

Statement of Heather Hodges, Ambassador-Designate to Ecuador

Senate Foreign Relations Committee

April 16, 2008

Mr. Chairman and Members of the Committee, I am honored and privileged to appear before you today to consider my nomination as Ambassador of the United States to Ecuador. I deeply appreciate the confidence and trust that President Bush and Secretary Rice have placed in me. If confirmed by the Senate, I would look forward to working closely with this Committee, along with your colleagues in the full Congress, to advance U.S. interests in Ecuador.

I bring to this assignment nearly 28 years of Foreign Service experience. Much of my career has been spent in countries dealing with the challenges of developing and strengthening democracies. At the moment, I am honored to serve as Principal Deputy Assistant Secretary in the Office of the Director General of the Foreign Service and Bureau of Human Resources in Washington, D.C. Previously, I served as U.S. ambassador to Moldova and worked overseas in Venezuela, Guatemala, Nicaragua, Peru and Spain. I have been especially privileged to work for and with extremely talented people at the Department of State in the Foreign and Civil Service as well as with our very committed Locally Employed Staff. I would also like to point out that I completed a Pearson Fellowship in the Senate twenty years ago, an experience I still remember fondly

and for which I will always be grateful. If confirmed, I hope that all of these experiences and influences in my life will make me an effective ambassador to Ecuador.

Historically, the United States and Ecuador have been close partners in combating narcotics trafficking, fighting corruption, and fostering economic development. We share a common vision of a democratic and prosperous hemisphere that provides opportunities for all its citizens. The United States is the most important source of Ecuador's imports and in turn the primary market for Ecuador's exports. Furthermore, Ecuador is known as a nation of great natural beauty, a nation of tremendous natural resources and biodiversity, and a country of peace whose peoples and diverse cultures are its greatest strength.

These are challenging yet promising times for Ecuador. Since the election of President Rafael Correa in 2006, the country's eighth president in ten years, there has been strong popular support for a new constitution. A Constituent Assembly was elected in September of last year and has taken up the charge of creating a new constitution, and the people of Ecuador are committed to building stronger, more transparent institutions. The United States stands ready to assist them in reaching that goal through continued engagement that reinforces our hemispheric commitment to constitutional democracy, strong and inclusive institutions, respect for the rule of law, the war on drugs, and greater, more widely shared economic prosperity. If confirmed, supporting these objectives will be among my highest priorities.

The United States is concerned about the destabilizing effects of the Revolutionary Armed Forces of Colombia (FARC) on the Andean region, and we support regional efforts to eliminate narco terrorism and achieve a lasting peace. Ecuador's fight against drug trafficking and FARC incursions along the northern border, combined with its efforts to bolster alternative development in that region, is crucial for U.S. interests. As a result of an increased presence on the northern border, Ecuador in 2007 was able to destroy three multi-ton cocaine laboratories, eradicated several multi-hectare coca plots near the Colombian border, and reported a record number of land-based drug seizures. Also in 2007, Ecuador unveiled "Plan Ecuador," which is an integrated approach to northern border security and development aimed at countering the influence of Colombian terrorists and narcotraffickers on Ecuador. If confirmed, I will continue our robust support for Ecuador's counter-narcotics efforts.

Another priority in the U.S.-Ecuador relationship is support for economic development and poverty reduction. Supported by favorable global conditions, Ecuador's economic performance in recent years has been strong. Between 2000 and 2007, per capita GDP more than doubled to \$3270, while poverty rates fell. U.S. trade and economic growth assistance to Ecuador focuses on technical assistance, training, outreach, and financial support for free and open markets, competitiveness and poverty reduction. Among our projects is one focusing on micro-enterprises. Approximately one million people in Ecuador – nearly 25 percent of the workforce – work in micro-enterprises. Helping micro-enterprises grow contributes to poverty reduction and economic growth. Thanks in large part to U.S. assistance, Ecuador now has the fastest

growing micro-finance sector in all of Latin America. The Andean Trade Preference Act (ATPA), enacted in 1991 and extended three times by the Congress in the last year-and-a-half, remains a powerful tool. It has strengthened economic ties between our two countries and helped Ecuador create new, world-competitive businesses such as its flower industry. The Government of Ecuador estimates ATPA has generated over 300,000 jobs.

Ecuador is an important trading partner for the United States. As in most countries, Ecuador also holds both challenges and opportunities for U.S. investors. I was pleased to learn that Ecuador and Occidental Petroleum recently reached agreement on payment of an arbitral award in a long-standing investment dispute and are together addressing another dispute. If confirmed, I look forward to continuing our efforts to promote U.S. exports and commercial interests while encouraging Ecuadorian economic development.

Lastly, there are approximately 20,000 American citizens living in Ecuador, and another 150,000 Americans visit every year. Protecting U.S. citizens is the first responsibility of any ambassador, and, if confirmed, I will ensure that the Embassy in Quito and our Consulate General in Guayaquil continue to provide a high level of service and attention to our citizens. Our diplomatic representation in Ecuador includes 11 U.S. agencies with 155 Americans and 266 Locally Employed Staff. In addition, the Peace Corps has a contingent of over 150 volunteers throughout the country. Providing an appropriate and secure work place for our employees is a critical requirement. To that

end, the State Department will soon be opening a new chancery in Quito, a notable accomplishment under Ambassador Jewell's leadership.

I thank you again for the opportunity to share my thoughts about the U.S. relationship with Ecuador. If confirmed, I look forward to working with you closely, and welcome the opportunity to host you and other interested members of Congress in Quito. I am happy to answer any questions you may have.

