as the former Ambassador to Tunisia, he recently served as Principal Deputy Counterterrorism Coordinator in the State Counterterrorism Bureau. Prior to his service in Tunisia, he served as Deputy Assistant Secretary for Near Eastern Affairs. This is Ambassador Godec's second time in Nairobi, following a posting from 1996 to 1999 as Economic Counselor.

Just as Kenya has worked hard to improve and reform its democracy and economy, Lithuania, too, serves, in my view, as a model of democratic transition since the cold war, the first former Soviet Republic to declare its independence, on March 11, 1990. Moscow, however, did not recognize this proclamation until the following year. Since then, Lithuania has experienced a smooth transition, democratic elections, a restructured economy, and has joined NATO and the EU. Having just completed its own elections in October, our incoming Ambassador there, if she is confirmed, must work with the new Lithuanian Government to encourage economic growth, greater cooperation on energy security, and many other regional issues relating to both Russia and other regional actors.

Ms. McCarthy, the nominee to serve as our Ambassador to Lithuania, has a long and distinguished career, having served for 30 years in the Foreign Service, currently as Principal Deputy Assistant Secretary for the Bureau of Economic and Business Affairs, and previously as Deputy Chief of Mission in Embassy Athens, Special Coordinator for Venezuelan Affairs, Senior Advisor for Counterterrorism, and Deputy Assistant Secretary in the Bureau for International Narcotics and Law Enforcement.

Now, I very much look forward to hearing from both nominees, and will encourage them, in time, to introduce their families, as well, who, as we all recognize, are the often unsung true heroes, in terms of supporting through sacrifice and service, but let me first turn to my friend and ranking member, Senator Isakson, for his opening remarks.

Senator ISAKSON. Out of respect for the chairman, I'm going to defer my remarks to the Chair and let him make the opening statement.

Mr. Chairman.

Senator COONS. Senator Lugar.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,  
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Likewise, I will ask that my comments and opening be put in the record.

I simply come, as all of us do, to try to affirm how important these two ambassadorial positions are and how important it is we act promptly so that these positions are filled.

[The prepared statement of Senator Lugar follows:]

PREPARED STATEMENT OF RICHARD G. LUGAR,  
U.S. SENATOR FROM INDIANA

It is a pleasure to welcome Ambassador Godec once again before the committee, in this case as the President's nominee to be Ambassador to Kenya. His stewardship as Chargé over the last several months comes at a very challenging time for our large and important East Africa Embassy. He has brought deft and experienced management to Nairobi and effectively sustained our varied interests and priorities with Kenyans and the Kenyan Government at a critical time.

Among the most important interests is United States support for a free and fair electoral process leading up to national elections in 2013, the first since the abhorrent violence that followed the 2007 elections. United States interests extend broadly in East Africa and recognize the commitment Kenya has made in Somalia under the AMISOM umbrella, as well as its long support for regional peace initiatives. Kenya also has been a key counterterrorism partner in a variety of areas that are of mutual concern with broad global potential for impact. These include Kenyan efforts fighting al-Shabab and building its own counterterror capabilities in maritime and border security. Our extensive cooperation extends to providing a regional platform for the Defense Threat Reduction Agency and the Center for Disease Control in securing biological materials that pose a threat to millions if neglected. I would like to thank Ambassador Godec for his expeditious review of a longstanding request incorporating DTRA into a large Embassy country team.

I am also pleased to welcome Deborah Ann McCarthy, who has been nominated to represent the United States in Lithuania. Lithuania remains a key strategic NATO ally, and I am hopeful that Ms. McCarthy, if confirmed, will advance several key U.S. foreign policy priorities. Among other objectives, it is critical that the United States advance energy security for Lithuania and the entire region by supporting interconnections and the development of alternative sources of energy. We must also reaffirm NATO's Article Five commitments in the region through support of NATO's Baltic Air Policing mission and other means of reassurance.

Thank you Mr. Chairman.

Senator COONS. Thank you very much, Senator Lugar.  
 Senator Isakson, did you have an opening comment you'd like to share?

**STATEMENT OF HON. JOHNNY ISAKSON,  
 U.S. SENATOR FROM GEORGIA**

Senator ISAKSON. Just echo your comments about the importance of both countries to the United States of America. And I, too, have been to Kenya, though I did not go and study or live there, but have been there to visit, understand the importance of it. And, of course, Lithuania, their relationship with Russia and the particular challenges that, economically, they have had, are of tremendous importance to the United States, and I look forward to questioning both Ms. McCarthy, as well as Mr. Godec.

We appreciate your accepting the responsibility of these nominations.

Senator COONS. Thank you, Senator Isakson.

I'd now like to turn to our nominees for their opening statements, starting with Ambassador Godec, followed by Ms. McCarthy. And again, I invite you to introduce your families or other loved ones or supporters you might have with us today, as well.

**STATEMENT OF THE HON. ROBERT F. GODEC, OF VIRGINIA,  
 TO BE AMBASSADOR TO THE REPUBLIC OF KENYA**

Ambassador GODEC. Mr. Chairman, Ranking Member Senator Lugar, I am honored to appear before you today as President Obama's nominee to be the next U.S. Ambassador to the Republic of Kenya.

I want to thank the President and Secretary Clinton for their confidence in me. If confirmed, I look forward to working with you and the other Members of Congress to advance U.S. interests in Kenya and the East African region.

Mr. Chairman, I'd like to introduce to you, today, my wife, Lori Magnusson. Lori has been a constant source of strength, support, and wisdom to me throughout my career. I'd also like to introduce my mother, Nancy Dietrich, and to express my profound thanks to her for all she has done for me over the years.

Kenya is a strategic partner for the United States. Our two countries are linked by history and shared values. Kenya is a positive and constructive leader in a region that faces major challenges, including conflict, violent extremism, and poverty.

For 50 years, as friends, Kenya and the United States have stood together to face these challenges. Meeting them is in the interest, not just of Kenya and its neighbors, but of the United States and, indeed, the world. As a consequence, our relationship with Kenya is both broad and deep. We work together with Kenya to resolve regional conflicts, combat terrorism, and provide humanitarian assistance. As a partner, we have a commitment to a strong Kenya and are assisting with Kenyan efforts to reform their political institutions, accelerate economic growth and development, and improve health and education systems. If confirmed, I will continue our work on these challenges, and will engage with Kenyans from across the country to do so.

A democratic Kenya, which embraces national reconciliation and rejects corruption and impunity, is critical for the future of East Africa. Since the deadly violence that swept Kenya following the disputed December 2007 Presidential elections, the United States has focused on supporting political and constitutional reform in Kenya.

Kenya's new constitution, adopted in August 2010, is one of the most progressive in Africa, and envisions nothing less than the complete overhaul of the political system. It holds the promise of anchoring Kenya's democracy firmly in the rule of law.

Facing many other challenges, including internal political disagreements, drought, and the global economic crisis, Kenya has made significant progress passing the legislation necessary to implement the constitution. Kenya's judicial reforms have been a particular bright spot.

The upcoming March 2013 election is the next key moment for Kenya in the implementation of its constitution and in advancing political reform. The responsibility for the election rests squarely with the Kenyan Government and people, and success, frankly, is not assured.

If confirmed, one of my top priorities will be to support Kenyan efforts to make the election free, fair, and peaceful. We have a strong and varied set of programs in place to assist institutions charged with carrying out the most complex election in Kenya's history. We're working with the government, with civil society, religious leaders, community leaders, and youth across the country to promote peaceful participation in the election. We are also coordinating closely with the international community and other partners on our election assistance to ensure the wise and effective use of taxpayer resources.

Beyond the election, Kenya faces many other internal challenges, including devolving power to new county governments, carrying out land reform, improving environmental protection, combating HIV/AIDS, and strengthening its institutions. Kenya needs to make progress to address these challenges, and, if confirmed, I will continue our mission's work to assist the Kenyans to do so.

I will also seek to deepen and strengthen our economic and commercial ties, including the promotion of U.S. exports and the protection of U.S. investment.

Kenya's security remains a major concern. It is inextricably linked to our own, as was clearly illustrated in the 1998 bombing of our Embassy, carried out by al-Qaeda, which left 218 people dead and thousands injured. Kenya has borne a heavy burden from the insecurity and from extremist violence and humanitarian challenges associated with the conflict in Somalia.

As a troop-contributing country to AMISOM, Kenya has helped to establish the security necessary for the new government in Mogadishu to begin serving the needs of the Somali people. In taking a higher profile in Somalia, however, Kenya increasingly has become a victim of violent attacks by terrorists. If confirmed, I will continue to support Kenya's efforts to secure its borders and to protect its citizens while working to ensure that Kenya respects human rights and international law as it fights terrorism.

Kenya also hosts more than 600,000 refugees, primarily from Somalia, which places a burden on its limited resources. The United States will continue to assist Kenya to meet its international obligations with respect to refugees.

Finally, Mr. Chairman, a tangible indicator of Kenya's importance to the United States is the fact that the United States mission in Nairobi is now our largest in Africa. The staff at the Embassy has recently weathered a period of transition and uncertainty. In my brief time as Chargé d'Affaires, I've been impressed by the professionalism, dedication, and integrity of the mission staff, both Kenyan and American.

Mr. Chairman, members of the committee, if confirmed, I would be honored to serve as the next United States Ambassador to the Republic of Kenya and to lead the capable and committed public servants at our mission there.

I'd be pleased to answer any questions you might have today.

Thank you very much.

[The prepared statement of Ambassador Godec follows:]

PREPARED STATEMENT OF ROBERT F. GODEC

Mr. Chairman, ranking member, and members of the committee, I am honored to appear before you today as President Obama's nominee to be the next United States Ambassador to the Republic of Kenya. I want to thank the President and Secretary Clinton for their confidence in me. If confirmed, I look forward to working with you and the other Members of Congress to advance United States interests in Kenya and the East African region.

Mr. Chairman, I would like to introduce to you my wife, Lori Magnusson, who is here with me today. Lori has been a constant source of strength, support, and wisdom to me throughout my career. I would also like to introduce my mother, Nancy Dietrich, and to express my profound thanks to her for all she has done for me over the years.

Kenya is a strategic partner for the United States. Our two countries are linked by history and shared values. Kenya is a positive and constructive leader in a region that faces major challenges, including conflict, violent extremism, and poverty. For 50 years, as friends, Kenya and the United States have stood together to face these challenges. Meeting them is in the interest not just of Kenya and its neighbors, but of the United States and, indeed, the world.

As a consequence, our relationship with Kenya is both broad and deep. We work together with Kenya to resolve regional conflicts, combat terrorism, and provide humanitarian assistance. As a partner, we have a commitment to a strong Kenya and are assisting with Kenyan efforts to reform their political institutions, accelerate economic growth and development, and improve health and education systems. If confirmed, I will continue our work on these challenges and will engage with Kenyans from across the country to do so.

A democratic Kenya, which embraces national reconciliation and rejects corruption and impunity, is critical for the future of East Africa. Since the deadly violence that swept Kenya following the disputed December 2007 Presidential elections, the United States has focused on supporting political and constitutional reform in Kenya. Kenya's new constitution, adopted in August 2010, is one of the most progressive in Africa and envisions nothing less than the complete overhaul of the political system. It holds the promise of anchoring Kenya's democracy firmly in the rule of law. Despite facing many other challenges, including internal political disagreements, drought, and the global economic crisis, Kenya has made significant progress passing the legislation necessary to implement the constitution. Kenya's judicial reforms have been a particular bright spot.

The upcoming March 2013 election is the next key moment for Kenya in the implementation of its new constitution and in advancing political reform. The responsibility for the election rests squarely with the Kenyan Government and people, and success, frankly, is not assured. If I am confirmed, one of my top priorities will be to support Kenyan efforts to make the election free, fair, and peaceful. We have a strong and varied set of programs in place to assist institutions charged with carrying out the most complex election in Kenya's history. We are working with government, civil society, religious leaders, community leaders, and youth across the

country to promote peaceful participation in the election. We are also coordinating closely with the international community and other partners on our election assistance to ensure the wise and effective use of taxpayer resources.

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Kenya's security remains a major concern. It is inextricably linked to our own, as was clearly illustrated in the 1998 bombing of our Embassy, carried out by al-Qaeda, which left 218 people dead and thousands injured. Kenya has borne a heavy burden from the insecurity, extremist violence, and humanitarian challenges associated with the conflict in Somalia. As a troop contributing country to the African Union Mission in Somalia (AMISOM), Kenya has helped to establish the security necessary for the new government in Mogadishu to begin serving the needs of the Somali people. In taking a higher profile in Somalia, however, Kenya increasingly has become a victim of violent attacks by terrorists. If confirmed, I will continue to support Kenya's effort to secure its borders and to protect its citizens, while working to ensure that Kenya respects human rights and international law as it fights terrorism.

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Finally, Mr. Chairman, a tangible indicator of Kenya's importance to the United States is the fact that U.S. Mission Nairobi is now our largest in Africa. The staff at the Embassy has recently weathered a period of transition and uncertainty. In my brief time as Chargé d'Affaires, I have been impressed by the professionalism, dedication, and integrity of the mission staff, both American and Kenyan. Mr. Chairman and members of the committee, if confirmed, I would be honored to serve as the next United States Ambassador to the Republic of Kenya and to lead the capable and committed public servants at our mission there.

I would be pleased to respond to any questions you might have.

Senator COONS. Thank you, Ambassador Godec.  
Ms. McCarthy.

**STATEMENT OF DEBORAH ANN MCCARTHY, OF FLORIDA,  
TO BE AMBASSADOR TO THE REPUBLIC OF LITHUANIA**

Ms. MCCARTHY. Thank you.

Members of the committee, it is indeed a privilege and honor for me to appear before you today.

I am very grateful to the President and the Secretary for their confidence in nominating me as the United States Ambassador to Lithuania. If confirmed, I pledge to represent the United States to the best of my ability, and to work with this committee, your staff, and your congressional colleagues to advance U.S. interests.

With your permission, I would like to introduce my daughter, Natalia; my sisters, Linda Malone and Diana Bernard; and my brother-in-law, Paul Malone, as well as my extended Foreign Service family, which includes colleagues at the Foreign Service Institute and new members of the United States mission in Lithuania who are here today.

Over the last 14 years, I have served in a number of positions, which you mentioned. I believe that these experiences have prepared me well, if confirmed, to lead our mission and to exercise American leadership in Lithuania.

We enjoy a close relationship with Lithuania. It's a relationship founded on 90 years of unbroken diplomatic relations, transatlantic ties of the many American citizens of Lithuanian ancestry, and the

energetic engagement of Lithuania with the United States in addressing challenges to freedom and security worldwide.

Since it established its independence in 1990, Lithuania has embraced democracy and the principles of a free market. In addition to its active role in NATO and the EU, Lithuania successfully has chaired the Community of Democracies and the OSCE in 2010–2011, demonstrating its growth into a leading promoter of democratic values, on a global scale. Moreover, the fact that Lithuania has one of the highest rates of voting with the United States at the U.N. is evidence of the principles it shares with us.

Lithuania's particularly dedicated to advancing democracy in the countries of the former Soviet Union, sharing the experience and expertise it has during its hard-won reintegration into the West. It is actively helping the Belarusian people to build civil society in the face of terribly difficult circumstances. It is vigorously supporting Georgia's territorial integrity and accession into NATO. And it's working, on the grassroots level elsewhere in Eastern Europe, to build stronger democratic institutions.

When Lithuania takes on the presidency of the European Union in July of next year, it plans to make the EU's Eastern Partnership Initiative a key priority in that very region. Lithuania is a committed ally of the United States, sending troops to Afghanistan, leading a Provincial Reconstruction Team, deploying Special Operation Forces, and it has pledged to help financially sustain the Afghan National Security Forces beyond 2014. It is doing this as it has also undergone an economic downturn through the global economic crisis. It lost over 14 percent of its GDP in 2009, alone.

However, the economy has rebounded and has become one of the fastest growing in the EU. The energy sector, in particular, has been growing as it seeks to diversify its sources of power. This presents opportunities to support the President's National Export Initiative and help create jobs in the United States. I've spent the last 2 years in the Economic Bureau directing State's efforts to carry out the National Export Initiative, and, if confirmed, I will work actively with United States businesses to expand their opportunities in Lithuania and the region.

Addressing issues that linger from the days of war and totalitarian occupation has been difficult for Lithuania, but, during the past several years, the government has made significant progress in doing so. To name a few developments: the Lithuanian authorities have granted protection to a historic cemetery considered sacred by Jews worldwide, dedicated 2011 to the remembrance of Holocaust victims, passed legislation to compensate for Jewish communal property seized, and approved the resumption of the International Commission for the Evaluation of the Crimes of the Nazi and Soviet Occupation Regimes in Lithuania.

If confirmed, I will work closely with the government to monitor and encourage effective implementation of these agreements, as well as to promote tolerance and historical understanding.

Thank you, again, for the opportunity to appear before you today. Should the Senate confirm my nomination, I will dedicate myself to protecting and advancing United States interests in Lithuania. And I would be pleased to answer any questions that you may have.

[The prepared statement of Ms. McCarthy follows:]

PREPARED STATEMENT OF DEBORAH A. MCCARTHY

Members of the committee, it is a privilege and an honor for me to appear before you today. I am grateful to President Obama and Secretary Clinton for their confidence in nominating me to be the United States Ambassador to Lithuania. If confirmed, I pledge to represent the United States to the best of my ability and to work with this committee, your staff, and your congressional colleagues to advance U.S. interests.

With your permission, I would like to introduce my daughter, Natalia, and my sister, Diana McCarthy Bernard.

Over the last 14 of my 30 years of government service, I have served as Deputy Chief of Mission in Nicaragua, consul general in Montreal, Deputy Assistant Secretary of State for Narcotics, Deputy Chief of Mission in Greece, and now Principal Deputy Assistant Secretary for Economic and Business Affairs, responsible for global economic engagement. I believe that these experiences have prepared me well, if confirmed, to lead our mission—and to exercise American leadership—in Lithuania.

The United States enjoys a close relationship with Lithuania. It is a relationship founded on America's 90 years of unbroken diplomatic relations with Lithuania, the transatlantic ties of the many American citizens of Lithuanian ancestry, and the energetic engagement of Lithuania with the United States in addressing today's challenges to freedom and security worldwide.

Since Lithuania reestablished its independence in 1990, it has embraced democracy and the principles of a free market. In addition to its active role in the North Atlantic Treaty Organization (NATO) and the European Union (EU), Lithuania successfully chaired the Community of Democracies and the OSCE in 2010–2011, demonstrating Lithuania's growth into a leading promoter of democratic values on a global scale. Moreover, the fact that Lithuania has one of the highest rates of voting with the United States at the United Nations is evidence of the principles it shares with us.

Lithuania is particularly dedicated to advancing democracy in the countries of the former Soviet Union, sharing the expertise it gained during its hard-won reintegration into the West. It is actively helping the Belarusian people build a strong civil society in the face of terribly difficult circumstances, vigorously supporting Georgia's territorial integrity and accession into NATO, and is working on the grassroots level elsewhere in Eastern Europe, including in Ukraine and Moldova, to build stronger democratic institutions. When Lithuania takes on the Presidency of the European Union in July of next year, it plans to make the EU's Eastern Partnership Initiative a key priority, hosting the Eastern Partnership Summit in November 2013.

Lithuania is a committed ally of the United States, volunteering to send troops to Afghanistan even before joining NATO. It leads a Provincial Reconstruction Team in Ghor province, deploys Special Operations Forces to Regional Command–South, and has pledged to help financially sustain the Afghan National Security Forces beyond 2014.

The global economic crisis had severe effects on Lithuania. GDP shrank by 14.8 percent in 2009. Through the government's implementation of strict austerity measures and active trade and investment efforts, the economy has rebounded and become one of the fastest growing in the EU, with a 5.9 percent increase in GDP in 2011 and 2.5 percent forecast for 2012. The energy sector in particular has been growing as part of the Lithuanian Government's strategy to diversify its sources of power. Such growth offers opportunities to support the President's National Export Initiative (NEI) and help create jobs in the United States. I have spent the last 2 years in the Economic Bureau directing State's efforts to carry out the NEI and, if confirmed, I will work actively with United States businesses to expand their opportunities in Lithuania and the region.

Addressing issues that linger from the days of war and totalitarian occupation has been difficult for Lithuania, but during the past several years, the government has made significant progress in doing so. To name a few developments: the Lithuanian authorities granted protection to a historic cemetery considered sacred by Jews worldwide, dedicated the year 2011 to the remembrance of Holocaust victims in Lithuania, passed legislation to compensate for Jewish communal property seized under Nazi and Soviet rule, and approved the resumption of the International Commission for the Evaluation of the Crimes of the Nazi and Soviet Occupation Regimes in Lithuania. If confirmed, I will work closely with the government to monitor and encourage effective implementation of the afore-mentioned agreements as well as to promote tolerance and historical understanding.

Thank you for this opportunity to appear before you today. Should the Senate confirm my nomination, I will dedicate myself to protecting and advancing United States interests in Lithuania. I will be pleased to answer any questions you may have at this time.

Senator COONS. Thank you very much, Ms. McCarthy and Ambassador Godec.

I'll now begin—5-minute round? Seven minutes. How about 7-minute rounds? Fine.

Senator Lugar, do you need to leave us early? Should I defer—I welcome you to ask the first round of questions.

Senator LUGAR. Well, thank you. I thank the Chair.

And, first of all, I appreciate the testimony of both of the witnesses.

Ambassador Godec, a year ago, at Thanksgiving time, it was my privilege to accompany Ash Carter, of the Defense Department, and Kenny Myers, of the Defense Threat Reduction Agency, to Kenya and Uganda for the purpose of working with the governments of those two countries in behalf of the security for laboratories in which they were collecting blood samples from farm animals, attempting to create pathogens that might be of assistance in the event of an Ebola epidemic, or Marburg, or Anthrax, with the fear that al-Shabaab personnel, or others, might come into these wooden laboratories, scoop up the pathogens, and create problems in those countries, or perhaps even in our own. We were successful, in terms of gaining the cooperation, in terms of mutual assistance. And I believe that that has occurred. But, I would appreciate it if you, after your confirmation, would check on the progress of that security, and familiarize yourself—you may already be familiar, but—with the progress that the Defense Threat Reduction Agency has had. Because one of these laboratories was on a hillside—overlooking very low-cost housing for about 300,000 people, in which even the residues from the laboratory might be a risk to that population.

And I mention all of this because there are ways in which we can provide security assistance to each other in this particular case, even as we work on the democratic institutions that you already have fostered so well and have mentioned in your testimony today. And so, I simply mention this as we have an opportunity to visit during this hearing.

Now, I'm hopeful the transition, now—how long has the Ambassador been away, in Kenya? Have you been—you've been serving, obviously, over in that country now, but has been there been no ambassador for a period of time?

Ambassador GODEC. Senator, the previous Ambassador left in July. Another Chargé, Steve Nolan, was sent out immediately after Ambassador Gratton's departure, and then I arrived at the end of August, and have been there since then.

Senator LUGAR. Yes.

Ambassador GODEC. I might just add, on the issue of DTRA and the threat, I am quite concerned about the risks, as you suggest, that some of these pathogens could fall into the hands of terrorists. I have discussed this issue with our team, our staff there. I have also approved the stationing of a representative, of an official from

DTRA, at the mission in Nairobi to work with CDC, and I promise you that we will be focused on this issue.

Senator LUGAR. I thank you. I thank you very much.

Ms. McCarthy, you've emphasized, in your testimony, the energy situation in Lithuania; likewise, progress there. This has been a critical problem for some time. I was in Poland over the Thanksgiving weekend. And, of course, they are attempting to do a number of things there that would make them less vulnerable from the days in which the natural gas cutoff, which affected a number of countries in the area, really imposed a severe dilemma; and still does, for that matter. What percentage of—after all of the activities you described are achieved, to what extent will Lithuania have a degree of energy independence? What percentage will be independent? What will still be dependent on somebody else?

Ms. MCCARTHY. Senator, you raise a very important question. Lithuania, like many other countries in the region, as you mentioned, is heavily dependent, still, on Russia for electricity and gas. Heavily dependent. It has been seeking, through its own national strategy, but also through EU directives, to unbundle and to diversify. We have worked in the Baltic region on that issue as various options are considered, and support the EU directive, which, as I said, is forcing them to unbundle. And, in fact, it's led to a number of lawsuits that are taking place, and legal issues. And it is a key factor for that country's future, and for linking it to the West. It has, right now on its electrical grid, no connection to the West. So, if confirmed, that would be a key issue to focus on, for myself and working with my colleagues in the region.

Senator LUGAR. Well, I appreciate your testimony. And, very frankly, as you pointed out, no ties to the West—and that that is something that would be a major achievement, if you are able to move that situation onward, because the dilemma for, not only the Baltic States, but still for Poland and maybe for others, is obvious. Many of us have been working for years, through the Baku-Ceyhan pipeline or through various other situations, to try to think how our European allies and NATO could come out from underneath what really could be a critical hobbling situation, in the event of conflict, or even a misunderstanding. So, I wish you every success, and, likewise, Lithuanians, because until that is solved, the problems for that country will be enormous, and I just simply hope that we, in the Congress, will understand that, and will be able to work with you, as you have suggested.

I thank the Chair very much for giving me this opportunity.

Senator COONS. Of course. Thank you, Senator Lugar, for your leadership and service, and for those insightful questions that reflect your personal engagement with both countries over a very long period of time. And I know you've got commitments from both potential ambassadors to follow through on the areas that you've raised.

If I might now move to some questions for Ambassador Godec. The upcoming elections in Kenya, as you mentioned, are essential. They have one of the most progressive and sweeping constitutional reform efforts on the continent underway, both the devolution of power to counties and the election of completely new county leadership, and some very real challenges, in terms of the dynamics of

registration and police accountability, and so forth. What's your perspective on the pace of preparations for the March elections, what additional challenges remain, and what we can and should be doing to help prevent violence in the upcoming elections?

Ambassador GODEC. Thank you, Mr. Chairman. Those are all very important questions.

The pace of preparations. First, the IEBC, the electoral commission in Kenya, faces a major challenge getting ready for this election. This is the most complex election in Kenyan history. They have been moving forward.

They have just started, a little over a week ago, biometric voter registration, and they've been moving to put in place a number of the systems which are necessary. That said, there is little room left for slippage in the schedule. They face a number of major challenges, including identifying all of the final polling places, doing all of the preparatory work related to the ballots and other challenges along the way, in addition to the security issues which surround the election.

So, there are a number of challenges in front of the IEBC to get this election right. It is critically important that they do so. They are receiving significant support from the international community, generally. They're receiving significant support from the United States. The total donor support for this election will be over \$100 million, of which the United States is currently over \$30 million.

We are assisting the IEBC directly, through IFES, with technical support in a wide range of areas. We're also assisting with the process of putting together a domestic election observation team. There is a domestic organization called ELOG, which will do domestic observation. And we're also planning for international observers, as well.

In addition, we are assisting with civic education and voter education, contributing to it in a variety of ways, and there are some ongoing campaigns to help educate Kenyans. We have done training of, now, more than—or now roughly 1,000 party members, on issues like how to draft a platform, how to actually put together a set of policies for a political party. We've also trained journalists, in the media area, to help them cover the elections. So, there's a variety of things that are underway to assist in getting the election, frankly, as good as it can be—make it as good as it can be, make it free, fair, and peaceful.

As I said, though, at the end of the day, this election rests squarely on the shoulders of the Kenyan people and the Kenyan Government. We can assist. We are assisting. There are a number of things that we are doing, and will continue to do in the coming months, but, at the end of the day, the Kenyans are responsible for the election. And it's important, frankly, for the country, and for the entire region, that the election be a success.

Senator COONS. In my view, the Kenyan judiciary—and some of the recent reforms there have been a bright spot—there needs to be more and greater progress toward security-sector reform and police accountability. The new Independent Police Oversight Authority is also somewhat encouraging. What are you doing, or what do you think the mission can and should do, overall, between now and next year, to provide more support to ensure that both judicial

reforms and police reforms continue? And would you agree they are, in some ways, essential to the integrity and success of the elections?

Ambassador GODEC. Mr. Chairman, I agree, entirely, that both judicial reform and police reform are essential. And judicial reform is, as you said—and as I indicated, as well, in my statement—it is a bright spot, it is an area of, frankly, significant change; it's one of the success stories since the passage of the new constitution in 2010.

We are doing a variety of things to assist the judiciary, everything from training for personnel in the judiciary to, for example, assisting them with the computerization of their records. I visited a courthouse in Mombasa, a few weeks ago, and saw the paper files in the courtroom in Mombasa. It was quite extraordinary. And I think the computerization, putting this into electronic form, will be a significant advance in, frankly, the ability of the judiciary to do its job.

The Chief Justice there, Willy Mtunga, is an extraordinary individual, who deserves, I believe, considerable praise for his work. He's expanded the number of judges. He is putting in place reforms to make the judiciary more efficient. And I think that the success of the judiciary is both critical and, I think, offers some hope, the progress that has been made so far.

On the police front, the police have significant problems. Frankly they have been implicated and involved in human rights abuses, in some instances. There are a lot of concerns about the things that have happened over the course of many years. We are providing a range of assistance to them. I think it's critical that we continue to do so. The new constitution did reform the police, in the sense that it created a new civilian oversight structure, which is beginning to operate. And we're providing assistance, for example, on the standup of an internal affairs unit, which will help to review police abuses—potential abuses or things that may have been abuses.

So, we're doing a number of things to assist with the police reform, as well, but it is a critical area, because, at the end of the day, the Kenyan people need to have confidence in their police force.

Senator COONS. Thank you, Ambassador.

Senator ISAKSON.

Senator ISAKSON. Well, thank you, Mr. Chairman. And thank you for your acknowledgment of Chairman Lugar, at the outset. And I'll take the same liberty, if I can.

I wouldn't be the ranking member of this Subcommittee on Africa, had it not been then-Chairman Lugar's decision to offer me the opportunity, which has been a great opportunity, and one I've enjoyed a lot. But, I think the committee will greatly miss the leadership of Dick Lugar, but I want to thank him, publicly and personally, for what he's done for me and what he's done for the country.

So, with that said, Ms. McCarthy, you are the current Under Secretary for Economic and Business Affairs at the State Department. Is that right?

Ms. MCCARTHY. Sir, I'm the—I'm lower down in the rank—I'm the Principal Deputy Assistant Secretary. So, two ranks below.

Senator ISAKSON. But, it is of Economic and Business—

Ms. MCCARTHY. Correct.

Senator ISAKSON [continuing]. Affairs?

Ms. MCCARTHY. Correct, sir.

Senator ISAKSON. I appreciate your humility, but your qualifications for this job, given Lithuania's economic situation, probably is very helpful.

Senator Lugar's question on energy—energy is a huge problem in Lithuania, but also, the most recent election, the overturning of the old Parliament and the center-right government to a—I think, a four-party coalition government, and they—the whole issue was over austerity programs the previous administration had put in place, as I understand it. I fear, with countries in Europe and in the EU moving away from austerity back to old practices—it's going to compound the problems of the economic demise in Europe. Would you comment on that?

Ms. MCCARTHY. Certainly, Senator.

In the case of—in the larger context, yes, Europe has moved, particularly in the eurozone, to a situation where key issues of growth and creation of jobs are extremely important. That is why our new U.S./EU High Level Working Group, that is looking into these issues and is seeking to deepen the relationship to address those issues, is going to be a valuable discussion. In that context, obviously, Lithuania will participate, especially as it takes on the presidency.

Lithuania itself managed to go through the trough and begin to take off again, balancing out growth and austerity measures, which were actually quite interesting to review, in my preparation. So, unlike some other countries, it is poised for new growth. It's actually doing quite well. And the challenge that it will face, as others are facing, is: export markets are declining as demand decreases in areas such as China and so forth.

So, it will be something that I will be closely following, drawing on my expertise, noting that, as I said, this new High Level Working Group is a great opportunity for us to speak to all of the EU members the challenges of creating growth in jobs in both in the United States and in Europe, because it is a long-term challenge, I agree with you, and I will be working on this issue, should I be confirmed.

Senator ISAKSON. Well, good luck, and we appreciate your accepting the challenge.

Ambassador Godec, how is the morale of the Embassy staff, given the transition, so far this year?

Ambassador GODEC. Senator, the morale of Mission Nairobi is obviously a very important concern for me, and would be, going forward, if I am confirmed by the Senate.

Obviously, the morale of the mission is really, at the end of the day, best assessed, or best evaluated, by the members of the mission itself, both Kenyan and American. I will tell you, though, that, since my arrival, I have focused on this issue and made it a priority. Within 24 hours of my arrival in Nairobi, I had met with the full country team and held a townhall meeting with all members of the mission staff. Since then, I have met with every section and agency head, and their senior staffs. I have walked the entire

mission, greeting people in their workplaces. I've visited the staff at our Peace Corps offices in Nairobi and at CDC in Nairobi, and I traveled to Kisumu to visit with CDC and MRU officials there. I've met with the FSN, the local employee committee. I met with our first- and second-tour personnel. I've attended a number of community events.

My objective in all of this is really to build a team at Embassy Nairobi, to give a sense of a mission, as a whole, that's operating together. Obviously, we have many objectives, many goals that we have to accomplish, but, at the end of the day, we have to be part of one team, all working there on behalf of the U.S. Government and the U.S. people. That's been my goal, and I hope I've been successful in starting that process.

Senator ISAKSON. Well, I appreciate your answer. And the reason I asked the question is, the morale of the Embassy is critical to the mission of the Embassy. And I know they've been through a difficult time, and I want to compliment you on the leadership you've initiated, since you got there, to actually touch those people, to understand their job, and call them in to have them comment on the mission of the Embassy. And that's good leadership, and if you'll continue that, that Embassy will continue to be a critical part of our State Department.

As I expressed to you before the hearing, I have a real concern with Dadaab. I've been to Darfur and seen what can happen in these camps that become permanent isolation places, if you will, for folks. And we've had a part of the drought that's taken place in Ethiopia and Somalia—it's gone down as far as Dadaab. There's a lot of hunger, food shortage. Although Somalia is trying to stabilize, certainly, many of the people in that camp are not going back to Somalia.

Is there a working group, or is there a—is the Kenyan Government and the United States Government and the African Union working together for a Plan B, in terms of a transition, eventually, out of Dadaab, for those people? Because, if not, it runs the risk of becoming another Darfur. Maybe not—some of the elements that are around Darfur aren't there, but it still has the potential, and I worry about a half a million people struggling in that tiny camp, with all the hunger and famine they've got going right now.

Ambassador GODEC. Senator, thank you, that is a very important question, and it's a very important issue. It's one I have discussed, on many occasions, with senior Kenyan Government officials.

The conditions in Dadaab are, indeed, very difficult. It also, I think, is not a place that anyone would want to stay long term. Nevertheless, the conditions there have been better, in many instances, of course, than inside Somalia itself.

The Kenyan Government has been quite welcoming, over time, of the refugees, and has served as a place of first asylum, obviously enough, and we encourage them to continue to do so, as long as is necessary.

We are discussing—UNHCR, the Kenyans, the United States, others—the question of what might come next, at some point. Obviously, the refugees cannot go back to Somalia until the conditions permit that. Any return would have to be under circumstances

where there was adequate security in Somalia and where the return was voluntary.

But, efforts are underway to begin to discuss the question; in some small programs, to provide training and the like to some refugees, to perhaps give them an opportunity to have a livelihood, if and when they were to choose to return.

But, this is an issue that is a focus. There is concern about it, and there is ongoing discussion about how to address this in the long term, because—I agree with you, Senator—ultimately, I don't think it's in anybody's interest to have that camp stay where it is.

Senator ISAKSON. Thank you very much.

Mr. Chairman.

Senator COONS. Thank you, Senator Isakson.

I'll start a second round of questions, if I might.

First, Ms. McCarthy, I was interested and encouraged to hear about your very active role in the National Export Initiative, and, as Senator Isakson referenced, eager to hear about the leadership you may be able to bring to the Embassy in Vilnius and in Lithuania to export opportunities for the United States and to helping Lithuania with energy development opportunities. What sort of opportunities are there for United States economic partnership or exports to Lithuania?

And do you know whether the United States plans to be an active participant in the Center of Excellence on Energy Security that, if I understand right, NATO is standing up in Lithuania?

Ms. MCCARTHY. Thank you, Senator.

I'll respond to your question in two ways. One, in terms of supporting U.S. business overseas, often we are looking at a regional model instead of just focusing on one country. So, if confirmed, I would use my knowledge, energy, to look to regional opportunities, and then beyond, as Lithuania, as other countries, is looking to make itself a hub for activity going even further east—much further east, in fact. So, that would be one aspect.

The Center of Excellence, yes, we are participating in the Center of Excellence, which we think was a valuable addition for looking at the challenges of uses of energy within the NATO context. It has been approved as an official Center of Excellence. And, to my knowledge—and I will confirm this with you, Senator—I believe we are going to billet someone there. But, I will confirm that. So, therefore, we definitely will be participating.

Energy, as I note, is an area, but there are other exports that take place—cars and other things.

So, again, when I get there, I'll get the full breakdown of everything. But, it'll be focused regionally, as the individual markets are quite small.

Senator COONS. Being from a modestly scaled State, myself, I think I understand the importance of regional integration. The economy of Delaware would probably scale comparably to Lithuania.

Ambassador Godec, I'd be interested in the same question, or topic, if I might, with regard to Kenya. It's one of the more promising diversified, robust economies in Africa. What are we doing to promote U.S. direct investment in Kenya, a vibrant export/import relationship between the United States and Kenya with the East

African community? And, in particular, how well is AGOA being utilized? And, beyond the third-party fabric provisions and the apparel that's going on now, what else might we do, through AGOA, that would help with this relationship?

Ambassador GODEC. Mr. Chairman, Kenya is an important trade and investment partner for the United States, an important partner in Africa. Our two-way trade, last year, was about \$850 million, and the United States did enjoy a trade surplus. The Kenyans have taken strong advantage of AGOA, particularly the third-party fabric provisions, where they're manufacturing apparel and shipping it on to the United States. And I think that the Kenyans would certainly welcome the renewal of that provision in AGOA, generally. I think it would be helpful, broadly speaking, to the Kenyan economy.

The promotion and, frankly, the support for U.S. trade and investment, and Kenyan trade and investment here in the United States, would be, if I was confirmed, a very important priority for me. It is an area where I worked before, when I was in Kenya, as economic counselor, and I have a lot of experience and background in that area. I've already engaged with the American Chamber of Commerce there on a number of occasions, and would continue to do so.

We do get, in Kenya, an interest from a lot of American businesses. Just a couple of weeks ago, we had a trade delegation from Florida that I met with—was looking at doing trade and investment. Acting Commerce Secretary Blank is, in fact, visiting Kenya today, and will—actually, it's tomorrow and Friday, excuse me—and will be there to help deepen the U.S. trade and investment relationship with the country. And I understand that this is the first visit by a Secretary of Commerce in quite some time—about a decade or so—and so, I think it's a very important development.

The East African community is obviously a focus of attention. We're providing considerable support to the East African community through USAID at the moment, in a wide range of areas, to include trade and investment. And part of Acting Secretary Blank's visit to Kenya is focused on the EAC, and she'll be doing some EAC-related events there, some signing ceremonies.

But, I think there are a number of things that the mission is doing to support business, whether it be sort of the concrete advocacy efforts that our commercial section is undertaking or whether it be the work that our economic section is doing, for example, to improve the business climate in Kenya. There are a number of issues there with, obviously, nontransparency, corruption, poor business practices that, frankly, do impede business.

So, there's a range of things, I think, that need to happen. And, if confirmed, I would certainly pursue all of them, whether it be assistance to U.S. business, working on the business environment, encouraging our companies to come, and assisting them, as they need it.

Senator COONS. Great. I know Senator Durbin had hoped to join us. I understand he may not be able to. He has particularly focused on the role of the Foreign Commercial Service and the promotion of exports from the United States to Africa. That's been an area of

great and persistent interest from him. He may well submit questions for the record.

Last question, if I might. In terms of monitoring, you made a somewhat passing reference, in the first round of questions, to National Democratic Institute. I also understand the Carter Center might be involved. There's a multinational election monitoring effort, both domestic and foreign. But, what else needs to happen? What other steps might the Embassy take to fund and facilitate foreign election observers, and to sustain them through what may well be a second round, what may be a fairly complex election, both at the national and at the county level?

Ambassador GODEC. Mr. Chairman, election observation is critically important, I think, for this upcoming election, and it's something I've been very focused on in my time as Chargé d'Affaires out there.

I really see sort of three, kind of, components to the election observation effort:

The first is the Kenyan domestic election observation effort that I mentioned earlier. And we, through USAID, are supporting the Kenyan civil society group, ELOG, which is organizing the domestic observation. We've arranged for training for 9,500 election observers—short-term election observers—another 450 long-term election observers. And we're doing a variety of things to support them.

The second component of this is the—kind of, the missions that are in Nairobi—the U.S. mission and other partners plan to organize, are working toward doing direct election observation; and not just the election itself, in March, but also the party primaries, which will take place in January, and, of course, any runoff that might take place, if there is one, in April. So, there's a robust effort underway to do that.

The U.S. mission is chairing a group in Nairobi, a coordination group among donors, to put that together. And I'm actively engaged in that particular effort. I see the U.S. mission field itself fielding perhaps as many as 50 teams on election day.

And the third part of this is the international observation component. And we are in the process—USAID is in the process of potentially soliciting for an international group. And there are some possibilities—you mentioned two of them; there may well be others that might be interested. We see putting perhaps 25 or 30 fairly long-term observers, international individuals of stature who have some experience in this area, out in the field to observe the elections. Again, I think this is a critical component. There are other groups, of course—the EU, various African groups, and others—which will be doing election observation. So, it looks set to be a fairly robust effort.

Senator COONS. Great. Thank you, Ambassador.

And I note the Kenyan Ambassador has joined us.

If I could, Senator Isakson.

Senator ISAKSON. Thank you. Thank you, Mr. Chairman.

I have a couple of quick questions.

One, the largest investment of the American taxpayer on the continent of Africa has been the PEPFAR program, which has been a hugely successful program, too. There was a problem, in Kenya,

with a lot of the funds getting backed up in the pipeline, and the deployment of some of that aid not going smoothly; in fact, backing up in the pipeline, as I understand it. How is that working now, in terms of PEPFAR programs? That's part one.

And part two is: Is the Kenyan Government doing its share of the job of taking over the delivery-system responsibilities of the PEPFAR program, in terms of the antiretrovirals going to the people?

Ambassador GODEC. On the PEPFAR pipeline, you're quite correct, there had been some backup. There's been a robust effort to address that, and I believe it's been addressed. We will be spending down some of the funds that have been backed up in the pipeline. I believe we were over the, kind of, 18-month limit that we were supposed to be at. So, we have been very focused on that, the PEPFAR team out in Nairobi and, I know, the folks here, as well, in Washington, as part of the PEPFAR operation here. So, I believe it's been addressed, but obviously it's something that is worth keeping a close eye on; and, if confirmed, I would do so.

The second part of this is—I agree entirely about the importance, ultimately, of the Kenyans assuming responsibility for this program. That has got to be, and is, a long-term goal. It is a subject I have discussed with the PEPFAR coordinator and with others in Nairobi, and it is something that we will continue to focus on.

I will say that this particular challenge is further complicated by the fact that under the devolution of power to the county system, responsibilities for health care is going to be moved from the central government down to the county level. At the same time, there has been a fair amount of planning by the Ministries of Health, two of them, on this issue, already, of devolution, and there are ongoing discussions about how to handle this, this problem, to ensure good delivery of—frankly, of PEPFAR services.

But, PEPFAR has been a big success. There are 600,000 Kenyans on antiretrovirals, as a consequence of the program.

Seven million Kenyans have received treatment or counseling, and—well, received counseling or some sort of assessment under the program. And so, I think it is a—it's a very important program for the Kenyans, it's a very successful program, but it is something that requires continued attention and, ultimately, transition.

Senator ISAKSON. Well, as I mentioned to you earlier, I hope you'll take a moment to go up to the Nyumbani Orphanage, in Nairobi, where a wonderful lady named Sister Mary, is making life wonderful for some kids who were born to AIDS-infected moms, but, because of PEPFAR, they were born without the virus, and they're living a healthy, happy life, and she does a great—it's a good example of an American NGO that's delivered quality service.

Ms. McCarthy, my worst subject, in college and in high school, was foreign language. I almost died on French. [Laughter.]

I just didn't have the connection.

You speak six languages, I noticed, if you include English as a—which I know you speak well, because you did it. What do they speak in Lithuania? Lithuanian?

Ms. MCCARTHY. Sir, they speak Lithuanian. I have had five lessons. The two people who are going to get me to, hopefully, the level I have in others are with me today, and watching.

Senator ISAKSON. Well, when you gain a seventh language, you'll be seven times smarter than I ever was in foreign language. [Laughter.]

Senator ISAKSON. Congratulations on your nomination. And best of luck to both of you.

That's all I have.

Senator COONS. Thank you. Thank you, Senator Isakson.

And thank you, to Lori and Nancy, to Natalia and Diana, to Linda and Paul, and everyone else who has joined us here today who are friends, family, and supporters.

To Ms. McCarthy, to Ambassador Godec, you go to take on a great challenge and a great opportunity to represent this Nation in countries that are long allies of ours, but where they are in the midst of vital transitions. So, know that you've got our enthusiasm and—I speak for myself—support as you move forward.

There may be other members of other committee who were not able to join us today—I'll keep the record open for a week, in the event that they choose to submit questions for the record.

But, I'm grateful for the opportunity to have been joined by Senator Lugar and Senator Isakson in today's hearing.

And we are, thereby, adjourned.

[Whereupon, at 3:20 p.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF HON. ROBERT F. GODEC TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* Kenya is approaching Presidential elections in March 2013 and there are significant concerns about the potential for civil unrest. Electoral violence represents a unique subset of mass atrocities in that major milestones are actually posted on the calendar months in advance.

- What are the most important steps that the Kenyan Government, Kenyan civil society, and the international community can take to avert electoral violence?
- What do you see as the role of the United States in supporting free, fair, and peaceful elections?
- What are the potential flashpoints that most worry you?

*Answer.* The March 2013 elections represent an important next step in the process of political reform in Kenya, and it is crucial that they be free, fair, and peaceful. Responsibility for carrying out a successful election rests squarely with the Kenyan Government and people. The Kenyan Government must ensure that technical and security preparations for the most complex election in Kenya's history are in place, and the Kenyan people and politicians must be committed to peaceful participation in the political and electoral process. Kenyan civil society is playing an important role in supporting civic education, election observation, and a variety of local and national efforts to create effective early warning and early response mechanisms to prevent or mitigate tension or violence.

In support of Kenya's efforts, the international donor community has pledged approximately \$100 million to assist with the elections and electoral reform. Of this amount, the U.S. Government has contributed approximately \$30 million for elections preparation and civic voter education programs, including assistance to the Independent Electoral and Boundaries Commission to enable the Kenyan Government, civil society, and the Kenyan people to engage peacefully and constructively in the election process. We are supporting local community efforts to put into place mechanisms and lines of communication to prevent and mitigate violence in several potential hotspots. We have also intensified our diplomatic and communications efforts to highlight the importance of the election to Kenya's future stability and prosperity.

Independent election observation is a key element in ensuring free, fair, and peaceful elections. We are supporting the Kenyan Election Observation Group, a coalition of Kenyan nongovernmental organizations, which plans to field 9,500 ob-

servers for the actual election, including to conduct a parallel vote tabulation, and approximately 450 observers to monitor developments for a longer period of time before and after the election. In coordination with international donors, the U.S. Embassy will monitor party primaries and the election environment over several months, and provide Embassy staff to serve as observers.

Major challenges and potential flashpoints include: the potential for technical problems in conducting the elections; tension at local levels from contests for power under the newly decentralized government; political hate speech; a court decision on the eligibility of individuals indicted by the International Criminal Court to run for the Presidency; and continuing security threats from both within Kenya and abroad. We constantly monitor progress and adjust our programs, as needed.

*Question.* Section 620M of the Foreign Assistance Act of 1961 imposes restrictions on assistance to any unit of a foreign country's security forces for which there is credible evidence that the unit has committed gross violations of human rights. U.S. Embassies are heavily involved in ensuring compliance with this requirement. In August 2012, an Office of the Inspector General (OIG) report identified two specific weaknesses in Embassy Nairobi's Leahy vetting process: the political section only checked names against the 2008 Kenya National Commission on Human Rights and not more updated sources, and there was no reporting mechanism to verify that individuals who are vetted and cleared are the same persons who receive training.

- If confirmed, what steps will you take to ensure that the Embassy effectively implements section 620M and rectifies the weaknesses cited by the August 2012 OIG report?
- In particular, what actions will you take to ensure, in a case in which there is credible evidence that a gross violation of human rights has been committed, that assistance will not be provided to units that committed the violation?
- What steps will you take to ensure that the Embassy has a robust capacity to gather and evaluate evidence regarding possible gross violations of human rights by units of security forces?

*Answer.* Embassy Nairobi already has taken steps to address the issues regarding Leahy vetting that the Inspector General's Report raised. In consultation with the State Department's Bureau of Democracy, Human Rights, and Labor and the Bureau of African Affairs, the Embassy has developed new standard operating procedures (SOP) for Leahy vetting that address the OIG recommendations. The new SOP has been in full operation since mid-October.

The Embassy, through its extensive network of government and nongovernment contacts, continually monitors and evaluates allegations of human rights violations on the part of Kenyan security forces. The Embassy's political section maintains a dynamic database of credible gross human rights violations. Sources for this database include the Kenya National Human Rights Commission report on Post-Election Violence, the State Department's Annual Reports on Human Rights, credible reports from nongovernmental organizations, and names provided by other Embassy agencies. As part of the new SOP, the political section updates the database on a continuous basis, when credible allegations of human rights violations come to light. Other agencies and sections provide updates to the political section's vetting database on a quarterly basis.

In cases in which there is credible evidence that a potential beneficiary of U.S. training or equipment has committed a gross violation of human rights, we exclude that individual or unit from participating in or benefiting from U.S. training and equipment. If confirmed, I will ensure that the mission remains vigilant in this effort. The State Department maintains database records of individuals and units who have undergone vetting. This centralized database enables us to identify individuals or units that have been excluded, should they be proposed in the future as candidates for training or receipt of equipment.

Consistent with the new SOP and section 620M of the Foreign Assistance Act of 1961, no training or assistance funded by the U.S. Government can commence until vetting is completed. Agencies that carry out training of Kenyan security forces are responsible for verifying the identities of the trainees and ensuring that only those individuals who have been vetted receive training.

*Question.* The August 2012 OIG report also raised concerns that the Embassy is not fully informed of U.S. Africa Command's Combined Joint Task Force for the Horn of Africa (CJTF-HOA) civil affairs activities in Kenya and is not positioned to make decisions on how to focus civil affairs projects.

- What can the Embassy do to better coordinate and integrate U.S. efforts in Kenya? Specifically, how can we measure the impact of projects such as those undertaken by CJTF-HOA?

Answer. Coordination of all activities in a large mission that includes many U.S. Government agencies is a challenge, but one that Embassy Nairobi has been working to address for some time. Embassy Nairobi has a “3D” (Diplomacy, Development, and Defense) coordination process in place to ensure that CJTF-HOA civil affairs activities are fully integrated into the mission’s broader diplomatic and development objectives. The 3D committee, chaired by the Deputy Chief of Mission, meets at least monthly to review proposed and ongoing civil affairs projects. Members of the committee include the Department of Defense (CJTF-HOA and the Kenya-U.S. Liaison Office), USAID, the Department of State political, economic, and public affairs sections, and the Centers for Disease Control. The 3D committee submits recommendations on proposed civil affairs projects to the Ambassador for his approval. If confirmed, I will work to further strengthen interagency coordination to ensure that we pursue an integrated, whole-of-government approach.

In support of the 3D process, USAID and CJTF-HOA have also taken a number of steps to coordinate and integrate civil affairs projects with U.S. foreign assistance programs. Upon arrival in country, new civil affairs teams receive a comprehensive orientation and a briefing from the interagency country team, to understand fully U.S. diplomacy, development, and defense objectives in Kenya. Civil affairs teams are provided contact information for USAID project teams active in their area of operations, to facilitate civil affairs team networking with local communities and officials and to shape project development. In reviewing civil affairs teams’ project proposals, the Embassy 3D committee places high priority on projects that are linked directly to USAID longer term projects. For example, the 3D committee tries to ensure that a civil affairs team school renovation project will be at a school participating in USAID’s longer term education assistance program. USAID and CJTF-HOA conduct regular partnership and planning meetings in Nairobi and Djibouti to ensure full information-sharing and to explore opportunities for joint programming, both in Kenya and the region. For example, CJTF-HOA-organized medical capacity-building missions in Kenya now include a full array of USAID health partners, which has both increased community participation and enhanced the missions’ impact.

To assess the effectiveness of its civil affairs projects, CJTF-HOA conducts regular visits to sites of previous activities to determine whether the projects are still being used as proposed. Advisory teams perform assessments of CJTF-HOA activities in the communities. These teams coordinate with the political section and USAID, whose staff members accompany the teams on such missions, when possible. CJTF-HOA has an assessments branch to assess the effects of civil affairs and other efforts in Kenya and the region, which works closely with these advisory teams.

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RESPONSES OF HON. ROBERT F. GODEC TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

POLICING AND POLICE PROFESSIONALISM

Repeated reports indicate that the Kenyan police have a history of excessive force and abuse of authority to include political and criminal acts.

*Question.* What can the Embassy do to support the newly independent prosecution service (Office of the Director of Public Prosecutions or ODPP) and the Independent Police Oversight Authority (IPOA) in their efforts to increase accountability for the use and abuse of police power?

Answer. The United States Government supports both the Office of the Director of Public Prosecutions or (ODPP) and the Independent Police Oversight Authority (IPOA) through a variety of programs and partnerships. Under the new constitution, the Kenyan ODPP has become an independent agency. The U.S. Embassy supports efforts of the ODPP to improve its ability to investigate, prosecute, and try complex cases, including money laundering, terrorism, and terrorism financing offenses. For example, we have provided ODPP new hires “induction” training that included an intensive trial advocacy workshop for lawyers with little or no trial experience, emphasizing case preparation, courtroom skills, and ethics. In December, we are co-sponsoring a colloquium that will bring together Kenya’s 84 prosecutors, 26 new hires, and selected guests. Topics covered will include elections preparedness, using technology to promote effective prosecutions and international security, interagency collaboration and cooperation, the role of the police and prosecutor, and new legislation.

As the ODPP works to implement its 5-year strategy, we are assisting it with efforts to strengthen engagement with civil society, track and handle complaints,

develop key documents, such as prosecutorial guidelines and manuals, and formulate an information and communications technology strategy and implementation plan. We are also partnering with U.S. judges and nongovernmental organizations to provide training for prosecutors on key aspects of Kenya's National Prosecution Policy, case management, and advocacy skills.

The IPOA is a newly established entity that will provide independent civilian oversight of the police. The United States Government is already helping IPOA to establish operational capability; create public awareness of IPOA; establish real-time police abuse tracking through a digital platform; and conduct a study to understand the nature and degree of police abuse in Nairobi. We support police reform and accountability through a contribution to the U.N. Office of Drugs and Crime and through a 5-year, \$3.5 million dollar program to support internal and external accountability mechanisms for the police in accordance with the new constitution. If confirmed, I will work through our country team to help build IPOA's organizational structure and investigative staff, support development and implementation of complaint-taking mechanisms within both IPOA and the Police Internal Affairs Unit (IAU), and assist with coordination between IPOA and the IAU. The project will help develop public awareness campaigns that inform the public about filing complaints against the police and will develop an effective referral mechanism between police oversight bodies and the judiciary.

*Question.* The Kenyan Executive appears to be dragging its feet on forming the constitutionally mandated National Police Service Commission. The Executive has not followed the nominating process, which is meant to give the police more independence from the President and his Cabinet. It is vitally important that the police are independent of the Executive in light of upcoming elections. What can the United States do or what is it doing to push the Kenyan Executive to facilitate the establishment of the National Police Service Commission?

*Answer.* While there were delays and political wrangling surrounding the formation of the National Police Service Commission (NPSC), the commissioners were formally appointed in early October. They began their work immediately, interviewing candidates for police leadership positions. The NPSC has already forwarded to the President and Prime Minister for their consideration a list of recommended candidates for the Inspector General and the two Deputy Inspector General positions.

We are providing technical assistance to the NPSC to help it refine its mandate and organizational structure and to define its relationship with the National Police Service (NPS). We emphasized at a recent meeting with police leadership and members of the Internal Security Ministry that, while we are willing to support the NPSC, the Government of Kenya must do so as well, and must provide funding and access so that the NPSC can do its job.

If confirmed, I will continue the mission's engagement with the NSPC and will press for further action on election security and continued support for ongoing police reforms. I will explore options for providing additional support, as appropriate.

#### ARBITRARY ARREST AND FALSE IMPRISONMENT IN PARALLEL TO CRIMINAL IMPUNITY

One of Kenya's most serious human rights problems is the detention of hundreds of innocent men in remand centers with no legitimate evidence to support the crimes police have charged them with. They may spend years in jail before they come before a judge, at which point they are released. In the meantime, actual crimes go unsolved by police. Police misconduct and judicial incapacity or unwillingness is at the heart of Kenya's increasing lawlessness which poses a threat not only to the human rights of Kenyans but also to U.S. antiterrorism and security interests.

*Question.* What can the United States do to work with the prosecution service (ODPP) and IPOA to review records of existing detainees and release those for whom there is no credible evidence?

*Answer.* Unjustified detention of Kenyans is a symptom of the need for broad criminal justice reform and strengthening of the rule of law, which we are supporting through U.S. programs and diplomacy. Provided reforms move forward, over time they will lead to increased police accountability and a reduction in illegal detention. If confirmed, I will continue to press the Kenya Government to implement meaningful reform of the criminal justice sector to help ensure that the rights of Kenyan citizens enshrined in the constitution are protected.

On the specific issue of reviewing records of existing detainees, the United States has provided a grant to the International Justice Mission, a nongovernmental organization that is helping the Office of the Director of Public Prosecutions (ODPP) increase capacity to screen cases, so that cases of individuals held without evidence

supporting detention are disposed of quickly. The U.S. Government also provides extensive training for the ODPP.

*Question.* Recognizing the link between public confidence in its law enforcement institutions and the stability of the government, what can the United States do to help the Kenya Government make law enforcement more accountable for its exercise of power?

*Answer.* There is a broad recognition in Kenya of the need for police reform. Decades of poor management and abuses have undermined the credibility of the institution with the Kenyan people. Police were both ineffective in preventing and complicit in carrying out the 2007–2008 post-election violence. Consequently, the reform agenda of the 2008 National Accord that both President Kibaki and Prime Minister Odinga endorsed explicitly included police reform.

After a slow start, Kenya is implementing the framework and institutions necessary for police reform. Parliament has passed key legislation to underpin police reform and the Kenyan Government has put in place the National Police Service Commission that will oversee the reform process. A Police Service Internal Affairs Unit will investigate allegations of police misconduct and corruption by other police officers and misconduct against civilians. The government has also formed an Independent Police Oversight Authority Commission (IPOA), a civilian-led oversight body. IPOA's mandate includes investigating all deaths and serious injuries caused by police or as a result of police action; receiving and investigating complaints from members of the public as well as from police officers; investigating police misconduct on its own initiative; and making recommendations for disciplinary action or prosecution and recommendations to prevent future misconduct.

In September, we signed a letter of agreement with the Government of Kenya, in which we anticipate providing \$3.5 million over 5 years to support Kenya's internal and external accountability mechanisms for the police in accordance with the new constitution. We are also providing support to the Internal Affairs Unit through a contribution to the U.N. Office on Drugs and Crime.

In addition to this direct support for new accountability mechanisms for the police services, several U.S. agencies and offices at Embassy Nairobi, including the State Department (Bureau of Diplomatic Security), the FBI, Department of Homeland Security, and Department of Justice, provide training to improve the capacity and professionalism of the police services. Such capacity-building is essential to improve effectiveness and to prevent abuses from occurring in the first place. U.S. training for Kenyan police officers covers a broad range of skills from basic crime scene investigation, to human rights awareness, to specialized skills, such as managing a bomb scene and conducting maritime operations. Our training, while important, reaches only a small percentage of working level police officers. Achieving fundamental reform and accountability in the police services will require structural changes such as those underway, committed leadership and the political will to carry out reform, and continued monitoring and support from Kenyan civil society and the international community.

#### PARLIAMENT AS ENRICHMENT SCHEME

Since quadrupling their salaries in 2003 and providing for luxury vehicles and residences for themselves, the Members of Parliament have repeatedly increased their salaries to rival or exceed most other parliamentarians around the world. In a troubling repeat of past efforts to enrich sitting Members of Parliament, the National Assembly's recent ploy to increase Members' salaries yet again, were met with public fury and was withdrawn. Given that Kenya remains a poor country with significant internal political and social tension, it is incumbent upon the donor community to guard its resources from fueling such excess and irresponsibility.

*Question.* How does the United States monitor and modify its assistance, and how does it condition such assistance on blatant misuse of government resources?

*Answer.* The oversight of U.S. assistance is a top priority of the U.S. Mission in Kenya. As Chargé and, if confirmed, as Ambassador I want to ensure that U.S. taxpayer funds are used only for their intended purposes and in accord with U.S. foreign policy goals in Kenya.

The U.S. Government does not provide direct budget support to the Kenyan Parliament; rather we provide assistance through implementing partners. For example, our Parliamentary Strengthening Program is implemented through the State University of New York (SUNY). We take very seriously our role as a steward of U.S. foreign assistance funding, particularly in a challenging implementation environment such as Kenya, where corruption is pervasive.

We apply a variety of measures to ensure that our funding is fully protected and that we fulfill our fiduciary and oversight responsibilities, in line with U.S. Government rules and regulations and the expectation of implementation results. These measures include:

- Conducting pre-award financial and management assessments to determine an implementing partner's internal control structure and overall ability to effectively manage U.S. Government funds;
- Throughout the life of the activity, performing regular field monitoring visits to review the progress of programs and compliance with U.S. Government rules and regulations;
- Requiring periodic audits of implementing partners and sharing the audit results with the Regional Inspector General/Pretoria for audits and the Regional Inspector General/Cairo for investigations;
- Carrying out comprehensive risk assessments of Kenya's overall public financial management system and specific government entities to determine opportunities and constraints to moving toward a government-to-government assistance framework;
- Structuring the implementation of programs and the flow of funds from the U.S. Government to the Kenyan Government in a manner that minimizes and mitigates fiduciary risk; and
- Requiring performance plans with indicators and benchmarks that must be achieved by the implementing partner before we can disburse funds, thereby holding the partner accountable.

In cases where there have been indications of fraud or lack of performance, the U.S. Government has taken actions to recover funding, modify procurement instruments, or, as appropriate, terminate activities. If confirmed, I will ensure that we continue to exercise strong oversight of the use of U.S. taxpayer resources.

*Question.* What parliamentary programs provide any assistance to National Assembly or its Members' offices?

Answer. The U.S. Government supports Kenya's Parliament through a 10-year, \$9.8 million program scheduled to end in March 2014. The program is designed to strengthen Parliament's capacity to perform its legislative and oversight role effectively, build the capacity and skills of parliamentary committees, and support engagement with civil society and public participation in the legislative process.

The program has produced a number of important results. For example, U.S. assistance and training facilitated new House Rules that transformed the way Parliament does business by enhancing the independence of the legislature, improving Parliament's oversight role, and providing greater access for civil society organizations and private citizens to their parliamentarians. The program supported internships for 100 young professionals, who gained valuable experience and provided much-needed assistance to parliamentary committees. The U.S. Government supplied television and radio broadcast equipment to the Kenyan Parliament in 2009 to support public broadcasting of all parliamentary proceedings, and built a media center inside the Parliament building so that press conferences could be held in a dedicated space. Live audio and television broadcasting of parliamentary proceedings is now commonplace and widely followed by the Kenyan public.

*Question.* What can the United States do to ensure the donor community is not fueling such legislative activity and is actively countering the tendency to destabilize the environment through such budgetary manipulation?

Answer. Donor coordination is strong in Kenya. The United States engages formally and informally with international development partners and multilateral institutions to ensure that the international community speaks with one voice on key issues and that donor programs are fully coordinated.

The donor community discussed the recent attempt to embed salary increases for Members of Parliament within the Finance bill. In light of President Kibaki's strong public statement rejecting the proposed pay raise, the donor community agreed that public statements on our part or confrontation were not warranted. The group agreed that bilateral diplomatic engagement with key Kenyan leaders was the best strategy to register our concerns about parliamentary salaries and to emphasize the need for continued transparency in the budgeting process in Kenya. In my role as Chargé d'Affaires, I raised with senior Government officials and Members of Parliament our very serious concerns about the proposed, new pay increase. If confirmed, I will continue to stress to Kenyan officials the importance of transparent budgeting processes and the need to manage the country's limited resources in a responsible and effective manner that benefits all Kenyans.

*Question.* What organizations does the United States work with to empower civil society to build its capacity to hold their government accountable?

Answer. Kenya's new constitution envisions robust and active engagement of civil society in public discourse, and facilitating such engagement is an essential component of the U.S. Government's activities in Kenya. Through direct and indirect assistance to U.S. and Kenyan nongovernmental organizations, we work with and support the activities of hundreds of civil society organizations in Kenya. Our work, which is facilitated primarily through USAID, helps strengthen Kenyan civil society's ability to advocate for democratic reforms, provide input on key legislation, and hold the government accountable. Among the many organizations the United States works with and supports are the following:

- Well Told Story, Inuka Trust, and the International Rescue Committee, which carry out civic and voter education;
- Internews, which is strengthening the capacity of Kenyan media to understand key issues and report objectively;
- The Elections Observation Group (ELOG), a consortium of Kenyan nongovernmental organizations that will field more than 9,000 elections observers in March 2013;
- Mercy Corps, which is helping to strengthen District Peace Committees throughout the Rift Valley; and,
- Transparency International, which is promoting accountability and transparency through active citizen engagement.

Through USAID's Office of Transition Initiatives, we have made more than 100 small grants to support the work of individuals and civil society at the national and grassroots level to hold the Government of Kenya accountable. An important example of this work was the effort to return to the public in Kisumu an illegally seized private park. USAID support to the Nyanza Youth Coalition engaged thousands of Kisumu residents, especially youth, to conduct a non-violent campaign to reverse the illegal acquisition. The title for the land has since been returned to the city and the park is available for public use. The successful campaign sent the government a clear signal that corruption and impunity would not be tolerated.

#### TRADE AND INVESTMENT

Kenya is at the juncture of a critical region as it relates to its neighbors and the rest of the continent as well as its ability to leverage investment for broader economic growth. U.S. private investment interest is significant.

*Question.* What role does Kenya play in the massive regional infrastructure planning and execution associated with International Financial Institution and Multi-Lateral Development Banks?

Answer. Kenya is the economic and transportation hub of East Africa. Its Vision 2030 development plan foresees major infrastructure development within Kenya and, through improved road and rail linkages to neighboring countries, in support of regional integration and economic growth. International Financial Institutions play a key role supporting Kenyan and regional infrastructure development plans through projects such as the World Bank-funded National Urban Transport Improvement Project for Kenya and the African Development Bank-funded Power Transmission Improvement Project.

*Question.* What if any specific U.S. assistance for Kenya or the region is intended to develop the national/regional infrastructure, including transport/logistics, energy, etc.

Answer. Infrastructure development is critical to Kenyan and regional economic development. The International Financial Institutions such as the World Bank and the African Development Bank, in which the United States is a major shareholder, undertake significant infrastructure development investment in Kenya. The United States is encouraging U.S. private sector investment in infrastructure, including through trade missions and dialogue with Kenya and East African governments on putting into place the regulations and business climate necessary to attract private sector investment in infrastructure. As detailed below, the Overseas Private Investment Corporation (OPIC) recently made a \$310 million financing facility available to support geothermal energy development in Kenya. Further, the United States is diligent in efforts to ensure that these infrastructure projects are environmentally and financially sustainable. In the transport and logistics sector, we are supporting efforts in Kenya and the region to make procedures at border crossings more efficient and transparent in order to facilitate trade and reduce transactions costs.

In the energy sector, the United States is supporting Kenya's efforts to broaden sources of generation, specifically renewables, attract private investment, and to extend the grid to the 85 percent of the population without electricity. One of our programs has provided capacity-building assistance, including advisory assistance for its negotiations over the commercial arrangements, to the government-owned Kenya Electricity Transmission Company Limited (KETRACO) as it builds a new transmission line to move power from the 300-megawatts (MW) Lake Turkana Wind Power Project (LTWP) in northwestern Kenya to the population centers. Program assistance will facilitate the LTWP in generating up to 25 percent of Kenya's electricity needs from renewable energy and potentially displace 650,000 tons per year of CO<sub>2</sub> generation.

Renewable energy, especially geothermal, offers attractive investment opportunities for U.S. companies. OPIC recently provided \$310 million in financing to Nevada-based Ormat Technologies for a two-phase 52 MW expansion of its existing geothermal powerplant in Kenya. Of Kenya's roughly 200 MW of geothermal capacity, 48 MW is produced by OrPower4, a subsidiary of Ormat Technologies.

In the coming days, we expect to sign a Memorandum of Cooperation with the Kenya Geothermal Development Company to provide capacity-building support. In addition, through USAID Development Credit Authority (DCS) funding we are promoting lending for small-scale clean and renewable energy opportunities.

*Question.* What are the goals in terms of Kenya's development and in terms of regional development? Please include a timeline and a list of associated reports.

*Answer.* In recognition of Kenya's critical role in the Horn of Africa and in line with the President's new U.S. Strategy Toward Sub-Saharan Africa, our engagement with Kenya focuses on advancing key political and governance reforms through implementation of the new constitution and by fighting corruption and impunity, boosting health, education, economic growth and food security, and assisting youth empowerment. We support Kenyan efforts to strengthen its democracy, establish conditions for long-term stability, improve economic and social opportunities for all Kenyans, and increase the country's capacity to provide basic services for its people.

U.S. Government foreign assistance goals are fully aligned with the Government of Kenya's long-term development goal of transforming the country into a middle-income nation by 2030, as foreseen in Kenya's Vision 2030 strategy.

Regional integration is a key issue in Kenya and throughout the East Africa Community (EAC). As President Obama's Strategy Toward Sub-Saharan Africa directs, we are working through various government agencies, including USAID, to advance the U.S.–EAC Trade and Investment Partnership to promote regional economic growth and integration and rising incomes by removing barriers to trade, improving transit facilitation, linking producers to markets, encouraging free competition, and promoting improved agricultural policies, standards and practices. Since 2009, USAID has had a bilateral assistance agreement with the EAC Secretariat. To date, the U.S. Government has provided almost \$10 million directly to the Secretariat to address health, trade and investment, agriculture, environment, and climate change. The agreement has been extended to 2017, with a new ceiling of \$18 million that the United States will provide over the next 5 years to support regional economic integration.

On November 30, 2012, as part of the U.S.–EAC Trade and Investment Partnership, Acting Secretary of Commerce Dr. Rebecca Blank will launch a new EAC–U.S. Commercial Dialogue in Nairobi. The Commercial Dialogue will create important new paths for U.S. and EAC governments to jointly engage private sector leaders in conversation about both the opportunities and challenges that they experience as they do business.

Links to associated reports and timelines: Kenya's Vision 2030:

[http://www.vision2030.go.ke/cms/vds/Popular\\_Version.pdf](http://www.vision2030.go.ke/cms/vds/Popular_Version.pdf).

Foreign Operations Congressional Budget Justification:

<http://www.state.gov/documents/organization/185014.pdf>.

#### EMBASSY MANAGEMENT

It is well understood that the Nairobi mission is the largest in Africa in terms of its range of U.S. agencies and offices represented. As a regional hub and key partner in peace and security, Kenya provides an unrivaled environment for a significant footprint in the region. However, there are limits to the efficacy and efficiency of such an outsize commitment in such a developing country.

*Question.* What are the primary inhibitors to mission size and growth as experienced by the mission over the last several years?

Answer. A lack of office space is the primary constraint to adding U.S. and local staff personnel to augment our capacity to carry out our mission in Kenya. The Chancery offices have been reconfigured to accommodate mission growth over the past few years, but we have reached the limit on what we can do to use space efficiently; the space in the Chancery is completely filled and there is minimal potential to increase space in the USAID Annex.

As non-State Department agencies have grown in the Embassy, the State International Cooperative Shared Services (ICASS) positions that are necessary to support them administratively have not increased proportionately. This limits the amount of support services that can be provided to the Embassy personnel and creates morale issues for them and their dependents. Agencies are reluctant to fund additional ICASS positions in the current budgetary environment, and the Embassy lacks office space for them.

In addition to physical space and other resource limitations, Nairobi remains a critical threat Post for crime and terrorism. The mission takes into account the ongoing threat of crime and terrorism as it makes decisions about increasing staffing.

*Question.* What can be done to mitigate the challenges? Would increased operational funding, administrative funding, technical assistance, personnel, expertise, physical construction, resolve the issues or are there fundamental structural impediments in Kenya?

Answer. Additional office space is essential to any further expansion of Mission Nairobi. A planning effort has been initiated to ensure we are making the best possible use of existing space, identify future requirements, and develop options for growth, should a decision to do so be made. New office space at the mission will almost certainly require additional facility funding. With additional space, Mission Kenya could grow as necessary to support U.S. Government priorities in Kenya and East Africa. Once space issues are resolved, growth in staff would require increased operational funding, administrative funding, personnel, and training. While there are always going to be challenges working in a developing country, with adequate resources these challenges are not insurmountable.

*Question.* Has or does the mission expect to see deteriorating effect due to its size, and if so, would it be in the area of security or bilateral cooperation, etc?

Answer. Our Embassy in Nairobi is currently our largest in Africa. Its size is a clear indicator of Kenya's importance to the United States and the broad scope of bilateral and regional responsibilities assumed by mission personnel. Despite facilities' challenges, we engage effectively with our Kenyan and regional counterparts in a secure environment.

Managing an embassy the size of Embassy Nairobi is a significant challenge, but it can be done effectively. We must constantly balance a range of goals, including ensuring security for our staff while maintaining our outreach in Kenya. Mission personnel currently do an excellent job of reviewing and anticipating security needs—and making adjustments as needed—and are committed to working together to support our core U.S. Government objectives.

If confirmed, I will exercise inclusive leadership and keep open lines of communication to all Embassy elements to ensure we maintain high standards of security and work seamlessly together to support U.S. foreign policy objectives. If confirmed, I will also be committed to ensuring that U.S. Government resources are used wisely. I will regularly review staffing levels and operating procedures to ensure we operate as efficiently and cost-effectively as possible, and will request the level of resources necessary to provide appropriate administrative support and secure working and living space for all Embassy personnel.

*Question.* How has State incorporated the experience of the Chief of Mission into a ready and useful resource for existing and prospective Chiefs of Mission and deputies?

Answer. New Chiefs of Mission (COM) and deputies have extensive consultations and training in Washington (including a 2-week course for COMs run by the Foreign Service Institute) before going to post. This allows them to talk to experts familiar with all the internal challenges a post faces, including personnel, facilities, and country infrastructure, as well as experts who can provide a thorough review of the substantive issues the new COM and/or deputy will face at post. The briefings

cover both current issues as well as lessons learned from previous COMs. This allows each COM to develop his or her own game plan and discuss issues with their peers before arriving at post. In many cases the Deputy Chief of Mission (DCM) who will work with the new Ambassador is already at post and he or she will ensure the new COM has a smooth transition upon assuming his or her ambassadorial duties.

