

**THE UNITED STATES AND SOUTH ASIA:
AN EXPANDING AGENDA**

HEARING
BEFORE THE
SUBCOMMITTEE ON ASIA AND THE PACIFIC
OF THE
COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED NINTH CONGRESS
SECOND SESSION

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THE UNITED STATES AND SOUTH ASIA: AN EXPANDING AGENDA

WEDNESDAY, MAY 17, 2006

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 1:33 p.m. in room 2172, Rayburn House Office Building, Hon. James A. Leach (Chairman of the Subcommittee) presiding.

Mr. LEACH. The Subcommittee will come to order, and on behalf of the Subcommittee I would like to express a warm welcome to Assistant Secretary Richard Boucher, who is making his inaugural appearance before us today. Over the course of Ambassador Boucher's distinguished career he has served as the Department of State's spokesman or deputy spokesman under six secretaries of state, and has also served as Chief of Mission twice overseas. We honor your public service and look forward to a productive relationship with you in the newly expanded Bureau of South and Central Asian Affairs.

The hearing today is intended to review recent developments in South Asia, particularly in light of expanding United States foreign policy interests in this increasingly dynamic region. From a congressional perspective, it would appear today that the United States is more engaged in South Asia than at any time in recent years. The region is now a focal point for major U.S. policy initiatives which run the gambit from expanded commerce, energy cooperation, defense relations, education, health, collaboration on science and technology.

Appropriately, South Asia will also be a recipient of repositioned U.S. Foreign Service personnel under the Transformational Diplomacy Initiative of Secretary of State Rice.

In this context, it strikes me as this is an extraordinary time of opportunity for the United States in South Asia. The most difficult challenge is to establish and maintain constructive relations with the two most populous states in the region, India and Pakistan.

There is virtually no dissent in Washington from the precept that a rising India and the United States are natural partners with compelling incentives over time to cooperate closely in a host of regional and global concerns.

With respect to Pakistan, the Administration has likewise indicated that while we appreciate Islamabad's critical cooperation in the campaign against terrorism, our objective is an establishment of a broad and lasting economic and strategic partnership. Despite

certain domestic challenges, Pakistan has begun to make impressive economic strides, progress which we hope will be matched in the political realm through credible democratic elections in 2007.

Turning to the dramatic recent developments in Nepal, the people of that country have again demonstrated their widespread support for democracy. Both the Congress and the American people recognize their determination and success in creating the conditions that led the King to hand over the reins of power and reinstate parliament. We look forward to working closely with the Executive Branch to provide appropriate assistance to the Nepalese parliament and the democratic political parties as they begin the hard work of turning the peoples' demands for democracy and good governance into reality. Likewise, it is incumbent on the Maoist permanently renounced violence and join a peaceful political process.

In Sri Lanka, we are all deeply concerned about the continued erosion of cease fire arrangements and the lack of substantive progress in the peace process. Although these are longstanding issues for the Sri Lankan people to resolve, we would like to help if we can to re-energize the peace process, de-escalate the current crisis, and urge the government and all parties involved to begin to cease violence and return to peace talks. Perhaps in this moment of peril all the parties in the conflict will find the vision, courage, and political will to make strides toward lasting peace.

With respect to Bangladesh, our two countries have been close friends since 1971. Despite many handicaps, Bangladesh has made impressive strides in some key areas of development, including agriculture production, improved literacy rates, the delivery of basic social services, and empowering women through employment and education.

As the fourth most populous Muslim country in the world, Bangladesh's voice of moderation in regional and world affairs is widely acknowledged. On the other hand, an endemic political polarization, corruption and related governance concerns and the rise of violent extremists all pose substantial related governance concerns.

The Subcommittee is interested in learning how the United States intends to work with Bangladesh to advance human rights and democracy objectives, particularly in light of what we hope and expect will be free and fair elections in 2007.

We look forward to your testimony and exchange of views, and let me at this point turn to Mr. Faleomavaega.

[The prepared statement of Mr. Leach follows:]

PREPARED STATEMENT OF THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC

On behalf of the Subcommittee, I would like to express a warm welcome to Assistant Secretary Richard Boucher, who is making his inaugural appearance before us today. Over the course of his distinguished career, Ambassador Boucher served as the Department of State's Spokesman or Deputy Spokesman under six Secretaries of State and has also served as Chief of Mission twice overseas. We honor your public service and look forward to a productive relationship with you and the newly expanded Bureau of South and Central Asian Affairs.

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From a Congressional perspective, it would appear that today the United States is more engaged in South Asia than at any time in recent years. The region is now a focal point for major U.S. policy initiatives which run the gamut from expanded commerce, energy cooperation, defense relations, education, health, as well as collaboration on science and technology. Appropriately, South Asia will also be a recipient of repositioned U.S. foreign service personnel under the transformational diplomacy initiative of Secretary of State Rice.

In this context, it strikes me that this is an extraordinary time of opportunity for the United States in South Asia. The most difficult challenge is to establish and maintain constructive relations with the two most populous states in the region, India and Pakistan. There is virtually no dissent in Washington from the precept that a rising India and the United States are natural partners with compelling incentives over time to cooperate closely on a host of regional and global concerns. With respect to Pakistan, the Administration has likewise indicated that while we appreciate Islamabad's critical cooperation in the campaign against terrorism, our objective is the establishment of a broad and lasting economic and strategic partnership. Despite certain domestic challenges, Pakistan has begun to make impressive economic strides; progress which we strongly hope will be matched in the political realm through credible democratic elections in 2007.

Turning to the dramatic recent developments in Nepal, the people of that country have again demonstrated their widespread support for democracy in recent weeks. Both the Congress and American people recognize their determination and success in creating the conditions that led the King to hand over the reigns of power and reinstate Parliament. We look forward to working closely with the Executive Branch to provide appropriate assistance to the Nepalese Parliament and the democratic political parties as they begin the hard work of turning the people's demands for democracy and good governance into reality. Likewise, it is incumbent on the Maoists to permanently renounce violence and join a peaceful political process.

In Sri Lanka, we are all deeply concerned by the continued erosion of ceasefire arrangements and the lack of substantive progress in the peace process. Although these are longstanding issues for the Sri Lankan people to resolve, we would like to help, if we can, to reenergize the peace process, de-escalate the current crisis, and urge the government and all parties involved to begin to cease violence and return to peace talks. Perhaps in this moment of peril all the parties to the conflict will at long last find the vision, courage and political will to make strides toward a lasting peace.

With respect to Bangladesh, our two countries have been close friends since 1971. Despite many handicaps, Bangladesh has made impressive strides in some key areas of development, including agricultural production, improved literacy rates, the delivery of basic social services, and empowering women through employment and education. As the fourth most populous Muslim country in the world, Bangladesh's voice of moderation in regional and world affairs is widely acknowledged. On the other hand, endemic political polarization, corruption and related governance concerns, and the rise of violent extremists all pose substantial challenges for Bangladeshi society. The Subcommittee is interested in learning how the U.S. intends to work with Bangladesh to advance human rights and democracy objectives, particularly in light of what we hope and expect will be free and fair national elections in 2007.

We look forward to your testimony and the exchange of views to follow.

Mr. FALEOMAVEGA. Thank you, Mr. Chairman, and I too would like to welcome Secretary Boucher before our Subcommittee this afternoon. I commend you for holding this hearing on South Asia and I welcome our Assistant Secretary Richard Boucher. Certainly commend him for the services that he has given to our nation.

Mr. Chairman, as the Congress recently reported, South Asia is one of the world's tougher neighborhoods, and for this and for many other reasons I believe it is important for us to strengthen our ties with India, and may I suggest we begin by supporting the Civil Nuclear Cooperation Agreement. Because this is a serious and complex matter, I wish to note a few very important facts.

Unlike any other nuclear arm nation, India had a stellar record of nonproliferation having self-imposed a 24-year moratorium on nuclear testing. On the other hand, signatories to the Nuclear Nonproliferation Treaty have a spotted record. For example, France,

despite being a signatory to the NPT, broke the moratorium in 1995, and conducted six additional tests in Mudo Atoll while the world and the nuclear suppliers turned a blind eye.

Therefore, whatever differences we may have, whether or not India is a signatory to the NPT, should not determine whether or not we support United States-India civil nuclear cooperation.

India has proven itself to be a strong and responsible ally, and now as India faces growing energy demands, I am hopeful that the world's oldest democracy will stand with the world's largest democracy, and support civil nuclear cooperation.

With respect to other issues confronting South Asia, I hope that we will take a hard look at promoting peace in Sri Lanka, and begin to seriously address the erosion of governance in Bangladesh and Nepal. Finally, I am hopeful that we will find new ways to combat terrorism, prevent the transfer of nuclear weapons of mass destruction, including any associated technologies, to any third world countries.

Again, I welcome Secretary Boucher this afternoon, and look forward to hearing his statement.

[The prepared statement of Mr. Faleomavaega follows:]

PREPARED STATEMENT OF THE HONORABLE ENI F.H. FALEOMAVAEGA, A
REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA

Mr. Chairman:

I commend you for holding this hearing on South Asia and I welcome Assistant Secretary Boucher.

As *The Economist* recently reported, South Asia is one of the world's tougher neighborhoods and, for this and many other reasons, I believe it is important for us to strengthen our ties with India and may I suggest we begin with supporting the civil nuclear cooperation agreement.

Because this is a serious and complex matter, I wish to note a few very important facts. Unlike any other nuclear-armed nation, India has a stellar record of non-proliferation having self-imposed a 24-year moratorium on nuclear testing.

On the other hand, signatories of the Nuclear Non-Proliferation Treaty (NPT) have a spotted record. France, for example, despite being a signatory of the NPT, broke a world moratorium in 1996 and conducted 6 additional tests at Moruroa Atoll in the South Pacific while the world and the Nuclear Suppliers Group (NSG) turned a blind eye.

Therefore, whatever differences we may have, whether or not India is a signatory of the NPT should not determine whether or not we support US-India civil nuclear cooperation. India has proven itself to be a strong and responsible ally and, now, as India faces growing energy demands, I am hopeful that the world's oldest democracy will stand with the world's largest democracy and support civil nuclear cooperation.

With respect to other issues confronting South Asia, I hope that we will take a hard look at promoting peace in Sri Lanka and begin to seriously address the erosion of governance in Bangladesh and Nepal. Finally, I am hopeful that we will find new ways to combat terrorism and prevent the transfer of weapons of mass destruction, including any associated technologies, to any third country or terrorist organization.

Again, I welcome our witness and look forward to his testimony.

Mr. LEACH. Mr. Secretary, please feel free to proceed, and without objection your full statement will be in the record.

STATEMENT OF THE HONORABLE RICHARD BOUCHER, ASSISTANT SECRETARY, BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. BOUCHER. Thank you, sir. Thank you, Mr. Chairman. Thank you, Congressman Faleomavaega.

Indeed, first, the title of this hearing is very appropriate, "The United States and South Asia: An Expanding Agenda." This is my first chance to come and visit with you since I have taken up the new job as Assistant Secretary for South and Central Asian Affairs, and we not only have an expanding agenda in South Asia, but we have an expanding agenda between South and Central Asia, which I will talk about a little bit.

I think each of you have rightly highlighted some of the major issues before us and the efforts that we have underway in individual countries throughout the region.

What I would like to do perhaps is make a few general remarks and then we can go into whatever particular area or detail you would like to afterwards.

This region of South and Central Asia has a quarter of the world's population, and it is a region with enormous potential, incredible dynamism, and it can become evermore stable, free and prosperous if we seize the opportunities before us to build democracies, build economies, improve education systems, and work in other areas.

The region also faces many challenges. There is religious extremism, terrorism, weapons of mass destruction, formidable challenges in areas such as governance, human rights, poverty, and illiteracy. These are challenges that we believe we can overcome with the right policies and the right programs, working as partners with the countries themselves and others in the international community. The help, of course, of the U.S. Congress is vital in this effort.

In that vein, I am happy to have a chance to discuss with you the President's agenda in this region, and how we can use our assistance funding to achieve our policy goals.

To succeed in the region, we are pursuing a three-prong strategy: First to build regional stability through counterterrorism, counter-narcotics, and conflict resolution efforts; second, to provide opportunities for integrating and connecting South and Central Asian nations with energy, water, infrastructure, trade and communications projects; and third, to reinforce and build on the key foundations of democracy, education, economic growth, rule of law, protection of human rights, and transparent government.

Each country in Central Asia faces its own particular challenges. To foster the desires of those who seek a democratic voice, we continue to build the base upon which modern democracies can stand by investing in anti-corruption, in justice programs, in transparency and the rule of law, local governments, and encouragement of civil society. These efforts are all crucial to our achieving what we call democratic stability.

Our economic programs are intended to jump start development and growth by focusing on changes in policies and regulations that might hamper the strong entrepreneurial spirit that pervades South Asia. Programs run the gamut from micro enterprise programs in Bangladesh to entrepreneurship centers in Pakistan, from trade facilitation in Sri Lanka, customs reform at borders with Afghanistan and institutional reforms in India. All of these, again, are key components of creating healthy economies.

Education, particularly the education of women and girls, is one of the strongest positive forces in South Asia. It is a foundation for people taking greater control of their own lives, for better material health, for reducing infant mortality, improving overall health care, increasing civic participation, increasing economic growth, and improving the quality of the lives of the people of the region and countless other areas, and we intend to extend our educational partnerships throughout the region.

Nations in this region face many difficulties, from the earthquake reconstruction in Pakistan to emergency needs now at Nepal. The United States is at the forefront of helping people wherever they are needed in this region, and with your support we intend to remain so.

In each country, we encounter unique and challenging issues. In my written statement, I briefly discuss the state of affairs in each of these countries, and I am happy to go into it more with you. But let me forego that now with one exception, and that is the exception that Mr. Faleomavaega mentioned—the U.S.-India Civil Nuclear Cooperation Initiative.

Moving forward on civil nuclear energy is a top priority for both the United States and India. Your support is crucial in this process. The advantages for development, for nonproliferation and for United States-India relations as well as for the future of over a billion people are great. Simply put, if we can do nuclear power, we can do anything together with India, and that is our intention. We look forward to working with you closely to ensure that we take advantage of this very important opportunity.

Mr. Chairman, Members of the Committee, thank you once again for inviting me here today. I would be happy to take your questions.

[The prepared statement of Mr. Boucher follows:]

PREPARED STATEMENT OF THE HONORABLE RICHARD BOUCHER, ASSISTANT SECRETARY, BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. Chairman, Members of the Committee:

Thank you for inviting me to speak about our policy in South Asia. As this subcommittee knows well, South Asia is a dynamic region at the forefront of the United States' foreign policy agenda. As the new Assistant Secretary of State for South and Central Asian Affairs, I am excited about the opportunities that lie ahead of us in this region. With nearly a quarter of the world's population, the region can become ever more stable, free and prosperous if we can seize these opportunities in democracy, economics, education and in other areas.

In moving to positive growth, the region also faces many challenges—religious extremism, terrorism, weapons of mass destruction, and formidable challenges in areas such as democratization, human rights, poverty, and illiteracy. These are challenges that we believe we can overcome with the right policies and the right programs, and as partners with the countries themselves and the international community. The help of the U.S. Congress, of course, is also vitally important to our success. In that vein, I am happy to have this opportunity to discuss with you our strategy to implement the President's freedom agenda in the countries of South Asia, and how we plan to use our assistance funding to achieve our policy goals in this strategically important region.

To succeed in the region, the Department of State is employing U.S. foreign assistance to pursue a three-pronged strategy that aims to: (1) build regional stability through counterterrorism, counter-narcotics, and conflict resolution efforts; (2) provide opportunities for integrating and connecting South and Central Asian nations with energy, water, infrastructure, trade and communication projects; and (3) build

and reinforce the key foundations of democracy—education, economic growth, rule of law, the protection of human rights and transparent government.

Democracy: Each country in South Asia faces its own particular challenges, and you will see that our assistance priorities seek to address these issues in a focused way, rather than in a “one size fits all” manner. For example, we find a flourishing democracy in India, but democracy is in difficult straits elsewhere. Corruption and bitter intra-party rivalries challenge the 2007 elections in Bangladesh. Pakistan has chosen the right course but will need continued support to hold free and fair elections in 2007. There have been positive developments in Nepal over the past weeks, and we hope that country is now on the path to restoring democracy to its people. Sri Lanka continues to be challenged by ongoing conflict. To foster the desires of those people who seek a democratic voice, we continue to build the base upon which modern democracies can stand: through investment in anti-corruption and transparency projects, rule of law support, local governance and encouragement of civil society participation in decision making. These efforts are critical to regional stability.

Economics: Our economic programs are intended to jump-start development and growth by helping to build capacity and encouraging changes in the policies and regulations that hamper the strong entrepreneurial spirit that pervades South Asia. These programs run the gamut, from micro-enterprise programs in Bangladesh to entrepreneurship centers in Pakistan, from trade facilitation in Sri Lanka and customs reforms at borders in Afghanistan to institutional reforms in India—all essential components of creating healthy economies and trading partners. India’s economy is already growing at a rate of around 8 percent a year, fueled in no small part by trade and investment with its largest trading partner, the United States. Pakistan is another economic success story. Due to its own reforms and opportunities that we have helped create, Pakistan’s economy is also growing at 6–8 percent annually, despite continuing high oil prices and last year’s devastating earthquake. By stimulating reforms at the national level and encouraging intra-regional trade, we hope to help the other countries of the region grow at a similar pace and spread prosperity. In these two large and growing markets, as well as in smaller markets in the region, stimulating economic growth through sustainable development, we are also increasing trade opportunities for American firms and thereby creating a win-win environment for prosperity.

Education: Education, particularly the education of women and girls, is one of the strongest positive forces in South Asia. It is the foundation for improving social, economic and even political development, because it leads to people taking greater control of their own lives and engaging directly in reducing infant/maternal mortality, improving health care, increasing civic participation, accelerating economic growth, and improving the quality of their lives in countless other areas. We intend to extend our educational partnerships throughout the region. For example, we will encourage our friends in South Asia to work with their Central Asian neighbors to attract students and faculty from across the region and develop skills and connections that will serve them in their home countries—and strengthen regional capacity.

Basic Needs: South Asia faces a looming water crisis. Trans-boundary disagreements over scarce water resources have already caused disputes among South Asian countries. Further, more than 240 million people lack access to safe water. Half a billion do not have proper sanitation. Sadly, one child dies an average of every 15 seconds because of lack of access to safe water and sanitation. In response to this tragedy and through the Water for the Poor Initiative, we are working with our partners in India, Pakistan and Bangladesh to increase access to healthy water and sanitation. Our efforts focus on improving regional cooperation to resolve trans-boundary disputes, ensuring access to local financing for water infrastructure, improving the effectiveness of utility operations, promoting household hygiene and sanitation, and expanding environmental sanitation in urban areas.

In each South Asian country—Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka—we encounter unique and challenging issues. Mr. Chairman, I’d like to briefly highlight for you the state of affairs in each of the countries in the region.

INDIA

India is on a trajectory to be a leading nation of the 21st Century. By any measure—its economic growth, its growing intellectual capital, even its ability to project its culture and art through its dynamic film industry—India is on its way to achieving the rank of global power.

Prime Minister Singh and President Bush share a vision for a new relationship that brushes away past suspicions and antagonism to reveal a bedrock foundation

of common values: a commitment to democracy and to political forums that encourage a range of opinions and a view of ethnic, cultural and religious diversity as a treasured national resource.

Prime Minister Singh's visit to Washington last July and the President's March trip to India this year grounded our growing ties in a range of practical projects for cooperation, from agricultural knowledge-sharing to encouraging economic ties to an expanded defense relationship and science and technology cooperation. Most of these initiatives share a common thread: using technology to improve the lives of ordinary people.

I will discuss in more detail in a moment the U.S.-India Civil Nuclear Cooperation Initiative, but let me stress at the outset that our enthusiastic endorsement for the Initiative will go a very long way towards taking our relationship with the Indian people and their government to a higher plane. It will secure their increasing conviction that there is solid support from the United States Government for long-term civil nuclear cooperation, and thereby open the door to cooperation across the board. Simply put: if we can do nuclear power, we can do anything together. The advantages of such a relationship for regional stability and for the future of over a billion people are many.

U.S. Economic Relationship with India

The U.S.-India economic relationship has taken off. We are working with India on a full agenda of economic issues through our Embassy in New Delhi, the many cabinet-level visits to the sub-continent, and the four policy forums of the Economic Dialogue—the Trade Policy Forum, the Financial and Economic Forum, the Environment Dialogue, and the Commercial Dialogue—as well as two cross-cutting forums focused on biotechnology and information technology. India is increasingly becoming a major U.S. trading partner. From just \$16 billion in two-way trade in 1998, U.S.-India trade has grown to \$26 billion in 2005. U.S. exports, now at approximately \$8 billion, grew almost 30 percent last year and we expect continued strong growth.

In the past year, we have taken steps that are opening many new opportunities for both India and the U.S. We have resolved the long-festering Dabhol project and are sorting out several troubled independent power projects in Tamil Nadu. We negotiated in a few short months a comprehensive open skies agreement that has brought momentum to the aviation sector. Since then Boeing has sold almost \$15 billion in new aircraft to India and two U.S. airlines have opened non-stop routes to India. Airport privatization is underway and the air transport market has grown by close to 40 percent in the past year.

India has also amended its Patent Act to recognize product patents and bring its Intellectual Property Rights regime into conformity with the World Trade Organization Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), and we are working to build new intellectual property rights programs and to assure enforcement of standards. We are enthusiastic that the Indian government has lifted its cap on foreign direct investment in telecommunications and partially opened the retail sector. Other changes are likely to come.

In the agricultural sector, the President and Prime Minister launched the U.S.-India Agricultural Knowledge Initiative with a commitment to link our universities, technical institutions, and businesses to support agriculture innovation. This initiative will revive and transform our long history of cooperation in agriculture. It will help create the environment conducive to agricultural growth, development of efficient markets, and trade and investment. It will re-invigorate university linkages, work to get technology more quickly into the hands of farmers, prepare agricultural students for the challenges of the future, and create new rural employment opportunities, particularly in the food processing and distribution sectors. U.S. private sector companies are on the Knowledge Initiative's newly formed board and see opportunities in India's priority commitment to agricultural reform.

In the areas of Innovation and the Knowledge Economy, President Bush and Prime Minister Singh announced on March 2 the intention to establish a Bi-National Science and Technology Endowment Fund and a standing Science and Technology Joint Commission. These initiatives will accelerate cooperation in many technical fields of mutual interest to India and the United States and benefit the economy and well-being of citizens of both countries. The United States and India will each contribute 15 million dollars to start the Bi-National Science and Technology Endowment Fund. Important focus areas will be biotechnology, health and infectious diseases, clean water technologies, basic space, atmospheric and earth sciences.

India's Energy Needs

India is a nation of close to 1.1 billion people. With its rapid economic expansion, it has a massive and rapidly growing appetite for energy and is already the world's sixth largest consumer of energy. We are working with India on a broad range of issues in the U.S.-India Energy Dialogue, aimed at strengthening energy security and promoting the development of stable and efficient markets in India. We are working to facilitate energy conservation, greater use of natural gas as a clean fuel and the deployment of clean energy technologies such as clean coal technology and helping to create a more attractive energy investment climate. It is also important to help India further diversify its energy sources through developing nuclear energy which would be an important component of an energy strategy that hopes to use cleaner and more sustainable sources. The goal is to create a balance of energy sources that will meet India's growing demand while strengthening its energy security.

U.S.—India Civil Nuclear Cooperation Initiative

One of the most important aspects of our strategic partnership with India is, of course, the U.S.-India Civil Nuclear Cooperation Initiative. As Secretary Rice said during her hearing before the full committee early last month, this initiative is an historic strategic achievement that will advance energy security, further environmental protection, foster economic and technological development in both of our countries, bolster international security, and strengthen the global nonproliferation regime. Civil nuclear cooperation with India will elevate the U.S.-India relationship to heights we have never previously achieved.

The significance of this initiative should not be underestimated. India has pledged, for the first time, to submit its entire civil nuclear program to international inspection and to take on significant new nonproliferation commitments in exchange for full civil nuclear cooperation with the international community. With this initiative, the world expects India to be a full partner in nonproliferation, and India expects the world to help it meet its growing energy needs. We will continue to work with India on a range of nonproliferation issues as it implements its Joint Statement commitments and our strategic partnership further unfolds.

Implementing this Initiative is a top priority for both the United States and India. We continue to engage our Indian counterparts on a daily basis as we both move forward. In doing so, we look to Congress as a full partner in this endeavor. Your support for this is crucial and we look forward to continuing to work closely with you to ensure that we grasp this important opportunity.

Cooperation on Democratization

India is working closely with us to ensure that its resources and ours are used effectively to advance democracy among those nations seeking help. India has already put its money where its mouth is by making a charter donation to the UN Democracy Fund.

One of the most promising areas for our cooperation may be Central Asia, where we have a strong interest in India expanding its presence and influence as a positive example of a successful democratic country and a natural market for the region's abundant energy resources.

PAKISTAN

During President Bush's March visit to Pakistan, he and President Musharraf affirmed the long-term strategic partnership between our two countries. The two leaders are determined to strengthen our broad, stable, and enduring relationship. Pakistan's importance to the U.S. extends far beyond the war on terror. Our strategic partnership and friendship is based on our shared interests in building stable and sustainable democracy and in promoting peace and security, stability, prosperity, and democracy in South Asia and across the globe. We want to help Pakistan succeed as a moderate society, a democratic nation and a prosperous people.

This Strategic Partnership will expand U.S.-Pakistan bilateral ties in a wide variety of areas. This bilateral dialogue will strengthen the historic ties between our countries and promote tolerance, respect and mutual understanding. With this in mind, the Presidents announced the beginning of a series of dialogues in energy, education and science and technology which we will pursue in the months ahead.

Counterterrorism Cooperation and Nonproliferation

Both Pakistan and the U.S. understand that terrorism, in all its forms and manifestations, threatens us all. Following the September 11 attacks, the United States and Pakistan joined international efforts to fight the scourge of terrorism. We are grateful for Pakistan's strong and vital support in the war on terror. The sacrifices

of Pakistan's troops in fighting extremists in the Federally Administered Tribal Areas are often underappreciated. We applaud those efforts and will continue to provide Pakistan with the support necessary to carry on the fight against terror.

In the area of nonproliferation, our countries share the concern about the threat to global stability posed by the proliferation of weapons of mass destruction and the threat of terrorist groups acquiring such weapons. We encourage Pakistan to play a constructive role in international efforts to prevent proliferation. We also encourage Pakistan to bring its export controls fully in line with international standards and practices, and to enhance enforcement capabilities. We stand prepared to assist its efforts in this regard. We will continue to engage with Pakistan on a range of nonproliferation issues.

Democratic Reform

In his second inaugural speech, President Bush put promotion of democracy on the front burner of U.S. policy. President Musharraf has committed to hold national elections in 2007 in accordance with Pakistan's constitution. As Pakistan prepares for these elections, the U.S. is working with all parties and Pakistan's election officials to ensure free and fair elections in which all parties participate fully and without unlawful interference. We are assisting the recently-appointed Chief Election Commissioner in making the Election Commission an independent and respected body with the technical ability and political credibility to oversee free and fair polls.

While elections are critical to Pakistan's democratic evolution, electoral assistance is only one component of our multi-faceted program designed to strengthen democratic institutions. Through this program, we support the strengthening of national and provincial legislative institutions, assist political parties to develop into credible, democratic entities, and work to build effective and responsive local government. With these institutional changes, we hope to assist Pakistan in creating an enduring democratic culture and strong governing institutions.

U.S. Assistance

Our assistance is intended to demonstrate the American people's long-term commitment to Pakistan. We have pledged \$3 billion over five years to Pakistan, starting in Fiscal Year 2005. This pledge includes \$300 million annually in assistance to economic projects and budget support, with an emphasis on education and health, as well as \$300 million annually to support the Government of Pakistan's program to modernize its military forces, promoting regional stability and enhancing Pakistan's capacity to support the Global War on Terror. Following the October 2005 South Asia earthquake, we pledged \$510 million to assist the people of Pakistan in emergency relief operations and long-term reconstruction of the devastated areas—a commitment of solidarity that earned the gratitude and respect of the Pakistani public. Our operations are making a smooth transition from the relief phase to the reconstruction phase—but remain as strong as ever. We also are strengthening people-to-people ties with Pakistan, with the world's largest Fulbright exchange program and a reinvigorated International Military Education and Training (IMET) program, and are continuing to broaden our bilateral science and technology cooperation program.

U.S.-Pakistan Economic Ties

We are also taking steps to increase private-sector trade and investment between our countries. Pakistan's remarkable economic turnaround is attracting record levels of foreign investment. So is the pro-business reform program that prompted the World Bank to name Pakistan one of the top ten reforming economies of the world last year. One such reform is significant progress on intellectual property protection, including the closure of several major optical disc plants, which prompted the U.S. Trade Representative (USTR) to move Pakistan from the Special 301 Priority Watch List to the Watch List last month—a very positive step. Most of the American companies in Pakistan currently have plans to expand their operations in the near future. Still, we think there is considerable scope to expand our bilateral economic ties further. Toward that end, we are negotiating a high-standard Bilateral Investment Treaty, which we hope will encourage more U.S. companies to take a second look at Pakistan, both as a booming market of 160 million people and also as a potential hub for regional trade and transportation.

Indo-Pakistani Relations

Relations between India and Pakistan are steadily improving. We continue to quietly encourage their bilateral dialogue and applaud the courageous and visionary leadership that Prime Minister Singh and President Musharraf have demonstrated. We believe they have the political will and ability to remove the obstacles to mutually beneficial relations between their two countries.

Normalized relations and increased trade and people-to-people ties will benefit both countries and the region. We are encouraged by the most recent round of the Composite Dialogue held two weeks ago in New Delhi. Confidence-building measures, such as the opening of bus and rail links, are helping to create a constituency for peace in both nations. We will continue to encourage peace efforts between the two countries, including a resolution of the question of Kashmir that is acceptable to India, Pakistan and the Kashmiri people.

Pakistani-Afghan Relations

In all our discussions with Pakistan, we are in agreement on the need for a stable Afghanistan and the urgent need for economic development in the border regions. Under the auspices of the Tripartite Commission, we are working with both nations to enhance military cooperation in the region.

BANGLADESH

Bangladesh is a traditionally moderate and tolerant country that has made impressive progress in establishing democracy since gaining independence in 1971. Over its history, Bangladesh has made great strides in building its economy and improving the well-being of its people. Much credit goes to its dynamic civil society organizations. Beyond the accomplishments that have benefited their own society, non-governmental organizations such as the Grameen Bank have devised innovative approaches in micro-finance with world-wide applicability.

In recent years Bangladesh's Gross Domestic Product has grown at over 5 percent a year. That is respectable, but a higher rate would have a more dramatic impact on the Bangladeshi standard of living. The main obstacles are corruption and poor governance, which are a drag on the country's economy. This is keeping the Bangladeshi people from realizing their potential and preventing the levels of growth that would make significant progress in reducing poverty. For this reason, the U.S. has increased its assistance to Bangladesh for promoting democracy and good governance and combating corruption to over \$8 million in Fiscal Year 2006.

Recently Bangladesh has scored some impressive victories against extremists. It has arrested the leaders of the Jama'atul Mujahideen Bangladesh, which was responsible for terrorist attacks including coordinated bombings last summer and fall. We encourage Bangladesh to strengthen its vigilance against violent extremists and to do so in a way that conforms to the rule of law and respects the human rights of all of its citizens.

Our countries enjoy excellent relations. We share a commitment to democracy, human rights, and the rule of law. In 2007, Bangladeshis will elect a new government, which will be their fourth consecutive democratic election, a noteworthy accomplishment for this young country.

NEPAL

Nepal is at a juncture both hopeful and uncertain, with the potential for a dramatic move toward democracy and peace. Demonstrations in April against the King's autocratic rule and in favor of the restoration of democracy finally forced the King on April 24 to retreat from his stubborn attempt to assert autocratic rule. Parliament convened for the first time since 2002 with G.P. Koirala of the Nepali Congress Party at the helm of a new government of national unity. The new government and the Maoists declared a cease-fire.

The people of Nepal have shown they are not prepared to live under an autocratic monarch. Their success in forcing a return to democracy has created a broad spirit of optimism for the future. We are looking at ways in which we can further strengthen democracy and, through greater public participation in the political process, strengthen the momentum for peace.

I traveled to Nepal earlier this month with my National Security Council counterpart to assess the situation firsthand and to emphasize U.S. support for the new government. We found normally fractious party leaders of the 7-party coalition ready to cooperate. The army, which had largely stood apart from Nepal's recent chaotic transition, is ready to follow a civilian leadership in the new democratic setup.

The Administration stands ready to support the aspirations of the Nepali people for democracy. We laid the foundations for this support before the recent unrest when USAID refocused its assistance programs on democracy, governance and conflict mitigation. In FY 2006 alone, we are using U.S. assistance to strengthen the Election Commission, Peace Secretariat, National Human Rights Commission, and corruption ombudsman. We have sought to broaden participation in political parties and make them internally more democratic.

Areas in which we feel we can make a positive difference include technical assistance and equipment to the Parliament and to a constitutional reform process, assisting reintegration of internally displaced persons, and funding election monitors. In addition, we want to assist the Nepali people with projects that can promote economic recovery, especially in rural areas.

The U.S. supports the new government's efforts to bring peace to Nepal. The cease-fire is holding and the new government has made clear its readiness for peace. I told Prime Minister Koirala on May 2 that we stand ready to provide assistance to security forces if his government were to make a request. This offer includes our ongoing commitment to improve the human rights record of Nepal's security forces.

The alliance between the political parties and the Maoists, based on their mutual antagonism to the King and his autocratic ambitions, is based on a "12 Point Understanding." According to this agreement the government will support elections to a constituent assembly, a long-standing Maoist demand. In exchange, the Maoists have accepted a commitment to support multi-party democracy. In keeping with the high hopes and expectations of the people of Nepal, the government is moving forward to implement this agreement with the Maoists—but we remain wary. The Maoists have been an exceptionally brutal insurgency, and their forces have become accustomed to control over the countryside exercised through terror. They must renounce violence and the instruments of control, such as extortion, that have terrorized Nepal. Should they lay down their weapons, end their use of violence and intimidation and accept the rule of law, and accept the will of the Nepali people through the democratic process, there will be a place for them in Nepal's political arena. Until the Maoists take steps to change their character, we will not be convinced that they have abandoned their stated goal of establishing a one-party, authoritarian state.

We stand ready to work with other governments to ensure the realization of Nepal's democratic gains, and the benefits of peace. The international community has an important role to play. During the period of royal misrule and usurpation of power a number of donor governments withdrew or reduced their assistance. We hope that these governments will join us in supporting democracy, good governance and human rights as they evaluate how best to support Nepal over the longer term.

Those of us who watched images of Nepalese from all sections of society, young and old, demanding democracy in their largely non-violent demonstrations last month can only be inspired by the faith and hope they have placed in their future. We have no interest in prescribing the shape of Nepal's democracy; it is for Nepal to decide. We stand behind the people's right to make their own choices through a free, fair and open process.

SRI LANKA

Escalating violence in Sri Lanka has brought the peace process to a standstill since negotiators for the Government of Sri Lanka and Liberation Tigers of Tamil Eelam (LTTE) met in Geneva in February. This meeting was the first time in over three years the two sides had formally met for discussions. An increasing number of ceasefire violations by both sides in recent months, including the Tigers' April 25 assassination attempt on the Commander of the Army, the May 11 attack on a troop transport, and government air strikes on Tiger positions, have put the country at risk for returning to war.

Norwegian peace facilitators continue to work with both sides to reach agreement to return for a second round of negotiations. We are working with our partners Norway, Japan, and the EU in the Sri Lanka Co-Chairs donor group to urge both sides to show restraint and return to negotiations. We are also looking at ways to expand multilateral engagement on Sri Lanka with a broader range of governments to focus on the Tigers' financing and arms procurement.

Tsunami relief and reconstruction efforts continue to be among our highest priorities. The U.S. Government is providing assistance totaling \$134.6 million for tsunami-related relief and reconstruction in Sri Lanka. Immediately following the disaster, we funded emergency services, such as temporary shelter, food, water, relief supplies, water purification, health surveillance, psycho-social services and protection for children, and cash-for-work programs that infused money into local economies. More recently, our efforts have focused on reconstruction, including large scale infrastructure projects, workforce development, and sewage management. We are engaging youth in reconstruction efforts and using these projects to bridge ethnic differences in attempts to contribute to peace building efforts. A U.S. Government-funded anti-corruption program was also launched in 2005 to enhance oversight of tsunami rehabilitation programs.

Sri Lanka has been selected as a country eligible to receive Millennium Challenge Account assistance for Fiscal Year 2006. Sri Lanka submitted its compact proposal focusing largely on rural development to the Millennium Challenge Corporation in August 2005 and due diligence is underway, along with negotiation of compact terms.

CONCLUSION

Our policy objectives for South Asia are ambitious, but well worth the effort. Success will result in reduced regional tensions, stable development, stronger partnerships, increased trade, a better educated South Asia populace and solid examples of democracies for others to emulate.

Mr. Chairman, members of the Committee, thank you again for this opportunity to discuss this important region. I am ready to take your questions.

Mr. LEACH. Thank you, Mr. Secretary.

Let me just begin with the dynamics of the Indo-Pakistani dialogue. Do you see substantive progress being made or do you see a status quo? Not that the status quo isn't preferable to conflagration, but how do you see the dynamic?

Mr. BOUCHER. I think we see a certain amount of progress, mostly in the areas of confidence-building measures. They are opening bus lines. They have got train lines. They have got a lot more contact back and forth across the border including encouraging trade. They have had discussions of sensitive issues like confidence building when it comes to nuclear and conventional weaponry, and we encourage those to proceed.

They have been discussing the issue of Kashmir as well, and we have encouraged both parties to take it seriously and try to reach some substantive agreements on that.

There are press reports that they have advanced in terms of looking at how to solve some aspects of the dispute, particularly the Siachen Glacier and Sir Creek elements of that, and we certainly would hope that they would find a chance to move forward in substantive ways on some of those issues that matter very much to both sides.

I think they have made progress. They both tell us that they are determined to continue to try to make progress, and certainly we continue to very actively encourage them to work with each other, and to use the present openings, the present peaceful circumstances of both nations to try to make advances that can last for a long time.

Mr. LEACH. Well, let me turn a little bit to the issue for both countries, which is the Administration proposal to partially abandon the NTP and move toward the nuclear cooperation agreement.

One of the side effects of that that might not be unexpected but can't be perfectly happy is that Pakistani officials at the high levels have informed me that they are looking at this closely, and they will have to build more nuclear weapons because of it. That is an awkward element to this agreement.

Secondly, in some ways the Administration has made an Executive Agreement that doesn't take effect until Congress acts within the United States, but it has taken effect much more rapidly through a countervailing Executive Agreement of Russia, and that is our proposal to go outside the prior restraints of the NPT and supplying certain nuclear material to India is now being accepted by Russia as their right to do the same thing. And so Russia has

made an agreement even before our government is capable of acting.

Do you find this helpful or awkward?

Mr. BOUCHER. Both important questions, sir.

Let me deal with the question of whether the two sides are going to build more weapons, whether Pakistan is going to build more weapons.

I have indeed heard the Pakistani officials, like you, sort of assert their right to do what is necessary to maintain their security, implying that they would build more weapons if they found it necessary. But we have also explored that with them in a little more detail, and they have made very clear, as I think the Foreign Secretary Rios-Kahn did when he was here for our strategic dialogue a few weeks ago. I think he said in the press conference or in one of his speeches when he visited that Pakistan had no intention to start an arms race. They had no intention to expand their arsenal unless they felt that it was required, and we have heard similar things from the Indian side, so I don't think either side is looking to expand weapons production beyond what they might already have planned.

Certainly both sides tell us they don't want to see an arms race. They are indeed watching each other, but they are also cooperating and discussing things like confidence-building measures.

So we have, I think, been pretty active in encouraging on that point, and making clear that this civilian nuclear cooperation with India does not in any way increase or change their ability to make weapons, or the strategic equation in the region, and I think that is a point that we have stressed to them over and over, and there is no reason for this to lead to any inordinate or unusual increase in the number of weapons in the region.

As far as the Russian sale of reactor fuel to Tarapor, it was not done under new regulations. It was done under what they called, I think, an emergency supply or something like that, a provision of the NPT. They said it was done on an urgent basis for the supply for safety reasons, and the Indians said the same thing.

We have raised this issue with both the Russians and the Indians. Frankly, we took a dim view of the sale at that time, and particularly using those provisions, which we don't think were justified in this case, but nonetheless they went ahead with it. I think there is still some time before that fuel actually gets loaded on the reactors, but I think the provisions of this agreement would allow a more regular market-oriented supply of fuel to India under safeguards, but what the Russians did was an existing exception embodied in the NPT, and the regulations, and it does not change with the action that we are looking for from the nuclear suppliers group or the action that we are looking for from the U.S. Congress and others.

Mr. LEACH. Well, one of the side effects of it, it seems to me, is that it certainly decreases the leverage of the United States if one had in mind modifying an agreement. I think the ability to do that has lessened significantly.

Let me just turn to another question and that relates to what many of us thought would be the obvious suggestion when a high-level official would visit India, and that is that the United States

might be prepared to support Indian membership to the U.N. Security Council. This seems to me to be a natural issue, something in the interest of India, something that would be very compatible with the interests of the United States, and yet our position, as I understand it, is still is that we are unprepared to take a position at this time.

I am stumped by our lack of preparation, frankly, and find it awkward and philosophically, logically, geo-strategically incompatible with good judgment. Would you care to reference why that judgment of mine is out of sorts with the Administration?

Mr. BOUCHER. We have thought about this. We have thought about this very carefully. Thinking about India takes place within a broader context, first of U.N. reform, where we want to see many aspects of the United Nations reformed, and the U.S. priorities see many of those things done first.

We are going to take up the issue of Security Council reform at some point. There is not really any kind of consensus now. I think our judgment and the best way to approach this is not to have the United States stake out a position for particular countries in advance, but rather to maintain a certain flexibility as we go in. We have in the past, I think, the only country who ever said we thought should be a member is Japan, because of their very high-level of contributions and the kind of responsibility they have taken in U.N. matters.

We have certainly recognized that the Security Council needs to reflect the realities of the present day, not just those of the 1940s. We have recognized that there are countries like India with whom we share significant values, significant approaches to foreign relations, and where we have a rapidly expanding and important relationship, and those countries, particularly India, do play a very important role in the world. So certainly India's candidacy is one that we have to consider very carefully.

There are indeed philosophical, logical, and geo-strategic reasons to consider their membership on the council, but I think it is less a question of India than how we want to handle this matter as we go into discussions with other nations about the eventual makeup of the Security Council.

Mr. LEACH. Well, I just want to be clear that I think that Congress is very sympathetic to this.

Mr. BOUCHER. Yes.

Mr. LEACH. And I would find minimum, if any dissent, and when it comes to the U.N., as one who follows the U.N. quite closely, I am very, very concerned with the ideological approaches that sometimes are made, and U.N. reform is really the heart of any serious reform at the U.N. I mean, the Security Council reform is the heart of any serious reform. It is not the only issue obviously. There are management issues. But if you take Security Council reform and measure the importance against the Human Rights Commission, the second issue is de minimis, and we didn't handle it very well. I hope we handle better Security Council reform, and that we are prepared to be forthright and direct, and credible.

Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

I note with interest the observations of Mr. Boucher about the fact that South Asia region is full of extremes in terms of economics, the political, military, among these countries. I just wanted to follow up on some of the comments that have been made about the proposed U.S.-India Civil Nuclear Agreement, and there have been some criticisms concerning his proposal. Some have said that we are giving too much I guess by way of technology in this agreement. Some will say that this will cause more tension between India and Pakistan. I just wanted to ask you, Mr. Boucher, if you can comment on that basic core criticism that I hear from some quarters.

Mr. BOUCHER. I think the first thing I would say on the question of whether we give too much, you know, I think we would all be happy if India and Pakistan gave up their nuclear weapons and join the nonproliferation treaty. It is not going to happen.

We went into this negotiation knowing the history, knowing the history of negotiations and discussions that Strob Talbett, the Deputy Secretary conducted in the previous Administration, and knowing the position that India had taken all along. This is a real world agreement. We don't claim it is perfect. We claim it provides a net gain for nonproliferation. It brings India into alignment with nonproliferation efforts worldwide, and indeed they have already done much, some of the things you have noted. They have improved their export control systems, brought some of their standards into alignment with the practices of the nuclear suppliers group already. They have pledged to support negotiations on the fissile material cutoff treaty. They have begun their discussions with the International Atomic Energy Agency, so they are taking steps to bringing themselves more and more into alignment with the international nonproliferation regime.

In addition, it has even bigger benefits of providing clean energy for India's economic development. It is an economy growing at 8 percent a year. There is an enormous need for energy, and frankly, we would like to have them get some of that energy in the form of nuclear power, particularly if they buy it from American firms, rather than having to go out into the international petroleum markets and oil and gas markets, and try to buy all their energy, which just puts greater stress on energy prices worldwide.

So there are enormous benefits for the relationship. There are substantial benefits in terms of India's development, and we think a net gain in terms of civil nuclear cooperation.

What India has committed to do to get that kind of cooperation we think is important in bringing themselves closer aligned to the international nonproliferation effort. At a time when some countries are tearing up their agreements and breaking their sales and kicking out the inspectors, we do think it is important that a major nation would bring itself closer and pledge to put two-thirds of their reactors under safeguards and increase that percentage over time.

So I think we have got a substantial gain on nonproliferation, a net gain on nonproliferation, and substantial benefits elsewhere, so that is what we have got in return for allowing this kind of cooperation.

Mr. FALCOMA. The two other points of contention that I wanted to share with you, and I certainly would like to hear your observation. There is a perception also by some other critics mentioning that this is more of a strategic partnership as a countermeasure toward the competition, if you will, coming from China and Russia, and this proposal has serious implications in terms of how Russia and China will perceive this as a defensive or whatever strategic measure, and I guess you might say as a counterbalance, having a sense of power, geo-political power situation between these three major countries.

There is also recently the problem of the proposal that is pending about having a pipeline, an oil pipeline extending from Iran toward India, and was wondering if you might want to comment on those two issues.

Mr. BOUCHER. Yes, sir, I would be happy to talk about both of them.

We do indeed have a strategic partnership with India. It is based on the potential of two great democracies to cooperate with each other. It is based on shared values. It is based on 80,000 Indian students in the United States and 2 million Americans of Indian descent. It is a very deeply-based partnership. It is one where we think more and more we will find opportunities for cooperation, both economic cooperation as well as diplomatic cooperation in the world. India's efforts on supporting democracy around the world, for example, can be very important to many countries.

It is not based on competition with others. We think we can have good, solid relationships with China and with India and with Russia, and there is no need to try to play one against the other. India should stand up, will stand up in its own right as a major nation. There are a billion people there, and I think we can have a relationship with them for what they stand for and for who they are, not just to counterbalance or to counteract someone else.

If you watch some of the economic developments in the region, and actually one of the more interesting things is to see the Indian companies now investing in China, and Indian and Chinese efforts to improve their relationships that there are economic opportunities for each of them, even as they compete with each other, and become suppliers to our market and buyers of our goods.

On the pipeline from Iran through Pakistan to India, this is a project that has been talked about quite a bit in the region. We have made our concerns known about it. We made them aware of United States legislation that might affect any investments in Iran, and made our concern about Iran as a source of energy need given the unpredictability sometimes of Iranian behavior.

But I also have to point out that there is a lot of talk about this project. There are also commercial considerations that are coming into play and some doubts that are being raised about it. So I don't know if it is going to go or not.

We certainly think there are many ways to help India with their energy needs, and we will help with many of those areas, not only the civil nuclear cooperation, but other agreements the President signed during his trip, including clean coal technology, expanding efficiency of power transmission, solar, wind, all these things. So

we are helping India in a great many areas to try to meet its energy needs in the future.

Mr. FALEOMAVAEGA. I read some recent media reports to the extent that if this civil nuclear agreement goes through between the United States and India, we are looking at about \$100 billion potential in terms of trade, technology, some of our major companies involved in the nuclear industry, to see that this could be done.

Do you see that as an economic benefit to our country as well?

Mr. BOUCHER. I think there are economic benefits. The Indians plan on building, I think it is 15 or so reactors over the next 20 years. We just got one or two of them that could be tens of thousands of jobs in the United States. So we certainly have very capable companies. We have new technologies. We have an ability to compete with the best of them, but there is an international market in nuclear power plants, nuclear technology. There will be competition, and we will do everything we can to support Americans in that competition.

Ultimately the choices will be for India to make, but once we have the basis for United States cooperation, the basis for international cooperation, people can compete on the basis of a fair market, commercial decisions, technology decisions, and not trying to get around the rules somehow.

Mr. FALEOMAVAEGA. How is it that for years we have not had an opportunity to build another nuclear reactor? And one country in particular that I am curious to observe, and I think 60 percent or 70 percent of its total power comes from nuclear energy, and this is France.

Do you think there is a likelihood, a very strong likelihood that if this deal goes down the tubes that India will very likely maybe work something out with France as the beneficiary to this proposal?

Mr. BOUCHER. Well, I think India will have access to the world's technology. India will have access to a variety of suppliers both of fuel and of power plants. I think we are as competitive as anyone in terms of some of the American companies that make this technology. I don't have any doubt the French will be in the competition, the Russians will be in the competition and others will be there with their technologies.

But I am fairly confident in the capabilities of U.S. companies. Certainly they will have all the support they deserve from the U.S. Government.

Mr. FALEOMAVAEGA. There is such a big debate even within our own country whether or not nuclear energy is a viable source given the fact of fuel prices that we are confronted with right now. Is the Administration pretty determined to see that we revitalize and do a better job in terms of providing the best technology as far as nuclear energy is concerned? Because there are those who are still totally opposed to any form of nuclear energy ever since the Three Mile Island catastrophe, in Chernobyl, we got all this other stuff. I just wanted to know if the Administration is very much committed toward nuclear energy as another possible alternative energy source in our country.

Mr. BOUCHER. I think very much so, sir. You have heard the President talk about it and you have heard the Secretary of Energy

talk about it, the importance of nuclear power, it is clean power, it is good power, and it offers another option on our energy supplies and the supplies of others around the world.

We are in fact working on technologies with other countries that will be safer, that will be less easy to proliferate, that won't cause such concerns about proliferation, and these next generation technologies would allow countries to expand their nuclear power without causing any concerns on behalf of others who are even less concerned among local populations, so we think there is opportunity here. There is opportunity to cooperate with other nations.

India gets, I think, something like 6 percent of its energy from nuclear power now, and is intending to bring that to about 18 percent, so it is an increase but it is still one of many energy supplies they are going to need, and they are going to need a lot of energy of a lot of different kinds.

Mr. FALEOMAVAEGA. I have heard some very serious concerns about the transportation of nuclear waste. Has this been currently done between Japan and France? And I was wondering if we are going to depend very much on nuclear energy?

We are having problems in our own country, Mt. Yulca, whatever you want to call it, in Nevada, going through the country, rural areas of the country. How are you going to transport nuclear waste, and why in Nevada? Couldn't it be in some other states that could also take responsibility for nuclear waste?

As much as you say that it is clean energy, but what do you do with nuclear waste?

Mr. BOUCHER. I think that remains to be determined with each particular sale or arrangement with India. India already has spent fuel pools from its own reactors that it needs to keep, and I don't know. Frankly, I haven't had a chance to look into what their long-term plans might be for securing nuclear waste.

Some of the new technologies that are being worked on and developed within the Department of Energy and others are intended to dramatically reduce the amount of nuclear waste that would have to be stored. So for the long term, I think that is the direction we all want to go.

Mr. FALEOMAVAEGA. I think Mr. Musharraf has promised that there is supposed to be elections in Pakistan. He has made about two or three promises already. Are they ever going to become a democracy or since the coup d'etat, or the military takeover that had taken place about 6 or 7 years ago. It is one of the ironies that we are supporting basically a dictatorship benign as it may be, but it is not a democratic—it seems to me it kind of goes in contradiction to our policy about promoting democracy, and yet we are in bed with a country that just had a military coup, and has done everything that contradicts our own basic foreign policy about promoting democracy, and I was just curious about your thought, if Pakistan is really the leadership, the military leadership right now in Pakistan is really serious about going back to a democratic form of government.

I met Prime Minister Sharif before he was deposed by duly elected. I just wanted to ask you what is the Administration's take on this?

Mr. BOUCHER. Well, as you know, sir, Pakistan has had an often troubled history of democratic periods and periods of military rule. President Musharraf has set a direction for this nation that is an effort to build up the moderate center, to have what he called enlightened moderation. Included in that is a democratic system, is building democratic institutions, holding democratic elections in the year 2007. We think that is the right direction and we want to support him in that, and so we do promote democracy in Pakistan. We support the government in its efforts to build a basis for a good election, a free and fair election next year.

We remind the government and everybody else of the importance that that election be credible, be free and fair and widely recognized.

The last time I was in Pakistan I went to see the new head of the Central Election Commission, to talk to him about his independence, his ability to impose the law and ensure a fair election. We are supporting him with money. We found aid money to help him with things, setting things up, getting transparent ballot boxes, all the other kinds of things he wants to do, and we think that is a key pillar of having a free election. It is not the only one. There needs to be an opportunity for all the political parties to participate and to campaign.

The kind of reports of interference from government agents or others that we have read about in previous elections, that behavior needs to be stopped. But we think that they are starting to build the structures through the election commission that can help contribute to a free election and a fair election, and that President Musharraf is taking the nation in that direction.

Mr. FALCOMA. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Mr. LEACH. We will do maybe a second round of questions if you would like to.

Coming back on process for a moment, I would like to throw in a possible suggestion. You don't need to comment, but America has a lot of consultants around the world. Sometimes we use groups like NED for certain things. One group I think I would like to ask the department to look into, whether they might be able to use a little more than they have is an arm of the United States Congress called the Library of Congress in this sense.

In the transition in Eastern Europe from the communist and democratic systems, the Library of Congress really did the best job of any institution of governments from our side in helping with legislature development, and the processes of how legislatures work, and they did this in incredibly professional way, and I sometimes have a sense that some of our new kinds of groups are broad, can be advocacy-oriented in ways that are not stabilizing, and I would really recommend as you look at funding types of things that you look at the resources of the Library of Congress and what they did in Eastern Europe, and talk to our librarian Jim Billington about this as a prospect.

It seems to me that Nepal, Bangladesh, Pakistan might have some reason to want to work with the Library on the development of certain techniques that are pretty sophisticated. I just throw that out by way of suggestion.

Mr. BOUCHER. Yes.

Mr. LEACH. But let me turn to Pakistan again for a second on a stickier issue. There appears to be increasing evidence of an increase in both Afghani and Pakistani Taliban operating against United States and coalition forces in Afghanistan and against the Karzai Government.

Do you have any explanation for this Taliban revival?

Mr. BOUCHER. If I can make a brief comment on the Library of Congress. I thank you very much for the suggestion. We will look into it definitely. As you point out, support for legislatures and legislators helping them get organized and become more effective is very important in this region. Nepal has an immediate need as the political parties come back and get organized for, we think, some fairly serious action to move the country in the direction that people demanded it in the demonstrations.

Pakistan will have elections next year. Legislature is a very important part of that. Afghanistan, we have helped a lot. India has helped in terms of helping parliament get organized. It is an interesting and more and more effective body. They are considering, I think, supreme court nominees this week, again new things happening in Afghanistan every day, and in the rest of the region many places where the legislature plays an increasingly important role, so we will definitely get in touch with the Library of Congress and see how they might help in that process.

On the issue of the Taliban and the across-border efforts, yes, we have seen a fair amount of activity this year. The attacks by Taliban and Al Qaeda associated groups in Afghanistan have gone up. This has to do partly with their capabilities, partly with the fact that government is extending itself farther in Afghanistan, coming into regions where the writ of government didn't hold that eradication is going on in the area where it has not gone on before, and there seems to be some effort on behalf of the enemy to test the NATO troops and see how they will respond.

So there are a lot of things going on, but I think it is basically, you know, part of this good process of the extension of authority into new areas has led to increasing challenges and increasing attacks as well as some build-up capabilities.

The ability of these people to cross the border into cause trouble, create attacks both against Pakistanis on the Pakistani side and Afghans and Americans on the Afghan side is very troubling, and it is something that we work very carefully with people from both sides. We have active and quite successful tripartite military cooperation between the United States, Pakistan and Afghanistan, and I think we have seen recent evidence that that works very well when it is well coordinated. Certainly the meetings we have had recently have been very positive.

Both governments are involved in somewhat the same process of extending government into areas that had not been well governed before, and in Pakistan, these areas, tribal areas goes back to the British days arrangements where the central government really wasn't that active in these regions, and so you have the problems of extending governance and the government's writ. You have the problems of economic development in these areas that we are try-

ing to help with, and you have the inherent problems of Taliban and tribal activity.

President Musharraf is trying to deal with this. President Karzai is trying to deal with this. We are trying to help both of them deal with it and help them coordinate as they deal with essentially the same kind of problem on both sides of the border, each having to take care of its own side.

Mr. LEACH. Turning on a more constructive direction, my sense is that relief efforts on the earthquake in Pakistan and Kashmir part of, or the Pakistani-controlled part of Kashmir had been more successful than might have been the case, and that this has worked out rather well. Is that your sense?

Mr. BOUCHER. That is my sense, sir. The United States, as you know, has been very, very active in helping the people of Pakistan recover from the earthquake. We have had not only significant, very significant government resources but a lot of private resources that have been put into the effort. Companies have stepped up to the plate. Former President Bush has been very active in this regard.

So it has been a major effort. U.S. Army was there for a long time. I think we have all seen the stories of Pakistani children sort of drawing pictures of Chinooks carrying relief supplies.

The effort is now moving from a relief phase into a reconstruction phase, and we have already made a very significant commitment, \$200 million over 4 years to help with reconstruction, so we are going to be there building schools and health clinics and things like that, building earthquake buildings for the future and helping the people of those regions get back to where they were or even to set themselves on a road to economic development.

I think we have really stepped up to the plate. There were a lot of concerns in the beginning that the world wasn't doing enough. Certainly the United States has done its share, more than its share. The Pakistani side has come through. Pakistani partners have been very active in working these areas, and we are going to be there for the longer haul, for the reconstruction phase as well. We have already committed to that, signed the agreements, put the money in our budgets, and the Pakistanis know that we are going to be there helping all the way through.

Mr. LEACH. Okay. Let me ask Mr. Chabot, are you prepared or do you want to wait a second? I will come back in a minute.

Let me just ask one more question, then I will turn it over to Mr. Faleomavaega then. As we look at Nepal and from the outside we look at a country that is probably the most stunningly beautiful on the planet, and it has had some awkward moments of governance. What do you see as the motivation of the Maoists, and I have never known a circumstance that is more intriguing.

The Country of Mao was embarrassed by the Maoists, that is a little odd, but what is their agenda, and do they have legitimate grief on governmental problems, or is that it alone, or is it one of extreme ideological commitment? Do we have any sense? Is there a part of this movement that is quite pragmatic or is this entirely an ideological extremist organization?

Mr. BOUCHER. I am inclined to the simple answer that it is extremist ideology that motivates them, and that is the main char-

acter of the organization. There must be some sort of pragmatic bent in that they are accepting the cease fire, recognizing a basic obligation eventually to put down their arms, abandon violence, and engage in the political process, but we need a real commitment on their behalf to do that, and I don't think we have quite seen that yet.

But even having said they would adopt a cease fire, having themselves put out a code of conduct for what they think both sides should abide by during the cease fire, they are already violating this, and there are multiple reports in Nepal that the Maoists have continued the campaigns of violence, the extortion, shake downs, the beatings of villagers who don't cooperate with them, that they have continued the same kind of behavior despite the cease fire.

That is very troubling. That is a very troubling indicator of whether they are sincere or not, whether they are willing to abide by the commitments they have made. I think at this point the political parties are standing up. They are taking power. They have appointed a prime minister and some cabinet members. They are finishing the cabinet. They are getting on with the work that is before them, the demands of the people to further define the role of the monarchy and the army and put the country back on a path where they can write a new constitution and have fair elections.

To participate in this, the Maoists really do need to abandon violence, really do need to enter into the political process without having the gun stashed in their back pocket, and I think the political parties are determined to see that they do that.

Certainly we and others in the international community have set that as a standard, and we would intend to hold to it as the standard.

Mr. LEACH. Are we prepared to help the Royal Nepalese Army and police?

Mr. BOUCHER. We very much are, sir. We have had an ongoing relationship with them in the past, both in terms of supplies but also in terms of training, including human rights training, to try to make sure that they meet higher standards of respect for the citizens of Nepal and for the human rights of the people they encountered.

We respect the present situation. It is the civilian government that needs to tell us when and how to help and support the army, but we are prepared to do so as soon as the civilian authorities think it is the right time.

Mr. LEACH. Thank you. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. I just wanted to follow up on the Chairman's line of questioning concerning Nepal, and perhaps not even Nepal, but basically our own foreign policy approach to areas where there is crisis and there are problems, and instability politically among the different countries.

Have we ever taken initiatives to say, hey, we want to help, or do we just kind of stand by in the distance and not even be bothered with it?

I kind of get the impression that we do pay attention to India for all these reasons. We pay attention to Pakistan because of our security issues, and terrorism. When it comes to Bangladesh and Nepal and Sri Lanka, I don't sense that we are really committed

to lend out a hand and be very serious about helping like some countries or even regions. I think the EU and other countries are very forthcoming, and even volunteering and say, look, we would like to come and be a go-between or an arbitrator or some form.

Have we ever taken initiatives in that form in trying to resolve some of these things, the problems? For that matter, has the King ever asked us for assistance in that regard? I am talking about the King of Nepal.

Mr. BOUCHER. The simple answer, sir, is yes. I know that sort of the work that we do on an ongoing basis doesn't always get a lot of publicity. You know, sort of one day you get a breakthrough, the next day you are back to failure to accomplish the next step. So it doesn't get a lot of attention particularly here in the United States, but we are very active in all these situations.

Our Ambassador in Nepal was very active in pressuring the King to give up power and turn it back to the political parties. Very shortly after that was done, I went out to Nepal with a colleague from the National Security Council. We met with the political parties, with the new prime minister. We talked to them and others about how they could coalesce, how they could move forward in this situation, did talk to the army to make sure they understood their need to respect civilian authority, but our desire to help them as they did so.

So I think we have played a very prominent role in Nepal. Of course, India has a lot of influence and a lot of activity up there. We have coordinated quite closely with the Indians.

Similarly in Sri Lanka, my principal deputy assistant secretary has been there this week. We have a meeting coming up in Tokyo of the co-chairs, Norwegians, Japanese, the European Union and us. I went to a meeting in Oslo about 3 weeks ago. I think we have made a very important effort supporting the peace efforts of the co-chairs, and we are also in touch with a variety of other countries because we think that the kind of provocative attacks the Tamil Tigers have been carrying out need to be stopped, and that they are foreign supported. Their support needs to be stopped as well, so we are talking to other countries about how that can be done more effectively. But we are very actively supporting the peace process there.

In Bangladesh, we have ongoing programs to support transparency, anti-corruption, democracy, and the legislature as part of one set of initiatives. They are moving toward an election this year.

Second of all, we have very active support in counterterrorism training, counterterrorism cooperation, exchange of information, and they have had some recent successes in that regard which they deserve a lot of credit for. So yes, we are there every day working hard to try to either resolve conflicts or help governments in places where they really need to achieve a certain amount of stability in order to resist some of these dangers.

Mr. FALCOMA. I am glad to hear that. One country, if I may, it is not included in our region, what is our policy toward Tibet? I assume that Tibet is part of South Asia.

Mr. BOUCHER. Sir, I know this from my previous experience on the podium, and we see Tibet as part of China, and we think that there should be arrangements worked out for Tibet within that

framework, but respecting the rights and human rights of the people in Tibet.

Mr. FALEOMAVAEGA. So the efforts on the part of the Dalai Lama for all these years and the fact that they stay domicile in India, as far as we are concerned Tibet really is not a sovereign country?

Mr. BOUCHER. That has long been the position of the United States, yes.

Mr. FALEOMAVAEGA. When did China take over Tibet? Was that immediately after World War II?

Mr. BOUCHER. It was 1959, wasn't it?

Mr. FALEOMAVAEGA. 1959.

Mr. BOUCHER. If I remember correctly. Again, it is not something I am dealing with these days so I don't know precisely.

Mr. FALEOMAVAEGA. So Tibet is really not on the radar screen as far as our—

Mr. BOUCHER. It is really not in my region, sir. I am sure Chris Hill would be happy to answer questions about it, or Paula Dobriansky who handles Tibet matters in the State Department. It is something in the State Department that we do work on.

Mr. FALEOMAVAEGA. I see.

Mr. BOUCHER. It is just not something that I am actively working on in my region.

Mr. FALEOMAVAEGA. My apologies.

Mr. BOUCHER. We are concerned about Tibet and refugees that make their way into our region, and we have programs to work with the United Nations High Commissioner for Refugees in Nepal and elsewhere to make sure that the needs of Tibetans who end up crossing over into South Asia, that they get taken care of.

Mr. FALEOMAVAEGA. Well, I am sorry my geography wasn't very clear as far as Tibet. I thought Tibet was next to Nepal. May I am—

Mr. BOUCHER. It is right next to it, yes.

Mr. FALEOMAVAEGA. And it is part of South Asia?

Mr. BOUCHER. Part of East Asia, yes, in the way we divide up the responsibility because it is part of China.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

Mr. BOUCHER. Yes, sir.

Mr. LEACH. American Samoa isn't in your region, is it? [Laughter.]

Mr. Chabot.

Mr. CHABOT. Thank you very much, Mr. Chairman, and I will be relatively brief in my questions if I can.

If I could begin with India if I could. Could you comment, and if you have already commented on these things, I apologize because I have three hearings going on here so I am kind of bouncing around, but relative to India could you comment—when I was there a couple of years ago there seemed to be an elevated level of religious strife between the Hindus and Muslims, at least in the part of India that we were in, and there was kind of a fundamentalist Hindu movement going on, and I was just wondering if you could comment on what is the climate at this time relative to that issue.

Mr. BOUCHER. I would say it has probably calmed down from when you were there a couple of years ago. There were some specific problems a couple of years ago that resulted in ethnic violence

and religious violence. It is an ongoing danger in India. It does flair up from time to time. Certainly it is something we keep our eye on. We watch religious freedom issues, relations between the communities there. We have some programs that kind of work on harmony in those places.

The government, of course, the parties in India and the government in India are pledged to a secular democracy, one that respects the religious freedoms of all religions in India, and I think that is an important part of their democracy. I am sure they would tell you that as well, and whatever the government can do to calm things down they should be doing, and I am sure they would say they are doing.

Mr. CHABOT. Thank you. Let me shift over to Pakistan if I can. It was the same trip that I was there again. Actually it was—I am trying to remember—it was about 2 weeks after the second assassination attempt of Musharraf's life is when I was there, and so it was a pretty tense time, you know, for him and for the whole government obviously, and one of the big issues that we had emphasized at the time, and, of course, we get the talking points from the State Department and get all the issues that you would like us to emphasize, and so one of the things that we emphasized was that he needed to get very serious about closing the madrassahs and in getting the children into government schools or something comparable to public schools, I guess, their version of that, and that the madrassahs were one of the big problems obviously because they were kind of the hot beds for training the fundamentalists of the future, and terrorists of the future.

So how successful have we been in that effort to encourage him to do that or how unsuccessful have we been?

Mr. BOUCHER. Indeed, he himself has announced that he wants to end the sort of extremism that is associated with the madrassahs. He has put out a series of regulations requiring them to register, requiring certain elements of modern curriculum to be taught there, I think, ending the training of foreign students and things like that to sort of decrease their role in radicalizing populations.

I have met with some of the scholars recently who have looked at the madrassahs and the whole phenomenon, and there is a whole variety, including some that do train rather extreme people and very extreme views, and with the tendency toward supporting those who engage in violence, and I think the government is aware of these organizations, these madrassahs and is trying to deal with them. So it is a work in progress I would have to say in that regard.

We give an enormous amount of support to Pakistan in the area of education. We want every Pakistani to have the benefit of a modern education, to have the opportunity to be educated as children and to participate in modern society, make a living, make the nation more prosperous, and make his or her own choices in a democratic society.

So we have education programs there that go from, you know, kindergarten all the way up into post-graduate science areas that we are working. The President announced some new initiatives that we can undertake with Pakistan during his trip there. It is a

major priority for the Pakistani government. It gets a lot of support from the United States. It is a long-term proposition. We are building up the ability of government to provide every Pakistani with a modern education that we think is a fundamental element of the future of Pakistan as a moderate Muslim society.

Mr. CHABOT. Thank you, and one final question.

One of the more frustrating things probably to the American people and to all of us as their representatives is the fact that Bin Laden is still out there somewhere. We think probably on the Pakistani side, perhaps in Afghanistan, but in that area, what is sort of like our Wild West up in the tribal territories of Pakistan.

When we were there one of the things that Musharraf and the generals and others emphasized to us is that when they would get what they would consider to be good information on where he was, it is difficult to get up into those areas, and by the time the word got back they would travel up into the villages, and he would be gone, and they emphasized the need for helicopters to be able to get up there more quickly, and I don't know what we have actually done to remedy that situation. Are you aware of—

Mr. BOUCHER. I don't know the specifics as regards helicopters. I do know that we have, first, very active cooperation with the Pakistanis and the Afghans along the border areas, exchanging information, and coordinating our efforts.

Second of all, the Pakistanis have had an enormous effort themselves in the northwest frontier in the tribal areas. It is an expanding effort. It is an effort that has increasingly become more mobile, more based on information and the ability to intervene on short notice, and they have indeed had some successes with those new tactics. So they have been moving in that direction, the direction you point out, the ability to act quickly on information and to move forces around.

They are also looking at these sort of fundamental issues of extending government, bringing economic development to the area. We have a few programs to help them with that. And as they develop more specifically their plans to extend government and bring economic opportunity to those areas, we will be helping them in significant ways, I am sure.

Mr. CHABOT. Thank you.

Mr. BOUCHER. Thank you.

Mr. CHABOT. Thank you, Mr. Chairman. I yield back my time.

Mr. LEACH. Thank you. I just have one more question? Did you have another one?

Let me just ask very quickly. Two months ago we suspended the Peace Corps in Bangladesh. Can you describe the reasoning behind that?

Mr. BOUCHER. Mr. Chairman, as a former Peace Corps volunteer myself, I was very sad to have to sign off on that one, but the Peace Corps looked at the situation very carefully in terms of the safety of their volunteers. As you know, volunteers are—

Mr. LEACH. Of course.

Mr. BOUCHER [continuing]. All over the country, out in rural areas.

Mr. LEACH. Sure.

Mr. BOUCHER. They have no particular protection. It is a country where we had not only 400 or so bombings at one time last year, but also continuing reports of threats and threats to Americans, including Peace Corps volunteers. So they felt it was necessary, and we agreed, for them to pull the Peace Corps out of there until such a time as it might be safe for them to go back. At this point I really couldn't predict when that might happen.

Mr. LEACH. Well, that is completely understandable and very tragic and sad for all of us.

Let me just conclude with two observations. One, having been in the region in the wake of the tsunami, as an American citizen it was hard not to be struck with the extraordinary professionalism of the United States Agency for International Development, and we get an awful lot of criticism about "foreign aid", but it is very impressive what high-quality people we have working in this area.

Secondly, on behalf of the Committee, I want to make it very clear that we are very impressed with the new Assistant Secretary for South Asia, and that we are very delighted to work with you, Secretary Boucher, and we are pleased with your appointment very much.

Mr. BOUCHER. Thank you very much, sir.

[Whereupon, at 2:41 p.m., the Subcommittee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

RESPONSES FROM THE HONORABLE RICHARD BOUCHER, ASSISTANT SECRETARY, BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC

Question:

The Proliferation Security Initiative (PSI) launched by President Bush in May 2003 seeks to create multilateral cooperation on interdiction of WMD-related shipments. Why has India not yet joined PSI? From an Indian perspective, are there legal, political, foreign policy and/or national security reasons to be hesitant about joining (e.g., would Indian membership inflame the Left parties and/or the BJP as well as potentially jeopardize good economic and political relations with Iran)?

Response:

We are not in a position to speculate why the Indian government has not yet joined the Proliferation Security Initiative. However, India has stated that its participation remains under consideration.

In 2005, India committed to participate in the Initiative if it were able to join the Core Group of Initiative participants that had developed, or if the Core Group were disbanded. In the summer of 2005, the United States and its partners in the Core Group agreed that the Core Group had served an important function in the process of starting up the Initiative, but was no longer necessary, and so the Core Group was disbanded.

Given its geographic location along several key routes for proliferation trafficking and its significant operational capabilities in the region, India's participation in the Initiative would be an important addition to international efforts to stop Weapons of Mass Destruction and related proliferation. We continue to discuss this issue with India and encourage India's participation.

Question:

Please describe Pakistan's current strategy for eliminating al Qaeda and other terrorists in Waziristan.

Response:

The Government of Pakistan has developed a three-prong strategy in Waziristan, and particularly in the Federally Administered Tribal Areas, composed of political reform, economic and social development, and security. The Government has begun to bring better governance to the frontier areas by giving them stronger administrative structures and strengthening the role of political agents and tribal leaders. The Government is currently discussing these governance issues with local tribal leaders. It will also expand, modernize, and equip the Frontier Corps and other local security forces to conduct counter-insurgency operations and restore law and order.

Question:

Pakistan has recently declared the A.Q. Khan affair "closed." Does the U.S. agree with this assessment? Have we, or the IAEA, been provided any direct access to Khan or his Pakistani colleagues?

Response:

We have extensive knowledge of the A.Q. Khan network, and the U.S. continues to work with Pakistan to ensure that the network is permanently out of business. We believe Pakistan takes seriously its commitment to dismantle the network and ensure that Pakistan will not be a source of proliferation in the future. The U.S.

does not need direct access to Khan to obtain information about his dealings. Pakistan has cooperated with U.S. and International Atomic Energy Agency efforts to investigate the Khan network.

Question:

In October 1999, General Musharraf ousted an elected government, arresting the Prime Minister, accusing him of bad governance, corruption, politicizing the bureaucracy, interfering with the judiciary and attempting to destabilize the armed forces. General Musharraf also denied that the military had political ambitions and identified a seven point "reform agenda" designed to pave the way for "true democracy to flourish" in Pakistan. How do you assess the success of President Musharraf's reform agenda?

Response:

President Musharraf's reform agenda has produced mixed results. His Seven-Point Agenda pledged to rebuild national confidence and morale; strengthen the federation, remove inter-provincial disharmony, and restore national cohesion; revive the economy and restore investor confidence; ensure law and order and dispense speedy justice; depoliticize state institutions; devolve power to the grass-roots levels; and ensure swift, across-the-board accountability.

President Musharraf has largely succeeded in raising national confidence and morale, in strengthening the economy, and in improving investor confidence. He has implemented an ambitious program to devolve power to the grass-roots level; however, the new structures have not been in existence long enough to assess their success. Tensions between provinces persist, especially in Balochistan where the army is fighting Baloch separatists. Unrest also exists in some of Pakistan's tribal areas.

There has been limited progress in ensuring law and order, speedy justice, and accountability. Efforts are being made to address corruption in the police force by raising salaries and oversight. One area that has seen dramatic progress is freedom of the press.

Question:

Post-September 11, after offering full cooperation to the U.S.-led alliance against the Taliban and al Qaeda, and joining the war on terrorism, President Musharraf's reformist pledges also included containing religious radicalism and sectarianism, as well as dismantling jihadi networks and thereby transforming Pakistan into a moderate Muslim state. How do you assess his success in these endeavors?

Response:

The Government of Pakistan has been a stalwart partner of the United States in the War on Terror, sustaining more casualties than any other ally. President Musharraf has consistently advocated Islamic moderation and has enforced policies to combat incitement. He has begun the process of reforming madrasas; hundreds of foreign madrasa students have been expelled from the country. Combating religious extremism, sectarianism, and jihadism is a daunting challenge that will require sustained effort over many years.

Question:

One analyst writes that "While Musharraf has systematically attempted to weaken and even break the two mainstream national parties, the Pakistan People's Party (PPP) and the Pakistan Muslim League (Nawaz); he has chosen pro-Taliban religious parties as his civilian partners. Official intimidation and manipulation have fragmented the moderate opposition parties, empowering, as a result, anti-Western religious extremists." Would you agree or disagree with this assessment? If you disagree, please explain why?

Response:

We do not believe President Musharraf's actions have empowered anti-Western religious extremists. President Musharraf has been the leading proponent of an enlightened moderation in the Islamic world, and has repeatedly said that this program will stem the growth of extremism in Pakistan. His most ardent political opponents in the political institutions of Pakistan are the parties of the Islamist coalition known as the Muttahida-i Majlis Amal (MMA), but the official opposition remains the Pakistan Peoples Party led by Benazir Bhutto, even though it holds fewer seats in the National Assembly than the MMA. The party led by Nawaz Sharif, the Pakistan Muslim League-Nawaz (PML-N) is a distant fourth in strength, tied with the Muttahida Quami Movement (MQM). The MQM was part of the ruling coalition until very recently, but still votes with the Pakistan Muslim League-Quaid-i Azam (PML-Q) of President Musharraf.

The leaders of the PPP, the PML-N, and the MQM all reside outside of Pakistan, and two leaders—those of the PPP and MQM—have outstanding legal cases pending against them. We believe that all of them can be represented by competent legal counsel. Sessions of the National Assembly are sometimes raucous, indicating the ability for a lively debate, open to the various points of views held by different political parties.

Question:

In earlier interviews with Newsweek and the Washington Post, President Musharraf outlined a five-point program to fight both extremism and terrorism: (1) to ensure that banned organizations do not re-emerge; (2) stop misuse of loudspeakers in mosques to spread hatred and militancy; (3) ban jihadi publications; (4) reform the syllabus and curriculum in schools in order to prevent sectarian militancy; and (5) reform the madrasas and mainstream their students. What has he done thus far to implement this agenda?

Response:

President Musharraf's efforts to reform madrasas continue; hundreds of foreign madrasa students have been expelled from the country. In the past, he has also cracked down on extremism, including the arrest of members of extremist organizations, and imposed bans on hate speech at mosques and jihadi publications. However, overcoming religious extremism, sectarianism, and jihadism is a daunting challenge that will require continuous effort over several years. President Musharraf remains committed to enlightened moderation in the Islamic world.

Question:

There appears to be considerable evidence of a re-emergence of Pakistani and Afghan Taliban, who are taking up arms against U.S. and NATO troops and the Karzai government in Afghanistan. What explains the Taliban revival? What ethnic, tribal, or political groups in Pakistan support the Taliban movement?

Response:

The emergence of the Taliban in Pakistan's tribal areas is primarily a result of a vacuum of law and order. This vacuum has multiple causes that include the breakdown of the traditional system of tribal governance, the flow of weapons and radical ideology into the area during the Afghanistan war, and the entry of Afghan Taliban and foreign extremists after the collapse of the Taliban government in Kabul. In addition, as NATO forces push further into remote Afghan provinces, Afghan Taliban have attempted to seek refuge in the tribal areas of Pakistan.

The Taliban in Afghanistan and the Taliban in Pakistan are both Pashtun movements that arose in the Pashtun tribal belt along the Pakistani-Afghan border. Although the Pashtun are a predominantly homogenous group, all Pashtun do not support the Taliban. Some Pashtun may work with foreign militants in the area (Arabs and Central Asians) who share the same Islamist ideologies. The Taliban in Afghanistan are the ones fighting coalition forces there and the Karzai government. This group of Taliban often crosses back and forth across the porous border, using the Federally Administered Tribal Areas as a refuge. The Taliban in Pakistan primarily target Pakistani officials, the Pakistani military, and local residents who they believe have cooperated with the Pakistani or U.S. governments.

Question:

Please assess the origins and implications of the recent insurgency in Balochistan. What steps has the government of Pakistan taken to address local grievances there? Is the government using U.S.-supplied military equipment against the insurgents?

Response:

Balochistan is of considerable strategic importance to Pakistan. It accounts for about 40 percent of the national territory, four percent of its population (6 million), and has significant gas, coal, and copper deposits. For decades, Balochistan has been a challenge for Pakistani governments. Portions of the Baloch population have periodically rebelled, most notably in the mid-1970s during the prime ministership of Zulfikar Ali Bhutto. Many Baloch remain nomadic and retain close relations with their ethnic kin in Iran and Afghanistan.

Baloch have long felt that Pakistani governments were interested in the province only for its mineral wealth and strategic position and were not interested in sharing the benefits of development with the population. In recent years, tribal militants have engaged in a low-level campaign of sabotage against economic infrastructure. Following separatist violence in 2005, the Pakistan Senate asked two committees to study how best to accommodate the demands of the Baloch people. The Senate's rec-

ommendations were not immediately implemented by the Government of Pakistan, and militant violence increased in late 2005. The Government of Pakistan has announced its resolve to defeat rebellious Baloch tribal leaders, while simultaneously announcing new economic and social projects to accelerate the province's development.

Regarding U.S.-supplied equipment and material, we know the Frontier Corps has used Huey-II helicopters for operations and surveillance in Balochistan. The Frontier Corps has also used unarmed Cessna Caravan C-208 fixed-wing aircraft for transport, surveillance and support for operations. We believe operational AH-1F Cobra helicopters are predominantly used for operations in the Federally Administered Tribal Agencies, but on occasion the Pakistan Army has probably used its Cobra helicopters in Balochistan. The Army also may have used their Bell 412 EP (Enhanced Performance) helicopters for air mobility of troops, medical evacuation, resupply of outposts, and reconnaissance.

Question:

Pakistan is scheduled to have national elections in 2007. What expectations does the U.S. have regarding those elections? What key benchmarks will we use—such as the establishment of an independent and credibly funded election commission—to ascertain whether or not the elections will be free and fair. What steps, if any, are we prepared to take if those elections are manipulated by President Musharraf?

Response:

The U.S. has been very clear that our expectation is that Pakistan will hold free and fair elections in 2007. In June, Secretary Rice held discussions with Pakistan's leaders about the importance the international community attaches to a process next year that results in free and fair elections. She emphasized that it is not just a matter of election day; it is also a matter of access to a free press and the ability to assemble and campaign.

The March 12 appointment of an independent, permanent Election Commissioner—retired Justice Qazi Muhammad Farooq—is an important signal to the political parties and people of Pakistan that President Musharraf intends to honor his commitment to a free and fair election process. Farooq will serve a full three years and thus be insulated from the political pressures placed on previous election commissioners. The United States is prepared to support Pakistan's efforts to build a strong foundation for free and fair elections through assistance to the Election Commission of Pakistan, training for political parties, and training for election observers. If these elections fail to be credible, the United States is certainly prepared to take all appropriate steps, but it is premature to outline what specific actions the United States would take.

Question:

According to the New York Times, on average, a woman is raped every two hours in Pakistan. Dr. Shazia's case is just one of the recent, high profile cases that illustrate the formidable legal barriers women in Pakistan face in the prosecution of rape under the zina provisions of a set of criminal laws known as the Hudood Ordinances. The Pakistan Government's National Commission on the Status of Women has recommended the repeal of the Hudood Ordinances, including the provision on rape, on the grounds that they are discriminatory towards women and not in accordance with Islamic injunctions. The Hudood Ordinances are also contrary to the Constitution of Pakistan, which states in Article 25 that, "all citizens are equal before law and entitled for equal protection of law."

What steps will the Administration take to urge the Pakistan government to repeal the Hudood Ordinances to remove discrimination against women and to ensure that women who have been raped receive equal protection under the law?

Response:

The U.S. government continues to encourage the Pakistani government to make amendments to the Hudood Ordinance that eliminate provisions that have proven highly discriminatory for women.

The Hudood Ordinances were introduced into Pakistan's legal system in 1979, during the period of General Zia ul-Haq's policy of Islamization of Pakistani society. The ordinance governing the offence of Zina defines it as sexual intercourse between individuals who are not validly married to one another, i.e., adultery. Unfortunately, the rules governing evidence and testimony in the Hudood Ordinances were so discriminatory against women that many instances of rape (Zina-bil-jabr) resulted in the victim being accused of adultery.

It is our understanding that Zina (adultery) will continue to be condemned by the Hudood Ordinance, but the rules governing filing cases and testimony will be

changed to render them less discriminatory against women. Zina-bil-jabr will be deleted from the Hudood Ordinance altogether, and made a crime exclusively under the Pakistan Penal Code. Cases will be decided on the basis of direct and circumstantial evidence, such as the testimony of the victim and the medical and forensic evidence at the scene. The Hudood Ordinance's requirement for the testimony of four male witnesses will be eliminated. In addition, we also understand that the proposed legislation will carry stiff penalties for buying, or selling, or trafficking in women for the purposes of prostitution, non-consensual marriage, or sexual exploitation.

Question:

Dr. Shazia Khalid, a young Pakistani physician employed by Pakistan Petroleum Limited (PPL), was raped in her home, in a guarded compound in Pakistan by an intruder who broke in at night while she was sleeping. Although she reported the crime to the police, instead of pursuing her attacker, the government of Pakistan forced Dr. Shazia and her husband to flee the country under threats of death. Government agents told Dr. Shazia that they know the identity of the rapist, but have made no efforts to apprehend him. Reports also indicate that PPL may have destroyed all evidence related to Dr. Shazia's rape.

What steps will the Administration take to urge the Pakistani authorities to conduct a full, transparent investigation of Dr. Shazia's case so that those responsible for her rape, as well as those who threatened Dr. Shazia with death or other harm, are brought to justice?

Response:

The Department of State has been following the case of Dr. Shazia Khalid since its inception. Our understanding is that the investigation into Dr. Khalid's allegations was suspended when she left Pakistan and that the legal process cannot be resumed until she returns. The U.S. government is dedicated to working with the Pakistani government and local non-governmental organizations to enhance the rights of women in Pakistan, including programs to fight violence against women and improve victims' access to specialized law enforcement teams and legal representation.

Dr. Khalid has traveled to the United States twice since leaving Pakistan and has met both times with officials in the Department. When asked what she would like us to do in her case and for rape victims in Pakistan, Dr. Khalid said she would like the United States government to help with founding centers to help rape victims. The Department of State's Bureau of Democracy, Human Rights, and Labor and the Office of International Women's Issues are already working on funding such a project in Pakistan.

Question:

After four years of truce, the Sri Lankan peace process is under severe strain. The Sri Lankan elections of November 2005 brought President Rajapakse to power with the support of hardliners (such as the Marxist-nationalist JVP). Does the new government still support the principle of devolution of power to the Tamils in the north and east under a federal system of government? Why or why not?

Response:

We are deeply concerned by the recent escalation of violence in Sri Lanka that has threatened the ceasefire agreement and the peace process. President Mahinda Rajapaksa's November 2005 campaign platform included a commitment to pursue consensus-based solutions to Sri Lanka's ethnic conflict, including devolution of power. The President has called for an All-Party Conference to discuss the way forward, including possible solutions involving devolution of power. A committee within the All-Party Conference will develop a new Constitutional draft to incorporate the President's proposals on maximum devolution.

Question:

The LTTE has also greatly complicated matters by its insistence that the government disarm the breakaway faction led by the former LTTE commander Karuna. The LTTE accuses the Sri Lankan government of collusion with Karuna and has used the tactics of terrorism to strike out at leaders in Colombo. Is the LTTE using the Karuna issue as an excuse to undermine the ceasefire? What are their motives for escalating violence at this time?

Response:

The Karuna faction and other paramilitary groups are waging a shadow war in Sri Lanka against both government and Liberation Tigers of Tamil Eelam targets.

In their negotiations with the Sri Lankan government, the Tigers have consistently demanded that the government disarm paramilitaries. At the February 2002 ceasefire implementation talks in Geneva, the government committed to “taking all necessary measures in accordance with the Ceasefire Agreement to ensure that no armed group or person other than Government security forces will carry arms or conduct armed operations.” The Tigers have accused the government of failing to meet this commitment and in part used the perception of government inaction on Karuna to scuttle a second round of negotiations in April. We and other members of the international community have encouraged the government to fulfill this commitment.

The Tigers have escalated their attacks since the election of President Mahinda Rajapaksa in November 2005, endangering the ceasefire agreement and the peace process. Their principal motivation is the long-term strategic goal of an independent homeland (Eelam). However, the Tigers have also cited the positions of the President’s hard-line political allies and the recent European Union listing of the Tigers as a terrorist organization as reasons for their increased violence.

Question:

If the current conflict continues or even escalates, does the U.S. plan to increase security assistance to Sri Lanka? If so, please describe the nature of such proposed assistance.

Response:

The United States continues to base its decisions on security assistance to Sri Lanka on careful assessments of whether such aid will advance the process to achieve a long-term peace. We support Norwegian facilitation of the peace process and are working with our Co-Chair partners, the European Union, Norway, and Japan, to pressure both sides to cease hostilities immediately and return to negotiations. Principal Deputy Assistant Secretary of State for South and Central Asian Affairs Don Camp traveled Colombo in May to reinforce this message with the Sri Lankan authorities.

Question:

Is there a road back to peace? Does it begin with effective financial and other pressures on the LTTE? Or, is it possible that effective pressure on the Tigers is only if and when the international community steps in and demands that the Colombo government respect the basic rights of its Tamil citizens?

Response:

We support a negotiated solution to the conflict and are actively working with our Co-Chair partners, the European Union, Norway, and Japan, to achieve this outcome. The Co-Chairs will meet soon to assess the situation on the ground and discuss appropriate actions. We are pleased by steps taken by the international community to press the Liberation Tigers of Tamil Eelam to return to negotiations. We are encouraging the international community to consider ways to further limit the Tamil Tigers’ ability to raise funds and procure weapons.

We have also joined with other members of the international community to press the Sri Lankan Government to address legitimate Tamil grievances. The Government must address legitimate Tamil grievances if the peace process is to move forward and communicate a proposal for a credible, long-term solution to the conflict. Doing so will send a clear message to the Tamil community there is a peaceful way forward. The August 2005 assassination of Foreign Minister Kadirgamir shows the dangers facing moderate Tamils. Their voices must be strengthened and supported.

Question:

The LTTE has long used violence and intimidation as a means to achieve their political ends. However, it has come to my attention that elements associated with the government of Sri Lanka may have also engaged in extrajudicial killings of Tamils in the North and East of the country—including the murder of five Tamil students in Trincomalee and a massacre in Kayts on May 13th. Are these reports accurate? What steps, if any, have been taken by the Government of Sri Lanka to investigate any such incidents and bring the perpetrators to justice?

Response:

Achieving respect for human rights by both sides remains a priority for us in Sri Lanka. Principal Deputy Assistant Secretary for South and Central Asian Affairs Don Camp raised our concerns about human rights allegations with the Sri Lankan Government during his visit to Colombo in May. Principal Deputy Assistant Secretary Camp urged the Sri Lankan authorities to conduct full investigations into

abuses and in particular stressed the need to investigate allegations against the security forces.

Question:

Arguably, the Government of Sri Lanka has failed to challenge and weaken Sinhala chauvinist forces both within and outside government, not only by failing to protect the human rights of Tamil and Muslim citizens, but also by failing to institute constitutional reforms guaranteeing the autonomy of minority communities. Does the Government of Sri Lanka support a constitutional reform agenda based on the devolution of power to the regions and mechanisms for power sharing at the center within the framework of a united Sri Lanka?

If not, does the Administration or other member governments of the donors group believe that such an agenda for Sri Lanka is both timely and warranted? If so, what steps are the donors taking in order to help advance this agenda within the Sri Lankan body politic?

Response:

The United States supports the peace process in Sri Lanka and we have urged the Government to develop a proposal for a credible long-term solution to the conflict that addresses legitimate Tamil grievances. Only addressing legitimate Tamil grievances and providing assurances a post-conflict scenario will offer security and a sense of belonging for all Sri Lankans will move the peace process forward. It is the Sri Lankan people, however, who must decide upon constitutional reforms.

Question:

On March 15, 2006 the U.S. Peace Corps decided to suspend indefinitely its program in Bangladesh. What were the reasons behind this decision? Were there specific threats against Americans?

Response:

The Peace Corps decided to suspend indefinitely its program in Bangladesh because of concerns that Jamaatul Mujahideen Bangladesh might attempt to attack Peace Corps Volunteers, perhaps in retaliation for Bangladesh Government's capture of Jamaatul Mujahideen Bangladesh leaders. About 60 Peace Corps volunteers had been working in different parts of Bangladesh. The Bangladeshi press had reported that captured Jamaatul Mujahideen Bangladesh leader, Abdur Rahman, confirmed that his organization had been targeting Peace Corps volunteers, and the U.S. Embassy in Dhaka received several credible but unsubstantiated threat reports involving the Peace Corps.

Question:

What benchmarks will the U.S. establish to determine if the 2007 general elections in Bangladesh are free and fair?

Response:

Free, fair, non-violent and credible elections in 2007 are vital to preserving Bangladeshi democracy. In order to ascertain whether the elections are free and fair, the U.S. Government is closely coordinating with the international community in Bangladesh. The National Democratic Institute, the International Republican Institute, and the European Union will perform pre-election assessments to evaluate the situation prior to the elections. The international community will coordinate on international observer missions and support domestic observers before, during, and after the elections. The assessment will examine the election process including the legal framework for the elections, elements of the pre-election period related to fair competition and the freedom of citizens to make informed political choices at the ballot box, the voting process, how the ballots will be counted, how results will be tabulated, and the conditions surrounding the formation of a new government. The international observer missions and domestic observers will be present to view the actual voting process, counting of ballots, the tabulation of results, and the acceptance of voting results. These pre-election assessments and the reports from domestic and international election observers will be used to assess the Bangladesh elections.

NEPAL

Question:

As the euphoria of Nepal's revolution slowly fades, the main players—the seven party alliance and the Maoists—need to address hard realities. They will now have to come together to create new democratic forces and structures attuned to the aspirations of the people of Nepal, who have struggled to do away with the repressive monarchial system.

- *What are the views of the main political actors in Nepal on the manner of elections for a new Constituent Assembly? E.g., will it be a national referendum or elections on the basis of party representation?*
- *What are the parameters for discussion on constitutional reform? E.g., will it be a one point agenda to change the existing monarchical system to a republican order or a modification of the current system? What involvement will the U.S. and other external parties have in this process?*

How does the new government and the seven party alliance propose to keep the peace process on track?

Response:

With many of the broader issues in Nepal's political process still unresolved, detailed discussions of constituent assembly elections and constitutional reform have not yet begun in earnest. However, there is a broad structure in place for the peace process that includes a committee to monitor compliance with the cease-fire agreement and a committee to draft an interim constitution. The government's Peace Secretariat is charged with supporting the overall process, and we are providing direct support to this critical institution.

The U.S. is deeply engaged with the Government of Nepal to seek to ensure a successful outcome to the peace process. We continue to believe that the Maoists must give up their arms in order for the peace process to be credible and successful.

With regard to the international community's role in Nepal, the U.S. and many other donors have made clear their commitment to supporting the constitutional reform process with capacity-building and other assistance. As the process evolves, we will look to the Government of Nepal to identify ways in which U.S. assistance can be most useful and seek to provide targeted aid to the maximum extent possible.

Question:

What role does the U.S. envision for itself and other members of the international community during this critical time for Nepal? Specifically:

- *What efforts, formal or informal, are underway to coordinate policy between India, the U.S., the EU and other members of the international community?*
- *What steps should be taken by the international community to support the peace process? E.g., should donors help monitor the ceasefire and/or assist in demobilization and demilitarization efforts?*

Response:

The U.S. consults regularly with international partners including India, the United Kingdom, the European Union, China, Japan, and the United Nations on the situation in Nepal. It is an informal process; each maintains its own distinct policy and relationship with Nepal. However, the consultative process is intended to ensure that all are working toward the same goal and in a complementary manner, and it has been successful to that end so far.

There is a donor coordination mechanism in Kathmandu that involves both bilateral and multilateral donors and organizations, including USAID. This coordination extends to both development planning and implementation.

U.S. support for the peace process is guided by the needs and wishes of the Government of Nepal, which has our full support. We encourage other donors to adopt a similar approach. The Government and Maoists have requested United Nations assistance for cease-fire and arms monitoring, and the U.S. strongly supports such a role for the UN.

Question:

In the U.S. view, what are the priority issues demanding attention in Nepal?

Response:

The U.S. is encouraged by progress in talks between the Government and the Maoists, and is optimistic about the prospects for a lasting peace in Nepal. Government-Maoist agreement to UN monitoring of their armies and weapons is especially noteworthy and a step in the right direction. However, until the Maoists agree to disarm fully and foreswear violence and intimidation as political tools, the U.S. will remain concerned about the depth of their commitment to multi-party democracy and free and fair political and constitutional processes.

The Maoists continue to insist that they will not disarm prior to constituent assembly elections and have not renounced violence as a political tool. The implication thereof is that the Maoists reserve the option to return to war if constituent assembly elections do not go their way. This is naturally unacceptable to the Government of Nepal, as political parties with private armies have no place in democracies.

This impasse must be resolved for peace to take root, and the U.S. calls upon the Maoists to resolve it by renouncing violence, disarming, and submitting themselves to the will of the Nepalese people in a free, fair, and peaceful political process.

Supporting the peace process is the single highest priority of the U.S. in Nepal, but it is not the only priority. The U.S. is working hard to strengthen institutions that are vital to sustaining democracy in Nepal, including those focused on improving respect for human rights. In addition, U.S. assistance to expand and improve service delivery in sectors like public health and infrastructure development is supporting Nepalese efforts to improve the standard of living and mitigate the effects of conflict, especially in rural areas. Fighting trafficking in persons and working to achieve durable solutions for Tibetan and Bhutanese refugees resident in Nepal are also important goals of U.S. transformational diplomacy in Nepal.

Question:

What thought has been given by the U.S. government and other concerned international parties to engagement with the Royal Nepal Army and the security services? Is the U.S. preparing to resume lethal assistance? Is non-lethal assistance being channeled through the civilian government or being provided directly to the army?

Response:

Engagement with the Nepalese Army remains an important part of overall U.S. engagement with Nepal. Even if the current cease-fire and political process result in a lasting peace, the people of Nepal will be well-served by a more professional military that shows respect for human rights, and the U.S. remains convinced that exposure to American military principles through the International Military Exchange and Training program is helpful to that end. The international community also will be well-served, considering Nepal's significant contributions to UN peace-keeping operations.

Equipment assistance to Nepal continues on a case-by-case basis and, like non-military assistance, is fundamentally driven by the wishes and needs of the Government of Nepal. The Government of Nepal has not requested a resumption of lethal military assistance. Civilian defense officials have approved all current training assistance to the Nepalese Army.

Question:

What is our view about assisting the civil police, who arguably need to be strengthened to play a crucial role in maintaining law and order during the ceasefire?

Response:

The U.S. is in favor of assisting the civil police and is currently assessing how best to do it. Our general approach is to work for institutional reform throughout the organization, through training in basic and investigative skills; technical skills; forensic laboratory assistance; merit-based hiring and promotions; creation of internal affairs units to address corruption and citizen complaints about mistreatment; and better coordination between the police, the prosecutors' offices and the judiciary.

BANGLADESH

Question:

Bangladesh's liberal cultural history has been cited as a natural anti-dote to the growth of terrorism in that country. However, each passing incident of terrorism has posed fundamental challenge to the country's body politic, leading many analysts to question the scope and extent of Islamist radical terrorism in the country.

- *How seriously concerned should the U.S. be about extremism in Bangladesh? If it is not a serious concern, why has Bangladesh banned three Islamist outfits in the country, the Jagrata Muslim Janata Bangladesh (JMJB), the Jama'atul Mujahideen Bangladesh (JMB) and the Shahdat al Hiqma for terrorist activities?*

Response:

The events of August 17, 2005 when over 450 bombs exploded in 63 of Bangladesh's 64 districts, and subsequent bombings highlight the threat that extremism poses to Bangladesh. Founded as a secular state, Bangladesh has throughout its 35-year history been moderate and tolerant of religious and ethnic differences. Leaders of all major political parties, the press, and leading public figures have condemned the bombings.

Given the increase of acts of violence in the past 12 months, extremism in Bangladesh has raised serious concern within the U.S. Government. Senior U.S. officials and our Embassy in Dhaka stress the need to combat extremism to Bangladeshi of-

ficials and urge them to strengthen their government's counter-terrorism capabilities, to investigate all extremist attacks fully, and to act against extremist groups and leaders in full conformance with Bangladesh law and with respect for human rights. The Bangladesh Government has now captured all known senior members of Jama'atul Mujahideen Bangladesh. The U.S. Government is assisting the Bangladeshi authorities in strengthening their ability to combat terrorism and is providing training, including terrorism crime scene investigation, post-blast investigation, and fraudulent document detection, to Bangladeshi law enforcement agencies.

Question:

The 2005 State Department Country Report on Human Rights states that the government's human rights record remained poor, and the government continued to commit numerous serious abuses.

The following human rights problems were reported: extrajudicial killings; politically motivated violence and killings; impunity for security forces; infringement on religious freedom; extensive government corruption; violence against women and children; trafficking in women and children; and limitation on workers rights. This record sounds rather alarming. Has protection of human rights improved or deteriorated in Bangladesh over the last few years?

Response:

Bangladesh's poor human rights record includes serious abuses such as extrajudicial killings, politically motivated violence and killings, impunity for security forces, and extensive government corruption. Progress in many of these areas has been limited. The Government of Bangladesh has, however, been responsive to U.S. government pressure on trafficking issues, the protection of religious minorities such as the Ahmadiyya Community, and on workers' rights issues.

In U.S. training programs for Bangladesh we emphasize the need to be respectful of human rights. Similarly, the same points on human rights figure in our discussions with others in Bangladesh outside of the government and in our public statements. U.S. assistance programs include anti-corruption elements to help fight corruption at every level.

Examples of successful programs include training 2,100 religious leaders on the risks of trafficking and encouraging them to spread an anti-trafficking message during religious services and using micro-credit lending seminars to distribute anti-trafficking awareness information to underprivileged women. In conjunction with the Solidarity Center the U.S. has been active in promoting worker's rights in the Export Processing Zones.

The U.S. will continue to urge the Bangladeshi Government to make progress on its human rights record. U.S. Officials emphasize the need for the Bangladesh Government to protect the rights of those most vulnerable, including women and religious and ethnic minorities, in accordance with its constitution; otherwise its reputation as a traditionally tolerant society will be tarnished.