

**STATE, FOREIGN OPERATIONS, AND RELATED  
PROGRAMS APPROPRIATIONS FOR FISCAL  
YEAR 2010**

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**HEARING**

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

ON

**H.R. 3081/S. 1434**

AN ACT MAKING APPROPRIATIONS FOR FOREIGN OPERATIONS, EXPORT  
FINANCING, AND RELATED PROGRAMS FOR THE FISCAL YEAR END-  
ING SEPTEMBER 30, 2010, AND FOR OTHER PURPOSES

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**Department of State**

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**STATE, FOREIGN OPERATIONS, AND RELATED  
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**WEDNESDAY, MAY 20, 2009**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 9:40 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Patrick J. Leahy (chairman) presiding.

Present: Senators Leahy, Mikulski, Lautenberg, Specter, Gregg, Bennett, Bond, and Brownback.

DEPARTMENT OF STATE

SECRETARY OF STATE

**STATEMENT OF HON. HILLARY CLINTON, SECRETARY OF STATE**

OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Thank you, Madam Secretary, for being here. We're starting a little bit late, which is my and Senator Gregg's fault. We were chatting with the Secretary about the world's problems.

We know how busy you are. We're going to hear your testimony and place your written statement in the record and leave time for questions. There are amendments to the supplemental appropriations bill on the Senate floor, and Senator Gregg just told me there's a vote at 11:40.

I do want to say how pleased and proud I am to have you representing the United States as our Secretary of State. It's reassuring to have someone of your stature, intellect, and experience, which is extraordinarily important as the top American diplomat. You can hold your own with any foreign head of state, you're instantly recognized, and you are a wonderful person to help reintroduce America to the rest of the world.

It's also an opportunity for the State Department itself. It has had problems of leadership and management know-how. I think political ideology and bullying some times replaced common sense and the judgment of career Foreign Service officers. We wasted valuable time and resources. Our image has suffered badly. Other countries, particularly China, are filling the vacuum. You, with your experience, both on the Hill and at the White House, and now your experience at the Department, will help.

We've also learned, as many of our military leaders have said, that military force is usually not the best option. It's certainly far more costly than diplomacy which could help prevent, in many instances—not every, but in many instances—instability and conflict.

I would like to see the State Department return to its dominant role, its rightful role, as it was under former great Secretaries like George Marshall and Dean Acheson. I think the manner in which we conduct diplomacy over the next 5 to 10 years will determine whether the United States remains a world leader, as it has been for the past century. I'm one American who wants us to remain that leader because of our commitment to democracy and to the ideals of this country.

The President has set a new course. He's replaced arrogance with vision and has the courage to take risks, including by searching for common ground with those we disagree with. We're powerful enough and our values are resilient enough to do that. We've had Presidents who have done this in both parties in the past. I think the obvious example is President Nixon going to China.

In this time of great fiscal difficulties, your budget request is ambitious, but I think it reflects the magnitude of the challenges we face. I hope you devote as much time as possible to fighting for it. I know I intend to.

I yield to my colleague and neighbor from New Hampshire, Senator Gregg.

STATEMENT OF SENATOR JUDD GREGG

Senator GREGG. Thank you, Mr. Chairman. I also wish to welcome the Secretary and appreciate her excellent representation of the United States. Obviously, as the chairman said, you bring talented ability and tremendous international respect to the office, and it's good for the Nation that you're doing this job.

There are so many issues before us as a country. In our international concerns, it's hard to know where to start, but I think the starting point has to be the continued threat to our Nation from international terrorists, specifically Islamic fundamentalists, obtaining weapons of mass destruction, and the logical sources for those weapons being Iran, potentially Pakistan, and obviously North Korea.

So I hope that we can get your thoughts on how we make sure those folks don't get their hands on those types of weapons, and, of course, any other thoughts you have on so many issues which pan before us in this very complex world. And we thank you for your leadership.

Senator LEAHY. Secretary Clinton, please go ahead.

STATEMENT OF HON. HILLARY CLINTON

Secretary CLINTON. Thank you very much, Mr. Chairman, Senator Gregg, Senator Specter, Senator Bond. I'm very pleased to be here with you and to have this opportunity to discuss in some detail both the threats and the opportunities facing our country. When I appeared before the Senate Appropriations Committee a few weeks ago with Secretary Gates, we both emphasized a need for a comprehensive approach to the challenges we face.

We know we are confronting instability in Afghanistan, Pakistan, Iraq, and the Middle East. We have transnational threats, like terrorism, nuclear proliferation, climate change. And we have urgent development needs, ranging from extreme poverty to pandemic disease, all of which have a direct impact on our own security and prosperity.

Now, these are tough challenges, and we would be foolish to minimize the magnitude of the task ahead, but we also have new opportunities. By using all the tools of American power, the talent of our people, well-reasoned policies, strategic partnerships, and the strength of our principles, we can make great strides against the problems we've faced for generations and address the new threats of the 21st century.

This comprehensive approach to solving global problems and seizing opportunities is at the heart of smart power, and the President's 2010 budget is a blueprint for how we intend to put smart power into action. The President's fiscal year 2010 budget request for the State Department and the United States Agency for International Development (USAID) is \$48.6 billion, a 7 percent increase over fiscal year 2009 funding levels.

We know this request comes at a time when other agencies are experiencing cutbacks and the American people are experiencing economic recession, but it is an indication of the critical role the State Department and USAID must play to help advance our Nation's interests, safeguard our security, and make us a positive force for progress worldwide.

Our success requires a robust State Department and USAID working side by side with a strong military. To exercise our global leadership effectively, we do need to harness all three Ds: diplomacy, development, and defense.

And this budget supports the State Department and USAID in three critical ways. First, it allows us to invest in our people; second, implement sound policies; and third, strengthen our partnerships. We know it represents a major investment, and we pledge to uphold principles of good stewardship and accountability.

Let me begin with people. The men and women of the State Department and USAID may have the world in their hands, but too many are trying to balance all the balls they have in the air. Many key positions at posts overseas are vacant for the simple reason we don't have enough personnel. In Beijing, 18 percent of our Embassy positions are open. In Mumbai, 20 percent. In Jeddah, 29 percent. And we face similar staffing shortages here at the Department in Washington, as well as USAID.

We need good people and we need enough of them. That is why the President's 2010 budget includes \$283 million to facilitate the hiring of over 740 new Foreign Service personnel. This is part of our broader effort to expand the Foreign Service by 25 percent.

The staffing situation at USAID is even more severe. In 1990, USAID employed nearly 3,500 direct-hire personnel to administer an annual assistance budget of \$5 billion. Today, the agency staff has shrunk by roughly one-third, but they are tasked with overseeing \$13.2 billion.

To provide the oversight that taxpayers deserve and to stay on target of doubling our foreign assistance by 2015, we simply need

more people, good people to do the jobs we're asking them to do. We need personnel with the right skills to respond to the complex emergencies of the 21st century. And that's why we're requesting \$323 million for the civilian stabilization initiative, and that includes expansion of the Civilian Response Corps. This group of professionals will help the United States stabilize and reconstruct societies in transition from conflict and civil strife.

Now, with the right people in the right numbers, we will be able to implement the policies that we think are right for our country, and we're focusing on three priorities. First, urgent challenges in regions of concern, including Afghanistan and Pakistan, Iraq and Iran, and the Middle East; second, transnational challenges, such as the one that Senator Gregg just referred to; and development assistance.

Now, in Afghanistan and Pakistan, our efforts center on the President's goal to dismantle, disrupt, and defeat Al Qaeda, and we know this requires a balanced approach that takes more than military might alone. So we're expanding civilian efforts and we're ensuring that our strategy is fully integrated and adequately resourced.

We're helping Afghans revitalize their country's agricultural sector. In study after study, what we have found is that agriculture is still the mainstay for a country that's largely rural. It was once a major source of jobs and, in fact, of export revenue. Afghanistan was considered the garden of Central Asia.

Unfortunately, that has been devastated by years of war and civil strife. We're supporting the Pakistani military as they take on the extremists who confront their country's stability. We're making long-term investments in Pakistan's people and the democratically elected government through targeted humanitarian assistance. And in both of these countries, we are holding these governments and ourselves accountable for progress toward defined objectives.

Finally, we're seeking resources to deploy a new strategic communication strategy. I would love to get into more detail with you on this, but just suffice it to say we are being out-communicated by the Taliban and Al Qaeda. That is absolutely unacceptable. It is not only true in Afghanistan and Pakistan, but as Senator Bond, who's focused on Southeast Asia knows, it's there, as well.

We have to do a better job of getting the story of the values, ideals, the results of democracy, out to people who are now being fed a steady diet of the worst kind of disinformation, and even more than that, seeing the media used by these extremists to threaten and intimidate every single night, just as it used to be used in Iraq, until we put a stop to it.

As we move forward with the responsible redeployment of our combat forces from Iraq, this budget provides the tools we need to facilitate the transition to a stable, sovereign, and self-reliant Iraq. I was recently in Iraq, and we are very focused on implementing the strategic framework that went along with the Status of Forces Agreement, so that we do what we can to help increase the capacity of the Iraqi Government. And, as you know, we're working with Israel and the Palestinian authority to advance our goal of a two-state solution, and a future in which Israel and its Arab neighbors can live in peace and security.



In addition to these urgent challenges—and there are others that I haven't had time to mention—we face a new array of transnational threats, none more important than the one Senator Gregg highlighted, but we have others as well: energy security, climate change, disease.

The United States is not immune from any of these transnational threats, and we've got to develop new forms of diplomatic engagement. We cannot send a special envoy to negotiate with a pandemic or call a summit with carbon dioxide or sever relations with the global financial crisis, but what we can do is use our ability to convene to create pragmatic and principled partnerships. We're working through the Major Economies Forum in preparation for the climate conference in Copenhagen. We're deploying new approaches to prevent Iran from obtaining nuclear weapons.

We're now a full partner in the P5-plus-1 talks. And, as you know, the President and I have launched a 6-year, \$63 billion global health initiative to help combat the spread of disease. Development will play a critical role in what we try to do, and I think we have underplayed the importance of development in creating both goodwill among people and stronger partnerships with governments.

We're going to be asking for \$525 million for maternal and child health, nearly \$1 billion for education, \$1.36 billion for addressing the root causes of food insecurity, and \$4.1 billion for humanitarian assistance, including care for refugees, displaced persons, and emergency food aid. We really believe this will advance our values. And I know, Mr. Chairman, you agree with us on that.

Our smart power approach will rely on partnerships, and that begins with our own Government. We are seeking an unprecedented level of cooperation between our agencies. Secretary Gates highlighted this cooperation when he testified before you last month.

These partnerships are critical. If we're going to be successful in addressing food security, then we've got to get everybody who deals with food aid and sustainable agriculture in the same room, around the same table, hammering out the American approach, not the State Department or the USAID or the USDA or some other approach. It's got to be a team, and we're trying to forge those teams. We think it will make us more efficient and cost effective at the same time.

We're also looking to revitalize our historic alliances in Europe, Latin America, Africa, and Asia, strengthen and deepen our bilateral ties with emerging regional leaders like Indonesia, Brazil, Turkey, Mexico, and India, and we are working to establish more constructive and candid relationships with China and Russia.

We're asking for \$4.1 billion for contributions to multilateral organizations and peacekeeping efforts. This is a good down payment for us because for every peacekeeper that the United Nations puts in the field, like the ones I saw in Haiti a few weeks ago, it saves us money. We don't have to intervene or walk away, turn our back, and live with the consequences.

We're also expanding our partnerships beyond traditional government-to-government efforts. We're working with women's groups and civil society, human rights activists around the world, and

we're encouraging more people-to-people cooperation. I believe this may be one of the great new tools that we have in our diplomacy. Last week, I announced the creation of a virtual student Foreign Service that will bring together college students in the United States and our Embassies abroad to work on digital and citizen diplomacy initiatives.

But finally, we must rely on sound principles to guide our actions, and we are committed to practicing what we preach, and that includes having an accountable Government here at home. We're working to make the State Department more efficient, transparent, and effective. For the first time, we have filled the position of Deputy Secretary for Resources and Management, and we're going to be reforming our processes in both the State Department and USAID.

Mr. Chairman, we're pursuing these policies because we think it's in America's interest. No country benefits more than the United States when there's greater security, democracy, and opportunity in the world, and no country carries a heavier burden when things go badly. Every year, we spend hundreds of billions of dollars dealing with the consequences of war, disease, violent ideologies, and vile dictatorships.

Since last testifying before this subcommittee, I've traveled around the globe, covering many miles and many continents, and I can assure you, there is a genuine eagerness to partner with the United States again in finding solutions. Our investment in diplomacy and development is a tiny fraction of our total national security budget, but I really believe our country will make very few investments that do more dollar-for-dollar to create the kind of world we want for our children.

By relying on the right people, the right policies, strong partnerships, and sound principles, we can have a century of progress and prosperity lead by the United States of America.

#### PREPARED STATEMENT

So, Mr. Chairman, thank you for this opportunity to present the President's budget requests, and I look forward to answering your questions.

[The statement follows:]

#### PREPARED STATEMENT OF HILLARY RODHAM CLINTON

Mr. Chairman, Senator Gregg, and Members of the Subcommittee, it's a pleasure to be with you this morning.

When I appeared before the Senate Appropriations Committee a few weeks ago with Secretary Gates, we both emphasized the need for a comprehensive approach to the challenges on our nation's agenda. We face instability in Afghanistan, Pakistan, Iraq, and the Middle East; transnational threats like terrorism, nuclear proliferation, and climate change; and urgent development needs ranging from extreme poverty to pandemic disease that have a direct impact on our own security and prosperity.

These are tough challenges, and we would be foolish to minimize the magnitude of the task ahead. But we also have new opportunities. By using all the tools of American power—the talent of our people, well-reasoned policies, strategic partnerships, and the strength of our principles—we can make great strides against problems we've faced for generations, and also address new threats of the 21st century.

This comprehensive approach to solving global problems and seizing opportunities is at the heart of smart power. And the President's 2010 budget is a blueprint for how we intend to put smart power into action.

The President's fiscal year 2010 budget request for the State Department and USAID is \$48.6 billion—a 7 percent increase over fiscal year 2009 funding levels. We know that this request comes at a time when some other agencies are experiencing cutbacks. But it is an indication of the critical role the State Department must play to help advance our nation's interests, safeguard our security, and make us a positive force for progress worldwide.

In the face of formidable global challenges, our success requires a robust State Department and USAID working side-by-side with a strong military. To exercise our global leadership effectively, we need to harness all three Ds—diplomacy, development and defense.

This budget supports the State Department and USAID in three key ways: It allows us to invest in our people, implement sound policies, and strengthen our partnerships. We know it represents a major investment. And we pledge to uphold principles of good stewardship and accountability.

Let me begin with people. The men and women of the State Department and USAID have the world in their hands, but too many balls in the air. Many key positions at posts overseas are vacant for the simple reason that we don't have enough personnel. In Beijing, 18 percent of our embassy positions are open. In Mumbai, 20 percent. In Jeddah, Saudi Arabia, it's 29 percent. We face similar staffing shortages at the Department in Washington.

To address the challenges confronting our nation, we need good people—and enough of them. That's why the President's 2010 budget request includes \$283 million to facilitate the hiring of over 740 new Foreign Service personnel. These new staff are part of a broader effort to fulfill the President's promise of expanding the Foreign Service by 25 percent.

The staffing situation at USAID is, if anything, more severe. In 1990, USAID employed nearly 3,500 direct hire personnel to administer an annual assistance budget of \$5 billion. Today, the agency's staff has shrunk by roughly a third, but they are tasked with overseeing \$13.2 billion in assistance. To provide the oversight that our taxpayers deserve and stay on target to meet our goal of doubling foreign assistance by 2015, we need more people manning the decks.

We also need personnel with the right skills to respond to the complex emergencies of the 21st century. To help meet this challenge, we are requesting \$323 million for the Civilian Stabilization Initiative—that includes expansion of the Civilian Response Corps. This group of professionals will help the United States stabilize and reconstruct societies in transition from conflict and civil strife.

With the right people in the right numbers, the State Department and USAID will be able to use smart power to implement smart policies. We are focusing on three priorities: first, urgent challenges and regions of concern, including Afghanistan and Pakistan, Iraq, and the Middle East; second, transnational challenges, and third, development assistance.

In Afghanistan and Pakistan, our effort centers on the President's goal to disrupt, dismantle, and defeat al Qaeda. We know that this will require a balanced approach that relies on more than military might alone. So we are expanding our civilian efforts and ensuring that our strategy is fully integrated and adequately resourced.

To create conditions that will prevent al Qaeda from returning to Afghanistan, we are helping Afghans revitalize their country's agricultural sector, which was once a major source of jobs and export revenue. We are supporting the Pakistani military as they take on the extremists who threaten their country's stability, and we are making long-term investments in Pakistan's people and democratically elected government through targeted humanitarian assistance. In both Afghanistan and Pakistan, we are holding ourselves and these governments accountable for progress toward defined objectives. Finally, we are seeking the resources to deploy a new strategic communications strategy to combat violence and empower voices of moderation in both countries.

As we move forward with the responsible redeployment of our combat forces from Iraq, this budget provides the tools we need to facilitate the transition to a stable, sovereign, self-reliant Iraq and to forge a new relationship with the Iraqi government and people based on diplomatic and economic cooperation.

Elsewhere in the Middle East, we are working with Israel and the Palestinian Authority to advance our goal of a two-state solution and a future in which Israel and its Arab neighbors can live in peace and security.

In addition to these urgent challenges, we also face a new array of transnational threats, including climate change, energy security, nonproliferation, and disease. These issues require us to develop new forms of diplomatic engagement—we cannot send a special envoy to negotiate with a pandemic, call a summit with carbon dioxide, or sever relations with the global financial crisis. By supporting the Department's use of new tools and strategies, the President's budget will enable us to con-

front the threats and seize the opportunities of our interconnected world. For example, we are working through the Major Economies Forum and to prepare for the United Nations Climate Conference in Copenhagen. We are deploying new approaches to prevent Iran from obtaining nuclear weapons, and are now a full partner in the P-5 + 1 talks. And the President has launched a 6-year, \$63 billion Global Health Initiative to help combat the spread of disease.

This budget also reflects the critical role that development assistance must play in our foreign policy. We are proposing significant investments for critical programs including \$525 million for maternal and child health, nearly \$1 billion for education, \$1.36 billion to address the root causes of food insecurity, and \$4.1 billion for humanitarian assistance, including care for refugees and displaced persons and emergency food aid. These initiatives build good will, alleviate suffering, and save lives, but they also make our country safer and our partners stronger. Smart development assistance advances our values and our interests. Our assistance programs will also reduce the risk of instability in countries that face a variety of political, economic, and security challenges. Providing responsible governments with economic support now can help avert far more expensive interventions in the future.

Our smart power approach will rely on partnerships to magnify our efforts. These partnerships begin within our own government. We are seeking an unprecedented level of cooperation between agencies.

Secretary Gates highlighted this cooperation when he testified with me before you last month. Partnerships are also vital beyond our borders. None of the great problems facing the world can be solved without the United States, but we cannot solve any of these problems on our own. We are energizing our historic alliances in Europe and Asia, strengthening and deepening our bilateral ties with emerging regional leaders like Indonesia, Brazil, Turkey, Mexico, and India, and establishing more constructive, candid relationships with China and Russia. As we work to maximize the benefits of our policies and to ensure that global burdens are broadly shared, we must also make more effective use of international organizations. Our budget request provides \$4.1 billion for contributions to multilateral organizations and peacekeeping efforts—money which will fulfill our obligations to the United Nations and other international organizations, including full funding of all 2010 payments to the Multilateral Development Banks.

We are also expanding our partnerships beyond traditional government-to-government efforts. In addition to working with women, civil society, and human rights activists around the world, we are also encouraging more people-to-people cooperation. Last week at Yankee Stadium, I announced the creation of a Virtual Student Foreign Service that will bring together college students in the United States and our embassies abroad to work on digital and citizen diplomacy initiatives.

Finally, we must rely on sound principles to guide our actions. We are committed to practicing what we preach. And this includes a commitment to accountable governance at home and abroad.

As we seek more resources, we have a responsibility to ensure that they are expended wisely. We are working to make the Department more efficient, more transparent, and more effective. For the first time, we have filled the position of Deputy Secretary for Resources and Management. Together, we are working to increase efficiency and implement reforms throughout the State Department and USAID.

Mr. Chairman, we're pursuing all of these policies because it is the right thing to do, but also because it is the smart thing to do. No country benefits more than the United States when there is greater security, democracy, and opportunity in the world. Our economy grows when our allies are strengthened and people thrive. And no country carries a heavier burden when things go badly. Every year, we spend hundreds of billions of dollars dealing with the consequences of war, disease, violent ideologies, and vile dictatorships.

Since last testifying before the committee, I have traveled around the globe, covering many miles and many continents. I can assure you that there is genuine eagerness to partner with us in finding solutions to the challenges we face.

Our investment in diplomacy and development is only a fraction of our total national security budget. But this country will make very few investments that do more, dollar-for-dollar, to create the kind of world we want to inhabit. By relying on the right people, the right policies, strong partnerships, and sound principles, we can lead the world in creating a century that we and our children will be proud to own—a century of progress and prosperity for the whole world, but especially for our country.

Thank you again for this opportunity to present the President's budget request. I look forward to answering your questions.

Senator LEAHY. Thank you, Madam Secretary. You mentioned Secretary Gates' testimony before us, and you also said we need an American approach, not USDA or USAID or fragmentation. I've talked with Secretary Gates about this, and I've looked at some of the speeches he's given.

In some ways, the Defense Department is becoming our largest foreign aid agency. There are things they can do very well, very quickly. If you need to build a bridge, nobody's better equipped to do it than the Department of Defense (DOD). But if development means giving the people in the area the tools and training to build their own bridges, then he would be the first to say that the men and women at DOD are not the ones to do that.

Can we start shifting what has become more and more of basically a State Department effort at the Department of Defense back to the State Department? Others in the military have told me they would like to see this.

#### DEVELOPMENT RESOURCES/RESPONSIBILITIES AT STATE/USAID

Secretary CLINTON. Well, Mr. Chairman, this is a goal that both Secretary Gates and I agree on, and we are supported by the President in working toward that goal. We've already started high-level discussions between State Department and the Defense Department about how we will begin to move back a lot of the authorities and the resources that go with them.

We are engaged in a careful analysis of what we are prepared to do immediately, what we will be able to do once we build up our capacity and focus on the tactics that will enable us to be effective in the field. And I think that over time, starting with the 2010 budget, you will begin to see a clearer delineation of the responsibilities of the State Department and USAID.

Senator LEAHY. I hope you continue to work with this subcommittee, because I think most of us on both sides of the aisle would like to see that. Speaking of resources, an article by David Sanger and Tom Shanker in the New York Times noted Pakistan is increasing its nuclear arsenal. An impoverished country building nuclear weapons at the same time they're asking for a lot more money from us in both military and economic aid.

They're being threatened by an insurgency but nuclear weapons will do nothing to fight the Taliban or Al Qaeda. Are we just giving them money which is, after all, fungible, not to fight the Taliban and Al Qaeda, which are groups that are destabilizing their country more and more all the time, but to support Pakistan's nuclear program?

#### PAKISTAN'S NUCLEAR PROGRAM

Secretary CLINTON. Mr. Chairman, I think that there is no basis for believing that any of the money that we are providing will be diverted into the nuclear program. But let's put this into a broader context. I think that for the first time, we are developing the kind of relationships with the government and military of Pakistan that enable us to provide support and advice about the threats that they face.

When I testified a few weeks ago, I was very concerned, because there seemed to be an inability or an unwillingness on the part of

the democratically elected government to take on the very real threat that the Taliban posed to major population centers and, indeed, the security and stability of the entire state of Pakistan. That has turned around, and I give a great deal of credit to our military leadership, to Secretary Gates, and particularly, Admiral Mullen, who have worked to develop very good relationships with their counterparts.

And so what we see now is an all-out effort by the Pakistani military to take that territory that had been seized by the Taliban. There is a lot more work to be done as we move forward in this relationship. Obviously, we believe that India and Pakistan can take more steps to build confidence between the two of them that will lessen the need for a nuclear deterrent in the eyes of the Pakistanis or the Indians. But we think we're on the right path, Mr. Chairman.

Senator LEAHY. There are some other aspects of that which we won't discuss in an open hearing, but I would appreciate it if you and I and Senator Gregg could talk about that at another time.

You must wonder every morning when you wake up when you will ever get a quiet day. Iran fired another missile yesterday which was capable of traveling 1,200 miles and they made sure they got the film of it out to everybody around the world. Obviously, for them, obtaining a nuclear weapon is a key foreign policy goal.

What are we doing about Israel and the Palestinians? We've seen settlement construction not only continue after Israel said they wouldn't and even accelerate over U.S. objections. The rocket attacks continue against Israel. Of course, there was also the Gaza catastrophe. The Israelis and Palestinians don't seem to be able to work this out on their own.

We provide tens of millions of dollars to resettle Russian immigrants to Israel. Now we're told some of that money might be supporting some refugees who live in settlements we asked them not to build.

I went to a small town in the West Bank a couple of years ago named Aboud. There was recently an article in the Washington Post about that town, where Muslims and Christians live harmoniously. For generations they had hundreds of olive trees, and all of a sudden, the Israelis built their security barrier. It went 4 miles into Palestinian territory and cut off one-third of their land. Hundreds of olive trees were cut down.

They were told that the water they had always used would now be available only on some days, and sometimes they're not told when they can have it. Meanwhile, they can see sprinkler systems being used in the Israeli settlement. Will this administration get actively involved before it is too late? Because, frankly, if it's not already too late, it's the 11th hour.

#### FOREIGN POLICY CHALLENGES

Secretary CLINTON. Well, Mr. Chairman, the litany of challenges that you have listed are daunting. There's no getting around how much work lies ahead. But I want to assure you that in the short period of time that the Obama administration and I have been honored to have these positions, we have been working extraordinarily

diligently to try to set up the groundwork for facing all of these difficult challenges, specifically with respect to the Middle East.

As you know, on the second day of his Presidency, President Obama accepted my recommendation to appoint George Mitchell to be our Special Envoy. Senator Mitchell has been tireless in not only consulting with all of the parties multiple times, but in working through what would be our approach as we try to engage the Israelis and the Palestinians in such an effort.

We made it very clear to Prime Minister Netanyahu, as you know, when he was here, that our Government favors a two-state solution. That is the goal of our efforts, what we are working toward. And the President was explicit in calling for a stop to the settlement.

It is a very difficult set of circumstances that both the Palestinians and the Israelis confront, but we are operating on the basis of bedrock principles. The United States is committed to the safety and security of the state of Israel and the people of Israel.

We believe in a two-state solution, and we do not want to see either party, the Israelis or the Palestinian authority, do anything that would prejudice or undermine the ability to achieve a two-state solution.

We are starting early. We are engaging. The President will be going to the Middle East, as you know, in 2 weeks to make a major address. In Cairo, Senator Mitchell will be working in accordance with a work plan that we are setting up with the Israelis and the Palestinians. And I can promise you our very best efforts and our absolute commitment to the realization of a two-state solution, which we believe is in the interest of both Israel and the Palestinians.

Senator LEAHY. I do, too. I have further questions about Hamas and the rockets, but my time has run out. Senator Gregg.

Senator GREGG. Thank you, Mr. Chairman. Let me pick up where you left off. Mr. Netanyahu's been here in Washington for the last few days, and his position seems to be pretty clear that you can't settle the situation of his immediate neighbors, the Palestinian issue and southern Lebanon issue, unless you settle the issue of Iran.

First, do you believe that a precondition of resolving the Palestinian questions and the issue of southern Lebanon is the resolution of issues related to a nuclear Iran?

#### MIDDLE EAST PEACE AND IRAN'S NUCLEAR PROGRAM

Secretary CLINTON. Senator Gregg, I don't think that they are actually dependent upon one another, but I do believe that the alliance which has come together of Israel and many of her Arab neighbors against Iran obtaining nuclear weapons is an opportunity that will enable us both to move forward with our engagement regarding Iran and our commitment to pursue diplomacy and to build a multilateral coalition, including not only the countries in the region, but beyond, European nations, Russia and China, and others, to recognize the extraordinary threat that is posed by the potential of Iran obtaining nuclear weapons.

But we think that this coalition against Iran is a great opportunity to assist in achieving the two-state solution. We're not link-

ing them. We're not saying they're dependent. We made it very clear to Prime Minister Netanyahu our commitment to pursue what we hope will be an effective strategy against Iran.

The President made clear that he is committed to preventing Iran from obtaining nuclear weapons, with all of the consequences that that would entail. But at the same time, we cannot wait on the Palestinian-Israeli efforts regarding peace, so we think they have to proceed simultaneously.

Senator GREGG. As I look at where we as a Nation see our greatest threat, it is obviously a terrorist organization like Al Qaeda or other fundamentalist Islamic organizations obtaining a nuclear weapon. And right now, you have a terrorist state developing nuclear weapons, or terrorist government in Iran, and you have a group of terrorists trying to capture nuclear weapons from a nation state, Pakistan. So those appear to be the two most significant examples where nuclear terrorism could arise.

So I would like to get the specifics of how we keep—if you have ideas, what these specific ideas are for how you keep Iran from obtaining a nuclear weapon when they clearly are committed to doing that, and the timeframe seems to be shorter rather than longer now, and what we do in Pakistan to keep terrorists from taking control of nuclear weapons, specifically.

#### IRAN AND PAKISTAN'S NUCLEAR PROGRAM

Secretary CLINTON. Well, not to complicate the threats that you're posing, which are very real, there's a third, which is the acquisition of nuclear material outside of either of those two scenarios, which we are equally—

Senator GREGG. I accept that, but I'm—

Secretary CLINTON. Yeah, which we are equally worried about. Well, first, let me just say with respect to Pakistan, part of the reason why we are encouraged by the military's strong response against the Taliban in Buner and Swat is because we do not want to see the Pakistani state threatened with the advance of the Taliban.

We are assured by the Pakistani military and the government that they have control over their nuclear weapons at this time, and we have offered and continued to work with them in any way that they deem appropriate to help them assure the safety and security of those weapons. I do not see that as an immediate threat, but it is certainly one that we take very seriously.

With respect to Iran, our goal is to persuade the Iranian regime that they will actually be less secure if they proceed with their nuclear weapons program. There is a lot of debate about the timetable. Recent analyses have suggested the timetable may be longer than what had originally been thought. But whatever the timetable might be, the goal is the same—a nuclear armed Iran with a deliverable weapons system is going to spark an arms race in the Middle East and the greater region. That is not going to be in the interest of Iranian security, and we believe that we have a very strong case to make for that.

At the same time, we see a growing recognition among a number of countries that they do not want this eventuality to take place, so we're having serious conversations with many beyond the imme-



diate region. I don't want to go into details because, obviously, this is a very difficult undertaking, and we don't want to be telegraphing everything we're doing, but the strategy which we are laying out does have a timeframe, as the President said during his meeting with Prime Minister Netanyahu, where we either see some openness and some willingness to engage on this very important issue with us or we don't, but we are going to pursue our diplomatic efforts.

AUNG SAN SUU KYI

Senator GREGG. I appreciate that. I appreciate you can't be specific, but this is such a huge issue, as if we were looking at Germany in 1930, in my opinion. But may I turn to another topic which I would just like to get your quick thought on, and that is what we do in Burma. With Aung San Suu Kyi now being tried, and we have this dictatorship, which is incredibly oppressive, of Than Shwe, and isn't it time for us to take some more insistent action than what we've been doing in this area?

Secretary CLINTON. Senator, that's exactly what we are looking at through a strategic review. I know there's been consultation with some of the Members and staff on the Hill looking for the best ideas we would have going forward. We are absolutely committed to trying to come up with an approach that might influence the regime we reject. Their baseless charges against Aung San Suu Kyi, their continuing resistance to a free and open electoral process, if they stay on the track they're on, their elections in 2010 will be totally illegitimate and without any meaning in the international community.

I've been heartened by the response we've received. I've spoken to a number of the foreign secretaries of the ASEAN countries who've issued strong statements. We're working to get more support in the United Nations. We share your both frustration and distress at the repressive regime. There are several countries that have influence on the Burmese junta, and we are going to try to do our best to influence them to see that this repressive regime is not one that we should continue to support, and hopefully get a greater international base to take action against them.

Senator GREGG. Thank you.

Senator LEAHY. Thank you. Senator Specter.

Senator SPECTER. Thank you, Mr. Chairman. Madam Secretary, thank you for taking on this tough job, and thank you for the excellent job you are doing at it. I noted in the Washington Post yesterday, a statement that the administration indicated an interest in talking to Hamas. Obviously, a very, very touchy subject. Very hard to deal with a political organization which has articulated an intent to destroy Israel. Hard to bring them into the dialogue and discussion.

Right now, the conventional wisdom, which I share, is not to talk to Hamas. Those who take a little different point of view argue that without dialogue, the problems can't be solved. I have long believed in dialogue with Syria and Iran and have spoken about it and written about it. The dialogue with North Korea, when it moved to the bilateral stage with President Bush's administration,

plus multilateral, produced results, although it's difficult to deal with the North Koreans and make anything stick.

The experience with Qaddafi in Libya is heartening. It shows that if you deal with someone who's arguably the worst terrorist in the history of the world—blows up Pan Am 103, Berlin discotheque, et cetera—and comes back—makes reparations and comes back. So you have the issue of dialogue.

#### HAMAS

There are recent pronouncements by the leadership of Hamas of easing off on their threat to destroy Israel. Several comments in a 5-hour interview reported by the New York Times recently, a 10-year truce. Well, a lot can happen in 10 years. You don't need reciprocity to declare a truce. You can declare a truce. What do you see in our dealings with Hamas, from the point of view of aid development, which you talked about earlier, and I agree with you, to try to bring the people under Hamas' jurisdiction to reject them on election, which would solve the problem. How do you engage Hamas, if at all?

Secretary CLINTON. Well, Senator Specter, it is not the administration's policy to engage with Hamas. There are no efforts on the part of any official within the administration to do so. We have made very clear what our ground rules were, that in order for us, or we hope others, to deal with Hamas, Hamas had to renounce violence, had to accept the right of Israel to exist, and had to agree to adhere to the previous agreements entered into by the Palestinian Liberation Organization (PLO) and the PA.

So there is not any policy whatsoever, nor any authorized outreach to Hamas. And what we have been stressing is not only our strong conviction, but the principles embodied in the quartet, which consists of the United States, United Nations, the European Union, and Russia, all of whom have signed on to the same formulation regarding Hamas. But equally, the implicit expectation in the Arab peace initiative, that there had to be a willingness by Hamas, for it to ever come to any table that any of us would be a part of, to meet those requirements.

Now, I agree with you that at points in history, there have come opportunities for us to take advantage of, such as the Qaddafi example you provided. We see nothing at this moment that suggests that Hamas is anything other than a terrorist organization, a resistance organization, unwilling to really stake its future on a future of peace and security in a Palestinian state living next to Israel, and so we are dealing with a Palestinian authority.

Senator SPECTER. Thank you. Madam Secretary, turning now to other dialogue potentials, it is my hope that the administration will pursue a dialogue with Syria. Only Israel can decide for itself whether it wishes to give up the Golan, and anything done will have to be not with trust, but with verification, but the negotiations which Turkey has brokered appear to have some promise. And Foreign Minister Walid al-Mu'allim I think, has established a record of credibility, and I would suggest he is a good negotiating partner.

## OPENING DIALOGUE WITH IRAN

Let me come to a question with respect to Iran. Prime Minister Netanyahu was very pleased with the meeting with President Obama and the timetable which the President has set, looking to the Iranian elections, as the potential for dialogue and holding out the possibility of bilateral dialogue, and I hope you will pursue that.

And putting a timetable for the first time on not waiting indefinitely with all the options on the table—and I speak in generalities, not to beat a tom-tom unnecessarily.

The offer that the Russians made some time ago to enrich the uranium, I think, has never been pursued or publicized. Perhaps it has been pursued, but not publicized. But that seems to me to be a perfect lie when Iran insists that they're developing—enriching uranium for peaceful purposes, and the Russians can provide it for them.

What conceivable excuse—when they resist something so obvious as that, it seems that would be a good wedge to get more cooperation from China, Russia, and other countries. What can be done to pursue Russian enrichment of their uranium?

Secretary CLINTON. Well, Senator Specter, that is an option that is being considered within the P5-plus-1, as well as within our own deliberations. We have a broad range of issues to discuss with the Iranians if they respond affirmatively to the President's invitation to do so. And obviously, they are in the midst of election season. We know what that means. So it's unlikely that we will get a response or a dialogue going until there is some settling of the political scene. But your reference to the enrichment potential is one that we are exploring.

Senator SPECTER. Thank you very much, Madam Secretary. Thank you, Mr. Chairman.

Senator LEAHY. Thank you. Senator Bond.

Senator BOND. Thank you very much, Mr. Chairman. Madam Secretary, welcome. I am pleased to support your request for the additional resources that you badly need. I also congratulate you on the enunciation and implementation of smart power—that is, backing up our kinetic power with economic development, capacity building, educational exchanges, which I think is a way that we have to go in dealing with potential insurgencies.

And speaking of those, I congratulate you on having made your first official visit to Indonesia, the largest Muslim nation in the world, headed by an American-educated president who's working hard to bring Indonesia into a position where it and Southeast Asia will not be threatened with terrorists.

I think we've all heard now that the second attack, the follow-on after 9/11, was to be an attack on the west coast by Hambali and his associates from Indonesia. I have a much longer statement that I will put in the record, to everybody's great relief.

Senator LEAHY. We will all read it.

Senator BOND. I'm sure you will.

[The statement follows:]

## PREPARED STATEMENT OF SENATOR CHRISTOPHER S. BOND

Secretary Clinton, welcome back to the Senate, it is a pleasure to have you before the committee today.

I applaud your leadership of the State Department and for embracing the concept of “smart power.”

Many people in the world in less-developed nations are suffering right now—their governments don’t work; their people are hungry; there is little hope.

These people, whether they live in Afghanistan, Southeast Asia or the Middle East, are vulnerable to ideologies that promise a better life, whether or not those ideologies deliver.

Right now many of those nations are vulnerable to an ideology known as Extremist Violent Islam. Their goal: to destroy Western nations and convert the world to their ideology. Their tactic: terrorism.

We all know that anti-Americanism is growing throughout the world. So how do we respond to this ideology, and to the terrorism that results? Obviously, where appropriate, we are sending American troops to defend America.

But we need to do more.

And as a member of the committees on Intelligence and Defense and Foreign Operations appropriations, I look forward to working with you in a constructive, bipartisan manner to enhance our nation’s military, intelligence and diplomatic power, or—as you and I refer to the latter—our nation’s “smart power.”

Enhancing our nation’s smart power must be an essential component of our national security strategy. I believe 80–90 percent of our war against extremists and terrorism, involves putting additional resources towards smart power initiatives such as:

- Peace Corps volunteers
- USAID foreign service officers (I’m cosponsoring legislation to increase the number of FSO’s with Sen. Durbin)
- Educational and cultural exchanges like the Eisenhower fellowships and Financial Services Volunteer Corps
- Robust and appropriately targeted public diplomacy programs
- English language initiatives
- And rural development and healthcare programs, to name just a few.

In other words, I believe our nation needs to put proactively more sandals and sneakers on the ground, in order to prevent having to put boots and bayonets on the ground in the future.

You see—Smart Power recognizes that before a person can choose his politics, he has to have enough to eat, and a stable community in which to live.

One area where I have long called for increased focus, and an area where the United States has abiding interests and opportunities for the deployment of our nation’s smart power is Southeast Asia.

The 10 member ASEAN countries represent our fifth largest trading partner, the U.S. exports twice that of what it exports to China to ASEAN, and is home to approximately one-quarter of the world’s Muslims, the vast majority of whom practice the peaceful, tolerant and mainstream teachings of Islam.

Without continued and enhanced engagement, I believe this area runs the risk of becoming a second front against Islamist extremism.

The importance of the Straits of Malacca, through which 15 million barrels of oil and 40 percent of the world’s trade are transported through every day, cannot be overstated as well.

And as you know, the cornerstone to stability and prosperity in this important region is the 17,508 island archipelago nation of Indonesia.

I thank you for recognizing Indonesia’s importance by selecting it as one of your first official visits as Secretary of State.

As the world’s third largest democracy and largest Muslim populated nation on Earth, your visit underscored that Islam and Democracy are not mutually exclusive—that America supports Indonesia as a key partner in the effort against terrorism.

And, it demonstrated that America has not abandoned its leadership role in this vitally important region.

A tremendous amount of progress has been made in Southeast Asia.

However, the trends are not reversible.

America must renew its efforts to stay engaged in the region, or run the risk of ceding influence to China and other regional powers and bearing witness to the radicalization of the hundreds of millions of Muslims in this region of paramount strategic and economic importance.

Senator BOND. I have a book coming out that you can read at even greater length. But you mentioned communication, which is very important. Public diplomacy has really fallen down. We used to have a voice of America. We used to have broadcast bureaus. It reached out with news and information that reached the elites, that reached the leaders, reached the average citizens. Now they're playing dance music for teenagers.

And I guess the greatest comment on that, when my son and his marine scout snipers recaptured Fallujah in May 2007, they did so with no civilian injuries, tremendous success, and the Al Qaeda news media reached out and put totally different stories, lies that not only were the BBC, Yahoo, ABC, and other American news organizations—his report to me was, “We’re winning the war on the ground, and we’re absolutely losing it in the media.”

We found that to be true last December in Kabul, where we talked to our fine Ambassador Wood, who was saying, “When we do something good, it never gets publicized. When something happens, the Taliban or Al Qaeda will phrase it their way.” And it took the ISAF 2 weeks to acknowledge what happened. So he set up a government media information center, and to allow Afghan journalists to come in. Tremendous success.

And then when I read about it, 95 percent of it had to be funded by donations. Now, if there is one area where the State Department really needs to focus some efforts, we need to tell our story. If something goes wrong, admit it, tell it, apologize, tell what we’re doing to solve it. But right now, we’re getting killed. What are you doing in the communication area?

#### PUBLIC DIPLOMACY EFFORTS IN SOUTHEAST ASIA

Secretary CLINTON. I could not agree more with you, Senator. I really appreciate your emphasis, both on Southeast Asia, which we have got to get reengaged in, and on this really important issue of strategic communications. We are revamping what’s called public diplomacy from top to bottom. I am bringing in people who know how to tell a story. Our new Under Secretary will be one of the founders and executives from Discovery, a channel that has swept the world and understands what it is people want to hear about and how they can best be engaged.

But we’re not stopping there. We’ve got to get into the so-called nontraditional media, which is becoming more and more traditional. So, for example, when I announced yesterday that we were sending money for humanitarian relief in Pakistan, part of what we’re going to be doing is buying time on cell phones to communicate directly with the refugees, and to have them be able to ask questions, but to get information to them.

In both Afghanistan and Pakistan, we realized, as you saw in Kabul, that the Taliban, with their little FM radio stations on the backs of motorcycles and pickup trucks, were spreading this propaganda. And, in fact, they were jamming our cell phones that our young military, our soldiers and our marines had. They were very effectively preventing communication out, even on a personal basis. We are addressing that.

We have a civilian military team. We're going to be going at that with a great deal of effort because we cannot lose the information war.

Senator BOND. Just to interrupt very briefly, I hope if you need additional powers to expand beyond that, there has to be greater coordination among our agencies. The lack of coordination—Defense Department, State Department, and all the others—is critical.

#### USAID

Another quick comment on USAID. It's been understaffed, underperformed. Afghanistan needed the agricultural development about which you spoke for 2 straight years. We put in \$5 million in this subcommittee for USAID to send agricultural extension agents over there. How many went? Zero. That's why we involved the National Guard to start the agricultural development teams. You need to have the security before you have the crops planted, the trees planted, the facilities set up.

And I hope that you will get a reinvigorated USAID which can work with the Department of Defense, where security is needed to bring agricultural development to Afghanistan and the other kinds of development needed elsewhere in the world.

Secretary CLINTON. That is our intention. We've put together for the first time a multiagency, multitalented team on Afghanistan and Pakistan, and we've brought into the State Department representatives from the Central Intelligence Agency (CIA), from the USDA, from the Department of Defense, from across the Government, because what we have found is that, as you point out, there was just a disconnect.

You know, many of us said—when I was in the Senate, I agreed with you—that we should have been investing in agriculture. We could just never kind of get the team together. Well, it's together now, and we are committed to doing it. We've got relationships with some of our great land-grant colleges. We're going to be using agricultural experts. We really believe we do have a plan.

Now, obviously, security is an issue. It's kind of a chicken-and-egg issue. If you start to help people, they will provide security on their own. They will be the eyes and ears you need. But until we get to that point, we're going to have to have our own PRTs beefed up so that we can get our people out into the field. But we do have a specific plan with actually names next to provincial assignments, Senator. We're really going to go after this.

Senator BOND. I'll be interested to see it. Thank you, Mr. Chairman. Thank you, Madam Secretary.

Senator LEAHY. Thank you. Senator Mikulski.

Senator MIKULSKI. Madam Secretary, it's just wonderful to welcome you once again back to the Senate, and to welcome you now as America's top diplomat, but also the CEO of the State Department, and that's really where my questions will lie. Many of my colleagues have asked the policy questions about the issues facing this country, but policies without people, as you said, in implementing—in your testimony, we can't do the job.

Going to the triad that you've said we'll stand on for foreign policy—defense, diplomacy, and development—I would like to go to

the diplomacy and development issues, wearing both my Maryland hat and the dean of the women hat.

I would like to go to the diplomacy hat, first of all. In your testimony, you talk about the need for more Foreign Service officers, and I would confer to that. Many of them live in Maryland and they speak to me not only about the great joy they have in serving America, but about the great stress they have in trying to serve America.

#### PAY COMPARABILITY BETWEEN FOREIGN SERVICE EMPLOYEES

Could you share with us how you hope to be able to retain people? The family stresses and particularly the issue on locality pay, where many of our wonderful diplomats and up-and-coming diplomats, in study, face as much as a 20 percent pay cut. And if we are for Lilly Ledbetter, we're also going to be for the wonderful people who work at the State Department.

Secretary CLINTON. Well, I'm very grateful that you raised this, Senator, because there's an urgent need for pay comparability between Foreign Service employees assigned overseas and those assigned in the United States.

A typical Foreign Service employee, as you know, spends as much as 70 percent of his or her career outside of our country. Because they do not earn locality pay while serving outside, they essentially take a pay cut of over 20 percent every time they're assigned to represent our country abroad. And for senior employees, this problem was corrected with the introduction of pay for performance in 2004, but the problem remains uncorrected for the entry-level and mid-level people, the very people we're trying to make sure stay in the Foreign Service.

In fact, the base pay of an entry- or mid-level Foreign Service employee serving overseas is 23 percent less than what it would be if they stayed here in Washington.

Senator MIKULSKI. So somebody trying to rebuild Afghanistan makes less than somebody working at the Department of Housing and Urban Development (HUD), trying to rebuild the cities of America, both serving America with duty and dedication?

Secretary CLINTON. That's exactly right. And the disparity grows each year because as locality pay increases as a proportion of pay in Washington, DC, the difference between overseas and domestic pay continues to widen. Now, we believe that this needs to be addressed urgently, but that's just a piece of the puzzle. That is something that is such a glaring inequity that it needs to be corrected.

But we're also trying to make sure that we have enough training and supporting services, not only for our Foreign Service employee, but for their families, because of the confluence of greater and greater stresses on individual families that come from these deployments that our diplomats are undergoing and the increasing threat matrix that we see around the world. The job is just harder and harder, and that goes also for our USAID personnel.

#### DEVELOPMENT RESOURCES IN THE BUDGET

Senator MIKULSKI. Well, Madam Secretary, I want to move on to development. So do you think you need more new authorizing legis-

lation? Do you think you need—has the President got the money in this appropriations request to deal with this?

In other words, you and I are people who like to work on things that are specific, immediate, and realizable. What can we do to retain the very best that we have in that foreign team that you have all over the world? We're working under great stress and, at times, great danger. And yet—so is it authorizing—is it in the budget?

Secretary CLINTON. There are several things that are in the budget that we need to do that will help us on this, Senator. One is to increase the numbers. That is something that we desperately need. As I said in my testimony, we haven't filled positions in some of our most important postings because we don't have the people. We are also looking to have a different rotation because, as we move people up the ranks, we've got to get them trained for the next assignment.

If we've got a great, brilliant young Foreign Service officer in development, and we want to send that young person to Afghanistan, they're going to need language training to be effective. So the Foreign Service Institute needs resources. We have a lot of this in our budget.

Senator MIKULSKI. I want to come back, and perhaps then your staff can get to me specifically. But essentially, the revitalization of the Foreign Service—let me just add one point.

Secretary CLINTON. Pay comparability is in the Senate version of the supplemental.

Senator LEAHY. If the Senator would yield, Senator Gregg and I put that in the supplemental bill. That's the bill we're going to be voting on today, and then we'll send it over to the other body, where we hope that they will agree to do it. That is something both Senator Gregg and I really worked hard on, to make sure it's in this bill.

Senator MIKULSKI. If I could now come to the development part, and I'd really like to thank Senator Leahy and Senator Gregg for the job they've done over the years, trying to deal with this. But in Maryland, we are the home now to many of the international relief organizations. We're the home to Catholic Relief, World Relief, Lutheran Refugees, and they're asking about where are we heading with AID?

One, that it is a contracting agency. They have worked with those contracts, but they're so energized over the election of this new President, and they want to be out there in the world, but they need AID to be working with, number one, in terms of the resources they can count on in a steady stream, and number two, leadership that they can count on.

#### REINVIGORATING USAID

Could you share with us how you see taking AID from a contracting office to this collaborative thing, where you have a strong AID working with very strong NGOs that are both American and international?

Secretary CLINTON. That's exactly the model, and we are determined to move away from the contracting pipeline model. We do not think it has worked, and frankly, we think it has squandered very scarce American taxpayer dollars. There are just too many



contractors who are in the beltway, as they say, who take 50 to 60 percent of the money before it ever even gets out into the field, and then it just kind of trickles down. We cannot afford doing that, and that has been unfortunately the trend.

So we are looking at a revitalized, reinvigorated, and restaffed USAID. We've asked for a significant increase in our USAID Foreign Service numbers that you will see in this budget because as we move tasks inside, we've got to have the people to do them.

Right now, there are only four agricultural specialists left in USAID. That's just unacceptable, and it's one of the reasons why we've had trouble pushing the agricultural agenda for Afghanistan. But your description of what the best NGOs want is exactly what we're going to try to produce.

Senator MIKULSKI. And they want a strong AID. They don't see it as competition with them for resources, so they're looking at both a steady stream, both in the Millennium accounts—well, I know that my time is up. I just want to compliment you. You know, we, the women of the Senate, work on a bipartisan basis, concerned about women of the world, and, you know, you were part of that, and we still count you as one of our own. We want to compliment you on establishing an ambassadorial level for women's global initiatives, a great choice, the Judith McHale choice in public diplomacy.

And I want to extend again a hand that you know you have always with us. But we, the women of the Senate, speaking for Kay Bailey Hutchison and all the Republican women and your Democratic colleagues, we want to work with you and your team at the State Department to really make a difference in the world. And we look forward to working with you on these global women's initiatives.

Secretary CLINTON. Thank you so much, Senator.

Senator LEAHY. I appreciate Senator Mikulski saying that, because on these humanitarian things we do, it is good foreign policy, it is good for our security, but there's also a moral aspect when you're the wealthiest, most powerful nation on Earth. We have a moral responsibility to help in these areas. I think most people realize that.

Senator Bennett, from his State of Utah, has done his best to help. They're giving us their Governor to serve in what I think is one of the most difficult and one of the most important posts, and I'm glad to see we're sending someone who actually speaks the language. Senator Bennett.

Senator BENNETT. You took my opening comment, Mr. Chairman.

Senator LEAHY. Go ahead and say it again.

Senator BENNETT. Madam Secretary, welcome here, and I wanted to congratulate you and the President in your choice of Governor Huntsman as Ambassador to China. I recommended him to Colin Powell 8 years ago for exactly that position. He's superbly well qualified. Not only does he speak the language, he understands the culture.

I will share with you a conversation I had with the president of the University of Utah as we were talking about our Governor. And you don't normally have this kind of conversation discussing a Gov-

ernor with a college president who's dependent on the State legislature for support.

And he said, "Jon Huntsman could teach a class in Chinese culture. He speaks all the dialects. He understands all of the background by virtue of his experience there as a young Mormon missionary. He has fallen in love with China." And he said, "I think he's more interested in China than he is in Utah."

Now, I don't say that in any place that would hurt his career in Utah, because he was a very, very popular Governor in the State. But I think he is where his heart is, and I think you've made a very wise decision. I look forward to great things coming out of his service there. He also made a comment to me once that I think summarizes the Foreign Service, at least at the ambassadorial level. He said being an Ambassador is death by reception.

Now, my colleagues have covered, as Senator Mikulski said, most of the policy issues, and I don't want to re-rake those leaves. But I have two enthusiasms I would like to share with you and get your comments on.

The first is the Millennium Challenge Corporation (MCC). And I'm delighted to see this administration asking for \$1.425 billion, a significant increase over the 2009 appropriated level, and simply want to register formally on the record and in this opportunity, while we're focusing on it, to let you know that at least on this subcommittee, this Senator is very much committed to the approach of the Millennium Challenge Corporation.

Too much foreign aid has been to build monuments that have an American plaque on them, and then don't really do very much later on, aren't properly maintained, don't have the impact. Having it done in a way that is a working activity that goes on forever and ever and produces results over the long term rather than something just nice to look at is I think the core of what the Millennium Challenge Corporation was formed for. There are some who are afraid that since, well, it happened in the Bush administration, it's doomed here. And I'm delighted that that does not appear to be the case.

#### MICROENTERPRISE

My other enthusiasm is microenterprise, and I've been pushing for more and more of that the whole time I've been in the Senate. I'm delighted that every year, the budget goes up a little. But I'm concerned that 50 percent of the microenterprise funding benefits are not benefiting the very poor. And Muhammad Yunus, the Nobel Prize winner who started the Grameen Bank, has stayed focused on the very, very poor, and the point with Senator Mikulski, that 90-plus percent of the borrowers there are women. And they've created entrepreneurs and capitalists out of the very poorest women in the world, and I'm for all three: entrepreneurs, capitalists, and women.

So could you talk about what might be done with respect to the microenterprise activities, whether through AID or maybe the Millennium Challenge account itself? Now, they don't really work in that area, but cooperative activities here, let's talk about the whole aid thing, with the focus on making it work, and making it work for the poor, and making it work long term, rather than what has

been unfortunately too much a part of American history in this area of building something big and grandiose, and then not seeing long-term benefit from it.

Secretary CLINTON. Well, thank you very much, Senator Bennett, and thanks too for the very positive remarks about Governor Huntsman. We're extremely excited that he will represent the United States in China and assist us in this very important relationship.

I also just want to echo your support for two initiatives from the Bush administration, both the Millennium Challenge grant program and PEPFAR. And we are very supportive of these approaches. We think that we can actually make them even better and better integrate what they're doing and the lessons we've learned from them. But we were very committed to continuing what we see as successful efforts.

On microenterprise, this is very near and dear to my heart. I started working with Muhammad Yunus in 1983 in Arkansas, when we brought some of the lessons of the Grameen Bank to some of the poorest people in our State at that time, and I have stayed very much involved through my times as First Lady and certainly as Senator, and I couldn't agree more with you.

The challenge is to make sure that the money we put into microenterprise gets into the hands of the people who need it the most. We've got to make some changes in order for that to occur, and we intend to do so. We also want to look at the best models. A lot of people got into microenterprise in the last 10 years, and they weren't always as focused on the poor as Muhammad Yunus has been, and we're doing a real scrub of that as well.

We also believe that the sustainable model that Grameen represents where people eventually created their own revolving loan fund is the better way to go than to constantly be putting new money out to borrowers. It's not the model we will use everywhere, but we think for the poorest of the poor, it is the best model because it changes behaviors and mindsets while it provides money. And you have seen that, and I have seen that. So we are very committed to microenterprise. It's going to be a big element of our revamped USAID approach.

We do think there is a role and room for slightly more upscale, if you will—they're still poor, but they're on the brink of breaking into the middle class. They may already have a business that, with our help, can expand. So we don't want to eliminate that category of borrowers who can create more jobs for other people while we concentrate our efforts on the poorest of the poor.

So I've consulted already with Muhammad Yunus. He came in and we had a long discussion. We want to bring microenterprise as a part of our efforts to some of the countries that we think would benefit most from it. Haiti is an example, and we've talked to Grameen about providing assistance there. Liberia, I met with President Ellen Johnson-Sirleaf. She's been heroic and deserves more help to create her economy from the ground up.

There's just a lot of opportunity for us with microenterprise, and I look to you to provide advice and counsel and support as we move forward.

Senator BENNETT. If I could very quickly, Mr. Chairman, I would suggest that you also talk to the folks at the World Bank. I've tried that with not too much success, and I'm going to keep trying it. And if you're there too, maybe we can dent that huge bureaucracy on the subject.

Senator LEAHY. Senator Brownback.

#### FOREIGN AID BUDGET

Senator BROWNBACK. Thank you, Mr. Chairman. Thank you, Madam Secretary. Good to see you. A common area of interest with you we're working on right now—and this is on another subcommittee, on the Agriculture Subcommittee—is the food aid budget.

And I just was coming across some numbers on this, that we've spent 65 percent of that budget on administration and transportation. I think that's a touch high. And, consequently, we keep putting more money in food aid and we get less of it out the door.

So we're researching two bills, and I just want to put them on your radar screen because I know this is something you've been interested in, just a blunt instrument approach, saying no more than 50 percent of food aid money can go for administration and transportation. I think 50 percent is pretty generous on this. And just to really try to push the system to find ways to be able to get food aid to locations more cost effective than what we're doing right now. So I'm all for the food aid budget, very supportive of that.

But it looks like to me it's a little bit like what we've done with the malaria program earlier. When we first started looking at this, 90 percent of the money was going for conferences and consultants, and in countries, in Africa and other places, saying, "Look, we know what to do. We just don't have the bed nets. We don't have the sprays. We don't have the medicine." So let's put the money in that, because you know what to do. And it's the same on food aid.

And I would think also, there's a key area here on micronutrients on food aid that's probably the best, cheapest way to improve lives around the world that we've got left in front of us, real cheap, simple, cost effective, and we're looking at how that can be built into our food aid budget better.

Because if we're going to help people with acquired immune deficiency syndrome (AIDS) and malaria, the best thing we can probably do for them is get them clean water and decent food, and these are ways that are simple and pretty cost effective within our current budget.

Secretary CLINTON. Senator, that is music to my ears, and your leadership in this area is extraordinarily important to us, because we do think we can do a better job with the dollars we spend on food aid, but we also think we've got to begin to shift toward helping with sustainable agriculture again.

You know, the United States led the way with the Green Revolution in the 1960s and made a huge difference. Starting in the 1980s, we began to shift away from helping farmers in poor countries continue to deal with depleted soil and other needs in modern agriculture. So we really did shift to emergency food aid, and we've got to do that. That's part of our mission.

But it's like that old saying, you know, you can give a person a fish or teach them to fish, and we want to begin to help local farmers become more productive again. So we're looking at both of these. And I could not agree more with your emphasis on get the cost of the administration and the transportation down. One of the things that I did in the refugee assistance for Pakistan is to say we're going to spend some of this money to buy wheat in Pakistan.

They happen to have had a bumper crop. Actually, it's one of President Zardari's accomplishments. He made some very tough decisions last summer, and now there's a bumper crop of wheat. Let's buy from the farmers instead of shipping the wheat all the way across the world, which takes forever, in fact, months on our containers. So we need to do both. And I think that we have a plan on food security that I would love to have you and your staff briefed on so we can get the benefit of your advice.

And, finally, on micronutrients, a huge opportunity for us. Iodized salt, vitamin A, vitamin K, there's just a lot of—

Senator BROWNBACK. Pretty simple.

Secretary CLINTON. It's very simple, and we have to get a delivery system. We can partner with UNICEF, which has done some of this work elsewhere. But I think this holds a great opportunity for us.

#### NORTH KOREA FUNDS/ECONOMIC ZONE IN EASTERN CONGO

Senator BROWNBACK. On a tougher subject, North Korea. This one, you've got in that budget \$98 million for economic support funds for North Korea. I've asked you this at a prior hearing, but I just don't see any reason by what North Korea has done that we would want to use this to bribe them. They are not at the Six-Party Talks. They continue to have probably the worst—that's pretty tough, but they're in the bottom five human rights persecution countries in the world.

I just—I would urge you not to use those funds to bribe them to come back to the table. And I would hope the chairman would look at this as well. And before I get your comment—because I want to hear it on that—one other issue, we've just put forward a bill on conflict commodities. This is dealing with a region in the Congo, and it's a bipartisan bill.

I've worked with Dick Durbin and Russ Feingold and myself on this, trying to do an initiative there to get the commodities coming out of eastern Congo to come out of licensed mines and not ones that are run by militias that then fund the militias that then do gang rapes and child soldiers.

And if we can ratchet down the money into the system, that worked in West Africa in the blood diamonds. A little simpler to do. This one is going to be I think more difficult, but nonetheless, I think the theory works, and that if we can do that in eastern Congo, I think it would go a long ways toward defunding the money into the militias that are multiple, but are doing heinous things. It's a really ugly situation that doesn't get as much visibility on it.

And I hope you can look at that bill, and I hope you can reassure me on North Korea, we're not going to use these funds for bribery to get them back at the table.

Secretary CLINTON. I can reassure you completely on that, Senator. We are not going to expend one penny of those funds in the absence of their voluntary return to the Six-Party Talks and their resumption of the obligations that they've already agreed to.

This money is there as a backstop in the event we see the kind of changes in actions that we're looking for from the North Koreans. We also are very committed to the idea you just outlined on conflict commodities. We think that this has a tremendous amount of promise. And I'd like to both look at the bill, but also to consult with you and Senators Durbin and Feingold about how we could even now try to set it up to begin such a process.

There's such a rich economic zone in eastern Congo. This could be the catalyst for enormous job creation and prosperity for the people of that region. We face so many difficulties there, but if we could, through our efforts, convince the government of the DRC, of Uganda, of Rwanda, to join in an economic zone and to utilize the security that they have to protect these mines, to license them, to get the money out, to get it into a designated fund to help the people in the region, similarly to what Botswana did with their diamonds many years ago, we think we could make a huge difference. So I think this is a very important idea.

Senator BROWNBACK. Thank you. Thank you, Mr. Chairman.

Senator LEAHY. Before we finish, Senator Gregg, you had something else you wanted to say?

#### FUND FLEXIBILITY

Senator GREGG. I just had a quick question. My view is that you don't have enough flexibility with the funds you have, certainly nowhere near the flexibility the Department of Defense has. And so I have an amendment that I'm proposing on the supplemental, which would raise the 451 authority from \$25 million to \$100 million, including access to the MCC funds, if that's where you decided to go. And I was just hopeful you would be supportive of that approach.

Secretary CLINTON. I will certainly look at it, Senator, because I agree with you. We do not have the flexibility. And it is one of the reasons, to go back to the chairman's earlier comments, why so much authority is ceded to the Defense Department, because they've got the flexibility.

And they not only have the flexibility in Washington, they have the flexibility on the ground. They have empowered their young captains, majors, lieutenant colonels with money to solve problems. And we come along with diplomats and development experts. We don't have anything like that kind of authority and flexibility all the way up the chain. So I will certainly look at this, and I appreciate your zeroing in on it.

Senator GREGG. And specifically related to Pakistan, I've introduced a bill to give you up to \$500 million of flexibility. It was actually a suggestion I think that came from Ambassador Holbrooke, but I would hope that you could take a look at that and see if you could support that as well.

Secretary CLINTON. Thank you.

Senator LEAHY. Madam Secretary, thank you for being here. I am heartened by the full committee meeting we also had with you

and Secretary Gates. There are so many things the military can do so very, very well, so many things the State Department can do so very, very well, and I want to be in a position where we don't have to do each other's jobs.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator Gregg and I will get that comparability pay that Senator Mikulski talked about. We'll get it through the Senate, and then we're going to get it through conference with the House. Thank you very, very much.

Secretary CLINTON. Thank you very much.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

#### QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

*Question.* The fiscal year 2009 supplemental diverges from past practice by giving the DOD control of funds to train and equip the Pakistani military, with the concurrence of the Secretary of State. The House version of the fiscal year 2009 supplemental contains a provision to shift control back to the State Department in 2010, with concurrence of DOD. Am I right to assume that you support that?

*Answer.* The Department of State will continue to administer all Foreign Military Financing (FMF) to Pakistan in fiscal year 2010. Although the fiscal year 2010 funds for the Pakistan Counterinsurgency Capability Fund (PCCF) were initially requested for the Department of Defense, Secretaries Clinton and Gates have since agreed that these funds should be appropriated to the Department of State in fiscal year 2010 and transferred to the Department of Defense to implement the program. Thereafter, the Department of State will oversee the PCCF and continue to seek the funds needed to assist the Pakistani security services in developing their counterinsurgency capabilities.

*Question.* Like past Presidents, President Obama has called for an end to settlement construction. Did Prime Minister Netanyahu tell President Obama he would halt settlements? Do you see a way to make progress on a peace agreement without an end to settlements?

*Answer.* Our intention is to work aggressively toward a future where Israelis and Palestinian are living side by side in peace and security. We are asking all parties to take difficult steps to help create the context for peace, and the resumption of meaningful negotiations, beginning with the fulfillment of their obligations and commitments. For the Israelis, that means a stop to settlements, as they committed to in the Roadmap in 2003. For the Palestinians, that means continuing their efforts to take responsibility for security and to end incitement, as they also committed to in the Roadmap. And we are asking the Arabs to act in the spirit of the Arab Peace Initiative and take concrete steps toward peace and normalization, as well as aggressively and tangibly supporting the Palestinian Authority under Palestinian President Abbas. We are continuing our dialogue with all parties to make progress on these issues.

*Question.* We provide tens of millions of dollars a year to resettle Jews from the former Soviet Union and elsewhere to Israel. We are told that some of the settlement construction is to accommodate these immigrants. Do you know if this is correct?

*Answer.* It has been our longstanding policy that no U.S. assistance to Israel can be used in territories occupied by Israel in 1967. The Department's annual grant to the United Israel Appeal for its Humanitarian Migrants Program requires that UIA accept that funds be expended solely for the benefit of humanitarian migrants who are living, receiving training, working or studying in territory subject to the administration of the State of Israel prior to 1967.

*Question.* Two weeks ago, one of Hamas' leaders said it had stopped firing rockets at Israel. Do you know if that has in fact happened? Has Hamas made any further offer to refrain from violence during negotiations on the future of the Palestinian territories?

*Answer.* According to the Government of Israel, three mortars and one rocket were launched from Gaza into Israel on May 2nd. Between May 6 and May 11, two mortars and three rockets were launched from Gaza into Israel, according to news

accounts and the Government of Israel. As we look back on the situation in Gaza and southern Israel over the last few years, it is clear that Hamas has significant influence over the number of attacks emanating from Gaza. It controls both a vast network of smuggling tunnels and munitions caches in Gaza. Past overtures to Hamas to refrain from violence have resulted in temporary lulls. While we remain hopeful that Hamas will end terror attacks on Israel, our ultimate objective is to convince Hamas to disavow its current approach and accept the Quartet principles: recognition of Israel, renunciation of violence, and acceptance of previous commitments and obligations, including the Roadmap.

*Question.* I have real concerns about the effectiveness of our foreign aid programs, particularly in Afghanistan and Pakistan.

I want to tell you what an experienced European aid worker told me a few weeks ago. He has worked in Afghanistan for 20 years and he has seen it all—including the past 8 years that USAID has spent billions of dollars there. Although his organization does not receive U.S. funding, I asked him his opinion of USAID. This is what he told me: “They are distant from reality.” “They ask questions as if they are from another world.” “They are very slow to have an impact.” “They come with a plan and think they know everything.” “They are deaf, they don’t like to listen, or they don’t want to.”

USAID has done some very good things in Afghanistan, but I hear this type of complaint far too often. What do you think is the cause of it, and how can it be fixed?

*Answer.* With \$7.9 billion obligated to development programs since 2002, USAID provides the largest bilateral civilian assistance program to Afghanistan. Its work continues to be a vital support to Afghanistan in its efforts to ensure economic growth led by the private sector, establish a democratic and capable state governed by the rule of law, and provide basic services for its people.

I have stated that I believe that our civilian aid efforts in Afghanistan have not been as successful as I would have liked due to a number of factors. In large part, the security restrictions and short tours under which USG employees operate in an ongoing war zone severely restrict their ability to have candid, open, and frequent dialogue with the recipients of our aid as is done in other Missions around the world. Additionally, we have just 257 staff members (U.S. Direct Hire, Foreign Service National and Third Country National personnel) responsible for \$2 billion in projects this year, which means, unfortunately, that there is less time for ground-truthing and more time spent on contract management and reporting. Lastly, the dedicated development personnel in Afghanistan and Pakistan are working in an environment where progress and traction are easily eroded, so showing an impact is exponentially harder than it would be in a conflict-free zone.

In spite of these challenges, a transformational change is taking place in Afghanistan. For example, we are starting to see the impact that 6 million students in school—one-third of whom are girls, up from nearly zero a decade ago—is having on society. The impact that USAID alone has made through building approximately 3,000 km of roads, has resulted in a stronger society and provided communities with increased access to health care, education, markets, and government services. Development takes time, but the long-term impact is great.

Our aid professionals are working harder to implement programs at the local level, which is a positive and direct departure from previous strategies to work solely with the central government. This empowers communities and ensures that development projects meet the needs of those communities. We expect to see the results of this, but it will take some time.

However, I am pleased to note that as a result of President Obama’s recently announced strategy, we are changing the overall engagement of the U.S. Government in Afghanistan. I would like to focus on three areas where we are aggressively moving forward: civilian staffing; direct support to the Afghan government; and our procurements.

USAID and the State Department are both in the process of significantly increasing staff in Afghanistan, as well as support staff in Washington, to allow more rapid and effective implementation of assistance. In Afghanistan, USAID has pledged to provide an additional 150 American staff. Of these, 45 will be located in Kabul, with the remainder deployed to directly support PRTs and expand reach into the district and provincial levels.

USAID and the Government of the Islamic Republic of Afghanistan have established the goal of greatly increasing resources through the Afghan government or local firms by 2011. Towards that end, USAID is building capacity in priority Afghan Ministries and has signed agreements with two ministries to provide \$237 million for direct contracting by these ministries. Numerous firms and non-govern-



mental organizations currently receive training and mentoring to improve their competitiveness and capability for directly handling USAID assistance.

USAID is revisiting its operational models in Afghanistan and Pakistan to implement much larger development assistance programs. As part of that, USAID has been reviewing each procurement action for Afghanistan to ensure their efficiency and alignment with the new strategy. This review has enabled USAID to target its assistance to sectors and regions of the country most in need of assistance.

*Question.* I opposed the invasion of Iraq and believe President Bush's decision to do so was a colossal mistake that did nothing to make us safer and cost us dearly. I have supported President Obama's decision to refocus on the Taliban and al Qaeda in Afghanistan and Pakistan.

But I also want to know what the strategy is, and be sure that our goals are realistic and we do not get mired in a costly war that drags on indefinitely. The same applies to our aid programs, because we could spend huge sums in Afghanistan and Pakistan and have little to show for it 2, 4, 6 years from now. Why do you think our aid to these countries has not been more effective, and how does your fiscal year 2010 budget change that?

*Answer.* Thank you for your support for President Obama's decision to focus on Afghanistan and Pakistan. As the President has outlined in the new strategy our success is critical to our national interests, Special Representative Holbrooke has undertaken with the interagency a thorough review of all our programs to ensure they are designed to implement the new strategy. We have requested a large increase in civilian staffing and increased resources for the effort. We are undertaking an unprecedented regional and international diplomatic engagement on Afghanistan and Pakistan to broaden support. I agree with you that we need to establish realistic and appropriate goals and we understand the need to show progress on the ground over the coming year.

We are not contemplating a permanent surge, nor an indefinite war. We will stand with our friends in this part of the world and work to ensure that they ultimately are able to defend themselves and ensure that Al Qaeda and their extremist allies are not able to return.

We will work with Congress to ensure that there is proper accountability for the assistance we are providing in Afghanistan and Pakistan. We support the Special Inspector General for Afghanistan Reconstruction (SIGAR) to ensure that our aid will be properly used and that it can be effective.

*Question.* There is growing concern with the brutality of Mexican drug cartels, and the spill over into the United States. In the past 11 months, we have appropriated more than \$700 million for Mexico under the Merida Initiative, and you are asking for another \$459 million in fiscal year 2010. This is a partnership, because the United States is the market for drugs and the supplier of the guns, and we want to help Mexico deal with this problem.

Past counter-drug strategies in Latin America have failed to reduce the flow of drugs into the United States—the cultivation, corruption and violence have just migrated from one country to another. Why is the Merida Initiative going to be different?

*Answer.* More than just a bilateral foreign assistance package, the Merida Initiative is an agreement, based on partnership, among the governments of the United States, Mexico, Central America, and the Caribbean to cooperate with each other and respond jointly to the problem of drug trafficking and associated violence throughout the region. Furthermore, as an integral part of ensuring success, the United States has committed to increasing the effectiveness of our efforts at home to reduce demand for drugs in the United States as well as the flow of illicit money and arms south into the hands of drug cartels. As Merida Initiative programs are implemented over the next months and years, we are also collaborating with our Caribbean neighbors on a separate but complementary security initiative specific to that region. We believe that we are taking a holistic approach that will succeed because it puts pressure on the drug trafficking organizations from all sides.

We are attempting to close trafficking routes and deny weapons and drug proceeds to the trafficking organizations. We are assisting the Mexican and Central American governments to disrupt the criminal organizations and gangs operating in their territory and are cooperating in law enforcement operations to locate and arrest members of these organizations in the United States or wherever in the world they may operate. We are encouraging our Merida Initiative partners to share information and best practices with each other and with countries engaged in the same fight. We are working with willing and capable partners who have demonstrated a commitment to this effort. The United States-Mexico partnership is overseen by a high-level consultative group made up of cabinet members from both countries.

Merida Initiative programs in all recipient countries include a mix of assistance targeted to the needs of the country and the best possible value added that the United States Government can provide. In all cases, assistance includes essential equipment as well as programs to strengthen the law enforcement, judicial and civil society institutions of the recipient countries against the corrosive effects of organized crime now and in the future.

We look forward to continuing to consult with Congress as program implementation evolves to ensure Merida achieves our objectives and advances U.S. and hemispheric interests.

*Question.* Most of our aid to Mexico is for the military and police, who have a history of human rights abuses of the worst kind—executions, disappearances, torture, rape—and the complaints of abuses have increased dramatically in the past year. This undermines the goal of stopping drug violence and improving public security.

The Mexican military court system is opaque and ineffective. In the past 10 years, military courts have sent only one military officer to prison. One in 10 years.

We put human rights conditions on a portion of our aid to Mexico, but they have not been met and there is no evidence the military leadership even recognizes it has a problem. How would you respond?

*Answer.* Strengthening democratic institutions and respect for the human rights and the rule of law are at the heart of the Merida Initiative. Improving public security in Mexico and addressing the threat posed by narco-traffickers and criminal organizations require enhancing the capabilities of Mexico's security forces, including strengthening the respect for human rights. Most reporting suggests human rights abuses connected with the security forces in Mexico are not systematic, but stem from a lack of professionalization and corruption among members of these forces. Of course, U.S. assistance to Mexican security forces is preceded by a U.S. vetting process and we are also aiding the Government of Mexico to enhance its own internal vetting capacity.

Our partnership with Mexico under the Merida Initiative envisions a wide range of activities involving police professionalization and enhancement; prosecutorial and judicial capacity building; support for the inspector general and internal affairs offices of law enforcement agencies; human rights training; and support for human rights organizations and civil society including through assistance to independent citizen participation councils. Indeed, our overall efforts with respect to rule of law and judicial reform are aimed at strengthening these basic institutions both to improve competence and enhance the respect for human rights.

The military justice system in Mexico has been criticized for its opacity. As the Mexican military plays a greater role in the policing function in response to the current effort to confront Mexico's drug cartels, it is important that the military court system become more transparent and vigilant. In this connection, we note that in May the office of the military prosecutor announced that 12 members of the army, including 4 officers, had been detained and would be tried in connection with their alleged role in the disappearance of three civilians in the state of Tamaulipas the previous month.

*Question.* For more than a decade, I have tried to obtain an explanation from the Department on its implementation of the Leahy Amendment. That Amendment cuts off U.S. aid to a unit of a foreign security force if the Secretary of State has credible evidence that such unit has violated human rights, unless the foreign government is bringing those responsible to justice.

When it comes to the Israeli military, the only answer I have ever received is that the Leahy Amendment has never been applied to a single case involving a human rights abuse there.

There is abundant documentation of human rights abuses by Israeli soldiers, and investigations in these cases are too often cursory and result in no punishment. The cases of Abir Aramin, and Kassab and Ibrahim Shurah, are just two examples. I want to know what steps are being taken to apply the Leahy Amendment there.

*Answer.* The administration aims to uphold the ideals espoused in the Leahy Amendment as we carry out our foreign assistance programs. I take seriously any reports of incidents alleged to constitute credible evidence of gross violations of human rights and we will continue to review such alleged violations by any country.

While I have discussed the specific application of the Leahy Amendment with members of my new team here in the State Department, there are other key personnel who have yet to join us. I look forward to their counsel on the questions you have raised and pledge to report back to you soon after their arrival at the Department.

*Question.* Since 9/11, my office, like others here, has received complaints about visa denials. We know the processing of these applications has become more onerous due to security concerns, but I am very concerned that the law is being applied in

a way that harms U.S. interests. Let me read you part of a letter I received just last week from a Vermonter:

DEAR SENATOR LEAHY: Thank you for your effort to help my company ensure that my Cambodian colleague, Mr. Mara Pho, got a fair hearing at his visitor visa interview at our Phnom Penh embassy last week.

Unfortunately, we failed. Mr. Mara Pho's application was routinely denied.

This is a colossal disappointment. Mr. Mara Pho is extraordinarily valuable to my company, which provides the finest educational youth travel programs in the world to thousands of America's brightest high-school and university students.

Mr. Mara Pho is, without question, one of the top 150 young English-speaking professionals in Cambodia today.

Because Mr. Mara Pho was routinely rejected twice in his two attempts to gain a visitor's visa to attend our employer's annual instructor training in California, he is now not eligible for promotion within our company and his talents will be underutilized.

In fact, it is now highly likely that this extraordinarily valuable young professional will not work for my employer or any other U.S. company in the coming years. His skills are in high demand by companies based in Malaysia, Vietnam, China, India, Indonesia, Australia, Thailand and Cambodia itself.

The global economy is crumbling. China is rising fast. Thailand is unstable and economic disparities and political dissatisfaction in Southeast Asia are sky-rocketing.

Is this really the right time to be alienating the brightest young professionals of Cambodia, a part of the world of vital strategic importance to America?

Madam Secretary, the law puts the burden on visa applicants to prove they will return to their home country, but too often it is applied in ways that defy common sense and we create a lot of resentment towards the United States as a result. I hope you will review the way these laws are being applied so qualified applicants are not turned away.

Answer. Visa applications are adjudicated on a case-by-case basis according to criteria specified in the Immigration and Nationality Act (INA) and appropriate Federal regulations. The presumption in the law is that every visitor visa applicant is an intending immigrant, and the INA places on the applicant the burden of demonstrating that he or she qualifies for nonimmigrant status.

Consular officers are obligated to review each visa application carefully and to conduct interviews in order to allow applicants to present their circumstances fully. It is our objective to provide courteous and helpful service to all persons requesting consular assistance, and it is our policy to treat all applicants fairly and equally. The vast majority of applicants do qualify for the visa they seek. Prior to this year's economic downturn and the admission of eight new countries into the Visa Waiver Program, we saw a steady increase in visa issuances annually since 2002 and in some categories, visa issuances now exceed pre-9/11 numbers.

*Question.* With Departments of State and Homeland Security set to fully implement the Western Hemisphere Travel Initiative on June 1, I want to be clear about your preparation for this new program:

When the previous administration prematurely launched the air portion of WHTI a few years ago, it was a disaster and they eventually had to roll back the passport requirements until the passport processing centers could catch up on the backlog. Since air travel represents about 10 percent of North American border crossings, I am very concerned about State's ability to handle new passport applications and renewals when land and sea crossings start requiring passports on June 1. Is the State Department prepared to handle a potential surge of passport applications this summer?

Northern border States like Vermont, New Hampshire, and New York are heavily dependent on international travel and tourism—particularly from Canada. I want to make sure that citizens on both sides of the border know that the United States is open for business and we welcome Canadians coming down for business trips, vacations, or a weekend getaway. Do you believe that Canada and Mexico are ready for the new document requirements we'll be implementing on this side of the border? Have you been doing any outreach to Canadians and Mexicans to let them know which documents they will need to visit the United States?

Answer. Yes, the State Department is fully prepared to meet the demand of the American public for passports and passport cards now that the final WHTI rule has been implemented. The Department has increased its capacity to process passports by 95 percent since January 2007, when the air portion of WHTI was implemented. The Department's Passport Office is continuing to increase its presence in border States. New passport offices opened in Detroit and Minneapolis in the past few

months, and, later this summer, we will open offices in Dallas and Tucson. The Bureau of Consular Affairs has received \$15 million in American Recovery and Reinvestment Act funding to expand our network of passport offices to another seven locations, including a new office in Vermont, as well as offices in Atlanta, Buffalo, San Diego, and El Paso. We will also be installing public service windows at our existing passport processing facilities in New Hampshire and Arkansas.

In coordination with the Department of Homeland Security, we have conducted intensive outreach on new requirements for travel documentation under WHTI. In the months prior to June 1, State Department efforts concentrated on regions closest to the borders and included Canada. We made use of funds provided by Congress specifically for northern border outreach to run an intensive campaign using local media.

WHTI-approved document compliance rates nationwide since June 1 are in the 90 percent range, according to preliminary DHS statistics. I would refer you to DHS for the most updated statistics. Compliance rates are somewhat higher than the national average along the northern border. We believe this clearly indicates that we delivered the message about WHTI requirements to the traveling public in both the United States and Canada. These high compliance rates demonstrate that citizens in both countries have a strong awareness of the WHTI requirements and have in large numbers obtained the necessary travel documentation. WHTI did not change any documentary requirements for Mexican nationals entering the United States. Mexican nationals still require visas, or a Border Crossing Card, are needed to enter the United States.

The State Department experienced a small uptick in demand for passport books and cards right around June 1, but demand for the year is well below the levels seen in 2007. We are processing within our normal service levels of 4–6 weeks for routine applications and with 2–3 weeks for expedited applications. Our ability to produce passports on an emergency basis is expanding as our agencies expand, and in the past 2 months we have augmented our emergency services to include the ability to produce passport cards as well as books at several agencies located near northern and southern borders.

*Question.* I thought President Obama did a superb job at the Summit of the Americas, reintroducing the United States to our Latin neighbors who had come to see us as heavy handed and disinterested in their concerns. How do you plan to build on the tone he set there?

*Answer.* To build on the positive momentum from the Fifth Summit of the Americas, we must make concrete progress on Summit initiatives for the Hemisphere's citizens, particularly the poorest and most vulnerable. We are moving quickly to implement Summit initiatives announced by President Obama, including the Energy and Climate Partnership of the Americas; the Microfinance Growth Fund; the Social Protection Network; the Caribbean Basin Security Dialogue, and seeking ratification of the Convention on Illicit Trafficking in Firearms. We are working with the 12-member Joint Summit Working Group, which includes the Organization of American States, Inter-American Development Bank, and the World Bank Group, among others. These institutions can help to provide the necessary technical and financial support to leverage our own efforts in the region.

*Question.* You have requested \$633 million, a \$95 million increase, for the Educational and Cultural Exchange Program. I fully support that and I suspect just about every Senator does. We regard these as among the best uses of State Department program dollars.

Can you share with us any statistics on what this amount of money actually means as far as the number and backgrounds of people who will be able to participate in these programs?

Does the Department have a long term strategy for expanding exchanges?

Besides State Department-funded exchange programs, U.S. universities and businesses have their own programs. I spoke about this on the Senate floor not long ago, because we have heard about foreign scholars who are offered teaching and research positions at U.S. universities, but it takes so long for the Department of Homeland Security to do the security checks that they end up missing the opportunity. I know this isn't your fault, but are you aware of this and is there anything you can do about it? It is not only humiliating to the people who are invited to come here, it denies American students and scholars the opportunity to learn from and work with these people.

*Answer.* The Bureau of Educational and Cultural Affairs (ECA) conducts over 45,000 people to people exchanges each year, working hand-in-hand with our Missions overseas. These programs are active in all regions of the world and increasingly engage youth and disadvantaged audiences. In fiscal year 2008, 54 percent of all the participants were women and girls. Diversity is also reflected in the broad

spectrum of age groups, professions and social sectors that ECA's programs draw from. For example, there are academic opportunities for foreign secondary level students (the Youth Exchange and Study and Future Leaders Exchange high school exchange programs; as well as in-country English study for disadvantaged high school students) university students (undergraduate exchanges and Fulbright graduate scholarships), teachers and scholars. There are programs for emerging leaders (the International Visitor Leadership Program) and for midcareer professionals in government and other public policy-related sectors (the Humphrey Fellowships), journalism (the Murrow program), and business (the Fortune/State Department Women's Mentoring Partnership). There are also increasing opportunities for Americans to gain international experience by studying abroad (Gilman and Fulbright programs for post-secondary students as well as critical language study institutes, and the Youth Exchange and Study outbound and National Security Language Initiative Youth programs for secondary school students). At the same time, ECA supports a wide array of cultural diplomacy programs including exchanges in the performing arts. ECA makes extensive efforts to remain in touch with its wide network of alumni from all these programs through an online community and in-country activities and encourages them to organize projects that will benefit their communities.

Exchanges have become an increasingly valuable diplomatic tool because of their unique ability to reach young people, underserved audiences and non-official figures of influence (e.g., cultural, religious and tribal authorities). To expand the reach of our educational and cultural engagement, ECA is broadening its partnerships with the private sector and mobilizing the broad reach of social networking. Looking ahead, ECA will expand America's engagement with young people and other key influencers overseas, using a combination of proven exchange models and innovative new programs. ECA will enhance alumni programs; expand the number of emerging leaders who travel to the United States; extend English language programs to more disadvantaged students, host country universities, and overseas teachers of English; and grow its youth programs to foster leadership skills and mutual understanding. ECA also stands ready to initiate or expand exchange programs with Iran, Cuba, North Korea, and others if and when political developments warrant.

ECA is aware of the difficulties exchange participants have in navigating the visa process in order to come to the United States. Some of those delays are obtaining passports from their own authorities. We also understand the compelling need to safeguard our Nation's borders. A formal collaboration between the Department of Homeland Security and the Department of State was established in 2006 to address these issues. "Secure Borders and Open Doors" is an advisory committee that makes recommendations to the two departments on how to balance the needs of security and openness. In addition, to minimize the number of lost opportunities for grantees planning to visit the United States, public affairs staff at embassies and consulates abroad work closely with their colleagues in the consular sections to make the process of acquiring visas for exchange grantees as fast and efficient as possible. ECA planners make special efforts to factor into their scheduling the sometimes long waits for visa approval, so they can provide as much lead time as possible between participant selection and the start of a program.

*Question.* I think we squandered a great opportunity after the collapse of the Soviet Union to forge a very different kind of relationship with Russia, based on trust and cooperation. Instead, we pursued policies that were seen as threatening and humiliating, and today our relations with Russia are a far cry from what they could be, illustrated by Russia's invasion of Georgia last year when they threatened to shoot down American planes carrying Georgian troops back from Iraq. The administration has talked of pushing a reset button for our relations with Russia. What does that mean in practical terms?

*Answer.* As the last few years have seen a dangerous drift in relations between Russia and the United States, our objective for pressing the reset button is to revisit and strengthen the many areas where we can and should be working together with Russia.

We can and should cooperate to secure WMD and related materials to prevent their spread, to negotiate a follow-on agreement to the START Treaty, which reflects the administration's interest in seeking further cuts in both our arsenals. The United States and Russia have a special obligation to lead the international effort to reduce the number of nuclear weapons in the world. The rising threat of insurgents in Afghanistan and Pakistan is of critical importance to both our countries, and today NATO and Russia can, and should, cooperate to defeat this common enemy.

We will not agree with Russia on everything. For example, the United States will not recognize Abkhazia and South Ossetia as independent states. We will not recognize any nation having a sphere of influence. It will remain our view that sovereign

states have the right to make their own decisions and choose their own alliances. But the United States and Russia can disagree and still work together where our interests coincide, as they do in many places.

*Question.* We all witnessed from afar the humanitarian catastrophe in Sri Lanka. You spoke about it. So did the President. The Sri Lankan Government rejected calls from around the world to stop bombing and shelling areas inhabited by civilians, and to respect the laws of armed conflict and the rights of people who have been displaced.

The LTTE has accepted defeat, but this looks like another example of a collective failure of the international community to prevent a bloodbath of innocent civilians. Nobody can justify or excuse the atrocities of the LTTE, but aside from condemning the shelling of civilian targets, what did the administration do to put real pressure on the government? Did you consider freezing assets of Sri Lankan officials, denying visas for them and their relatives, opposing multilateral bank loans?

*Answer.* The United States has a range of diplomatic tools to influence the Sri Lankan government, many of which we have employed to varying degrees of success throughout the past several years. During the final stages of the conflict, the administration's focus was on stopping the loss of life and helping to meet the urgent humanitarian needs of those civilians trapped by the humanitarian conflict.

Our Embassy in Sri Lanka was very active in pressing the Sri Lankan government to give international organizations, especially the United Nations and ICRC, access to the government-designated "safe zone" within the conflict zone, as well as the surrounding areas where civilians were being registered, screened, and sheltered. There was and remains an urgent need for food, shelter, water, and medicines in the camps for internally displaced persons (IDPs). We are also conscious of the needs of those most vulnerable—the very young, new mothers and the elderly. We continue to advocate for the freedom of movement and the reunification of families who have been separated during the violence. Our ambassador spoke with the highest levels of the Sri Lankan government—such as Senior Presidential Advisor Basil Rajapaksa and Minister of Disaster Management and Human Rights Mahinda Samarasinghe—several times a week to discuss humanitarian access and other pressing issues, and we are continuing these contacts. These efforts have led to international organizations being able to operate in camps and screening areas and to obtain better access to displaced persons within those areas.

While the Immigration and Nationality Act does permit the denial of visas to aliens who have engaged in specific acts such as genocide and religious persecution, there is no broad statutory authority for denying visas for "humanitarian concerns" or "human rights violations."

Sri Lanka is currently in the process of negotiating a Stand-By Arrangement with the International Monetary Fund (IMF). While the fighting was ongoing, I noted on May 14 that it was "not an appropriate time to consider" the IMF program. With the end of fighting in Sri Lanka, we are taking a fresh look at the IMF Stand-By Arrangement in close coordination with the Department of the Treasury, which has the lead on International Monetary Fund issues, and with other U.S. agencies. We continue to work with the Sri Lankan government on humanitarian issues and political reconciliation to build a democratic and tolerant Sri Lanka.

*Question.* We have gotten into the habit of paying our contributions to organizations like the Comprehensive Test Ban Treaty Preparatory Commission and the Organization for the Prohibition of Chemical Weapons at the end of the year, which forces them to cut back while they wait for the funds. These organizations fulfill key nonproliferation functions. Are we going to start paying on time?

*Answer.* Funding shortfalls in the Contributions to International Organizations account in fiscal year 2005 and fiscal year 2006 caused us to begin paying our assessed contributions to several additional organizations late, a practice that we had already been employing toward a number of organizations since the 1980s. For these organizations, including OPCW, payment for all or part of our assessed contribution is deferred until the fiscal year following the calendar year in which it is due.

The fiscal year 2010 President's request includes \$175 million to begin eliminating the practice of deferring payments of our assessed contributions. This funding would represent the first step in a multi-year plan, as the estimated cost for eliminating the practice for all affected organizations is close to \$1.3 billion. In determining how to allocate any funding provided by Congress for this purpose, we would factor in Congressional views on how to prioritize funding among all the organizations to which we employ a deferred payment schedule.

Our payments to the CTBTO Preparatory Commission are made from voluntary contributions from the NADR account. Many priority programs supporting our non-proliferation goals are funded from the NADR account such as the IAEA voluntary

contribution and export control cooperation. We have not had sufficient funding available in recent years to make full timely payments to the CTBTO Preparatory Commission. The fiscal year 2010 President's request includes \$26 million for this program, which will not enable us to end the practice of paying late. With the administration's new emphasis on pursuing Senate advice and consent for ratification of the CTBT, we are committed to becoming current in our payments as soon as possible.

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QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

*Question.* You mentioned in your testimony the focus that this administration to reinvigorate relationships that have not been nurtured in recent years. One of these relationships is between the United States and Indonesia. As you have stated, one of the areas we must re-engage is Southeast Asia, and in particular, Indonesia. Could you elaborate on the plans and goals of this administration to strengthen the partnership between the United States and Indonesia, in addition to providing some insight on the larger diplomacy objectives with other nations in Southeast Asia, like the Philippines?

*Answer.* The United States and Indonesia have recently begun formal discussions on building a Comprehensive Partnership, which would provide a framework to broaden and deepen the bilateral relationship between the United States and Indonesia. Possible areas of enhanced cooperation would include: regional security; environmental protection, climate change, and energy security; trade and investment; regional democracy and human rights promotion; and higher education. I will meet with Indonesian Foreign Minister Hassan Wirajuda on June 8 to discuss ways to move forward on plans for the Comprehensive Partnership. We have already renewed our Fulbright Scholarship Agreement by signing the memorandum of understanding extending the program for 5 years. We also hope to bring the Peace Corps back to Indonesia and work together on a Millennium Challenge Corporation Compact and reach an agreement on a United States-Indonesia science and technology agreement, which would provide a framework for U.S. science and technology agencies to work with their Indonesian counterparts.

Our objective in the Philippines is to help the country become a more stable, prosperous, and well-governed nation that is no longer a haven for terrorists. U.S. assistance aims to accelerate growth through improved competitiveness; strengthen governance, the rule of law, and the fight against corruption; invest in people to reduce poverty; and promote a peaceful and secure Philippines.

In addition to our important bilateral relationships, we are enhancing our ties multilaterally as a result of the growing regional integration in Southeast Asia. The administration seeks closer ties with ASEAN as part of our effort to increase our engagement with the region, and to erase any doubts about the strength and durability of the U.S. commitment to Southeast Asia. We are implementing partnerships with governments in the region and with the ASEAN Secretariat to address the wide range of challenges confronting us, from regional and global security, to the economic crisis, to climate change and human rights.

*Question.* The Asia Pacific region is home to approximately one-third of the world's population. I was pleased to learn that your trip to Asia was productive and well-received. While our focus on the Middle East to achieve peace is extremely important, I believe that our Nation's relationships with its neighbors across the Pacific are equally important. Instability in the region could prove just as volatile as our concerns with other areas of the world. Would you please comment on the administration's approach to engage our neighbors in the Asia-Pacific region, and how resources like Hawaii's East-West Center may be utilized?

*Answer.* Our relationship with the East Asian and Pacific region will be of increasing importance to our well-being and influence over coming decades, so it is no accident that my first trip as Secretary of State was to that region. Thoughtful engagement and a clear sense that we are interested in the views of our many friends and partners in the Pacific are and will continue to be a cornerstone of American success. We have many tools to pursue engagement with the Asia-Pacific countries, and we need to use all of them as skillfully and actively as resources permit.

The East-West Center plays an important role in U.S. relations with the Asia-Pacific region. The Center's work supports and complements State Department public diplomacy and policy-related efforts through its programs of research, seminars and education, including its unique initiative for the Pacific Islands. The East-West Center will host the Asia-Pacific Economic Cooperation forum (APEC) Symposium in Fall/Winter 2010 to kick-off the United States APEC host year in 2011. The Sec-

retary of State's role in appointing five members of the Center's Board of Governors, as well as the Center's regular consultations with the Department in Washington and with U.S. Ambassadors and their staffs in the Asia Pacific region, enhances the Center's ability to serve as a U.S. national institution meeting broad foreign policy goals. It functions as a neutral venue for dialogue, collaboration and study that is well known and respected across the region. In addition to the annual Congressional appropriation it receives through the State Department, the Center has been successful in winning grants from the Department and other government and private entities to conduct exchanges and related activities and is increasingly engaged with its over 50,000 alumni. As the Center approaches the 50th anniversary of its founding by Congress, the State Department looks forward to continued cooperation with the Center to meet shared objectives for strengthened U.S.-Asia Pacific relations.

*Question.* Terrorist acts are of great concern to the United States no matter where they may occur. The administration's approach of "smart" diplomacy, marshalling the Department of State's resources, and drawing upon the knowledge of its dedicated workforce to provide assistance on the ground in many parts of the world is to be commended. From your testimony, I believe you have a framework in mind to accomplish this vision. Where do you hope the State Department will be in terms of achieving this goal in the next 2 to 5 years?

*Answer.* We hope that over the next several years we will have significantly degraded the operational capability of Al-Qaeda and other terrorist groups, restricted the flow of funds to terrorists, and deprived terrorists of a market for their violent extremist ideologies, which should in turn deprive them of any base of popular support and new recruits. President Obama noted in his inaugural speech that earlier generations faced down fascism and communism not just with missiles and tanks, but with sturdy alliances and enduring convictions. We must do the same to effectively counter terrorism. Smart power is about using the full range of tools at our disposal—diplomatic, economic, military, political, legal, and cultural. Smart power is about working within alliances and partnerships.

We must achieve real unity of effort within the government, working with the Departments of Defense, Homeland Security, Treasury, Justice, and the intelligence community. We must ensure for example, that our foreign assistance is well-targeted, that our rule of law and democracy programs are effective, and that our public diplomacy explains our policies and draws attention to our work to improve the lives of others.

We must strengthen our partnerships with our traditional allies and others abroad, including the vast number of like-minded nations that share our abhorrence of terrorism. Some of these are indeed on the front lines: Afghanistan, which as the President has emphasized, cannot again become a safe haven for the world's most dangerous terrorists; and Pakistan, a nuclear-armed nation now threatened by an indigenous insurgency with close ties to Al-Qaeda. As the turmoil in South and Central Asia has demonstrated, Al-Qaeda and its allies have an ability to upset the geopolitics of pivotal regions of the world today that is unrivaled among non-state actors.

While we work bilaterally to improve our partnerships, multilateral fora also offer a route for improving global norms of behavior and deepening cooperation. In, for example, the United Nations, NATO, the G8, the European Union, the Organization of the American States, the African Union, APEC and other groups, there are initiatives that could bear more fruit with enhanced American leadership and assistance.

One means to address these challenges is through the Regional Strategic Initiative (RSI), developed by the State Department as a key tool to develop flexible regional networks, intended to work with regional states to develop common regional approaches which will lessen or eliminate gaps that terrorists exploit. The RSI uses smart power and works with our Ambassadors and interagency representatives in key terrorist theaters of operation to collectively assess the threat, pool resources, and devise collaborative strategies and policy recommendations to Washington and to our host states. RSIs have been established in eight regions of the world facing critical terrorist threats: Southeast Asia, Iraq and its neighbors, the Eastern Mediterranean, the Western Mediterranean, East Africa, the Trans-Sahara, South Asia, and Latin America. We plan to establish another RSI covering Central Asia later this year. As we strengthen collaboration through the RSIs, we plan to bring key foreign partners into our discussions to develop truly comprehensive strategies.

To support the deliberations and decisions stemming from the RSI, the Office of the Coordinator for Counterterrorism has successfully increased the NADR-appropriated budget for RSI from \$6 million to \$37 million in the 2010 budget request. This increase, if funded, will provide resources for the plethora of CT projects derived from the work on RSI globally that enhance the ability of law enforcement personnel to fight terrorism. This increase is part of the new set of activities funded



under the administration's Shared Security Partnership initiative, which will bring much-needed resources and interagency focus to assisting our partners with the tools and shared vision to successfully address shared challenges in the counterterrorism area.

Activities to counter violent extremism are also crucial smart power tools. They allow us to assure allies and to dissuade and deter adversaries, and undermine the terrorist's greatest source of strength—new recruits. Terrorist organizations use the media to disseminate messages to sympathetic audiences, to attempt to recruit new followers, to intimidate their opponents, and to conduct disinformation campaigns. Using sophisticated, modern methods of communication and public relations, they segment audiences and adapt their message as appropriate. They do this using a variety of means, including traditional mass media and new media channels.

To address this, our office put in place a strategic communication team to support the RSIs and has inaugurated a series of programs; this sort of activity also fits neatly into Secretary Clinton's concept of a "smart diplomacy" that addresses international problems through the use of whatever combination of panoply of policy and other tools available. The Ambassador's Fund for Counterterrorism supports innovative field activities and programs that work to support law enforcement's fight against terrorism through shifting the perceptions of target audiences, undermining the enemy's image, delegitimizing extremist ideologies, and diminishing support for violent extremism. We also intend to focus our activities more intently on building our international partners' capacity to counter extremism themselves, by helping them build the soft power tools to address extremism in their own countries. This critical piece has been missing from our counter-extremism efforts.

We are also working with the private sector to bring their resources, which offer enormous potential, to address the underlying conditions that give rise to terrorism. For its part, the private sector, of course, has a vested interest in partnering against violent extremists to secure its existing and future investments and economic opportunities.

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QUESTION SUBMITTED BY SENATOR BARBARA A. MIKULSKI

*Question.* From June 26–30 the Czech Republic will hold a Holocaust Era Assets Conference in Prague. One of the conference goals is to assess progress made since the 1998 Washington Conference on Holocaust era property restitution and financial compensation for stolen property. This is a very important conference. Six decades after the end of the Second World War, there are still large numbers of property restitution claims that remain unresolved due to foot dragging in national capitals across Europe in enacting property restitution laws and identifying funds. This is a tragic injustice that must be rectified.

My questions are as follows:

—Who does the State Department plan on sending to represent the United States at this conference?

—Will this delegation be charged with throwing the support of the United States behind efforts to encourage countries that have not enacted property restitution laws to do so as quickly as possible?

*Answer.* Secretary Clinton has appointed Ambassador Stuart E. Eizenstat to head the United States Delegation to the Conference on Holocaust Era Assets in Prague June 26–30, 2009. The Czech Republic is hosting this conference in its capacity as the President of the European Union. The conference is seen as a follow-up conference to the 1998 Washington Conference on Holocaust Era Assets which Ambassador Eizenstat organized.

Between 1993 and 2001, Ambassador Eizenstat served successively as the United States Ambassador to the European Union; Under Secretary of Commerce for International Affairs; Under Secretary of State for Economic, Business and Agricultural Affairs; and Deputy Secretary of the Treasury. He also served as the Special Representative of the President and the Secretary of State for Holocaust Issues in which capacity he negotiated Holocaust claims agreements with Germany, Austria and France.

While serving as Ambassador to the European Union, Ambassador Eizenstat had a mandate from the Department of State to investigate property restitution in the countries of central and Eastern Europe. He visited the area several times while he was serving in Brussels and pursued the issue after returning to Washington.

The Department's Special Envoys for Holocaust Issues have also worked on the property restitution issue over the past decade and have visited the countries concerned on numerous occasions.

Private property restitution, or compensation if restitution is not possible, is a major theme of the Prague conference and the United States Delegation will engage fully on that issue. In preparation for the Prague Conference, the Department of State hosted two town hall meetings on the property issue. Individual claimants and organizations representing claimants were invited to attend. As it has in the past, the United States will continue to urge the countries of Central and Eastern Europe to return property to rightful owners.

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QUESTION SUBMITTED BY SENATOR ARLEN SPECTER

*Question.* In both fiscal year 2008 and fiscal year 2009, Congress provided funds to the State Department for efforts to facilitate and promote widespread, secure Internet use by individuals residing in countries practicing repressive Internet monitoring, censorship and control. This is a low-cost method of allowing people, especially those living under repressive regimes, to access all-source, uncensored, unfiltered information, enabling freedom of thought, expression and the unimpeded flow of ideas and information. Language in the report accompanying the fiscal year 2008 Consolidated Appropriations Act (Public Law 110-161)—which included \$15 million for such efforts—stated, “DRL should ensure that recipients of funds employ Internet technology programs and protocols that facilitate and promote widespread and secure Internet use. Such programs should be field tested and have the capacity to support large numbers of users simultaneously in a hostile Internet environment.” In the fiscal year 2009 Omnibus Appropriations Act (Public Law 111-8), Congress provided \$5 million “for Internet activities to expand access and information in closed societies,” and noted “these funds are to be awarded on a competitive basis.”

What is the State Department’s plan for awarding fiscal year 2009 funds? What criteria will be used in the determination of awards? Finally, how do Internet access efforts fit into broader U.S. foreign policy strategy?

*Answer.* The State Department defines “Internet freedom” as freedom of expression and the free flow of information on the Internet. Freedom of expression is a universal human right and communications through the Internet, like any other media, should be protected by that right. To address challenges to Internet freedom, the State Department established the Global Internet Freedom Task Force (GIFT) in February 2006 as an internal coordination group. Promoting unrestricted access to the Internet has been an integral part of the Task Force’s three-pronged strategy.

First, the State Department monitors Internet freedom in countries around the world by spotlighting abuses of Internet freedom and responding quickly to protest such abuses. The Bureau of Democracy, Human Rights and Labor (DRL) monitors and reports on abuses of Internet freedom in its annual Country Reports on Human Rights Practices. Second, State responds to challenges to Internet freedom by working in partnership with other democratic governments, international institutions, and non-governmental organizations (NGOs) to urge countries to adopt policies that promote unrestricted access to information over the Internet. Third, the State Department advances Internet freedom by advocating for expanded access to the Internet and by funding organizations that combat Internet censorship.

Consistent with the conference report for the fiscal year 2009 Appropriations Bill and the Department’s standard operating procedure, the fiscal year 2009 Internet freedom funds will be awarded on a competitive basis. As such, the competition and selection process for fiscal year 2009 funds will be very similar to the fiscal year 2008 process.

Prior to publishing a Request for Proposals (RFP), DRL will consult with relevant bureaus within State and with USAID on how to most effectively use the \$5 million for Internet activities to expand access and information in closed societies. The RFP will then be published on both the grants.gov and DRL web sites. Eligible organizations will be invited to submit proposals before a given deadline. A panel comprised of members from relevant DRL offices, other bureaus within State, USAID, and other technical experts as appropriate, will review the proposals that are submitted according to the review criteria outlined in the RFP. DRL will also ensure that proposals complement, but do not duplicate, ongoing efforts. Proposals that best address DRL objectives and that receive the highest number of majority votes from the review panel will receive funding.

The State Department greatly appreciates Congressional interest on this issue and looks forward to continued cooperation with Congress on advancing Internet freedom.

## QUESTION SUBMITTED BY SENATOR MITCH MCCONNELL

*Question.* What is the status of the Burmese nuclear program? What nations, if any, are assisting Burma in its effort?

*Answer.* The United States is concerned with the potential proliferation, nuclear safety, and environmental impacts that could result from nuclear development in Burma. We do not believe Burma possesses the necessary legal, technical, financial, regulatory, or enforcement infrastructures needed to safely support nuclear development. Burma has not participated in international projects designed to help states develop these capacities, such as those offered through the IAEA. We also question whether Burma is prepared to accept the level of transparency required to establish confidence that a nuclear program would be limited to peaceful use. For these reasons, we closely monitor Burmese activities in the nuclear field.

Burma does not currently possess or operate a nuclear reactor. However, on May 15, 2007, Russia's Rosatom and Burma's Ministry of Science and Technology signed an agreement on the creation of a nuclear cooperation center to include construction of a 10-megawatt nuclear research reactor in Burma. We have expressed our concerns publicly about this agreement. More information on our concerns could be provided in a classified setting.

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 QUESTIONS SUBMITTED BY SENATOR SAM BROWNBACK

*Question.* When studying the State Department's Congressional Budget Justification for the Bureau of East Asian and Pacific Affairs, I noticed that among the strategic goals and priorities listed, there was no mention of shutting down, or at least attempting to shut down, the world's largest network of concentration camps and political prisons located in North Korea. At what point can this committee expect such a goal to be included in the objectives of EAP?

*Answer.* We remain deeply concerned about the human rights situation in North Korea, including labor and political prisoner camps. We will continue to make it clear to the DPRK that human rights are a top U.S. priority and will be a key element of any normalization process with the DPRK. We will also continue to work closely with other governments, including our regional partners, on the improvement of human rights in North Korea.

Given the restrictive operating environment in North Korea, we utilize creative and flexible programs to promote human rights in the country.

The Department of State is requesting \$3 million in fiscal year 2010 for programming to promote democracy, rule of law, and human rights in North Korea. This represents an increase from the fiscal year 2009 allocation of \$2.5 million for such programs.

As outlined in our budget justification, these funds will be utilized to promote democracy and human rights in North Korea by empowering independent defector voices, journalists, and democracy activists. It will continue to provide access in North Korea to the type of balanced and non-propagandized information from abroad that has been critical to defectors' awakening about the realities of North Korea and their subsequent desire to seek freedom.

In addition, U.S. assistance will work to improve respect for human rights and rule of law inside North Korea. As the non-governmental organization community becomes more engaged in North Korea, the potential for programs continues to grow. The United States will build the capacity of these organizations to more effectively advocate for human rights in North Korea.

*Question.* As part of the overall policy towards Iran, does the State Department support, as then-Senator and now President Barack Obama did in 2008, Federal divestment legislation similar to that passed into law in the 110th Congress regarding Sudan (Public Law 110-174)? Would the administration support including such legislation in fiscal year 2010 Appropriations legislation?

If not, why not?

*Answer.* We share Congressional concerns over Iran's continued failure to comply with its UNSC, IAEA, and NPT responsibilities and obligations. However, additional unilateral sanctions would unnecessarily impair the President's flexibility to conduct foreign policy, and be potentially harmful to our efforts to develop and maintain a multilateral framework to address the risks to the international community emanating from Iran. Multilateral sanctions against Iran have proven far more effective than U.S. sanctions alone.

At this juncture in our nascent effort to engage Iran, we believe it is critical to maintain the strong support of our partners in the international community and ensure that the pressure stays on Iran, not our allies. However, I must stress that our offer of engagement will not last forever. If, despite our best efforts, our engage-

ment does not produce results or Iran fails to comply with its international obligations, Iran faces further sanctions and isolation.

*Question.* The President has said that we should close Guantanamo Bay's detention facility because any benefits it may provide are outweighed by the diplomatic cost of allies who refuse to work closely with us while the facility remains open. Given these high costs, other than citing plans to close the facility, what is the State Department doing to rehabilitate the image of Guantanamo Bay and correct misperceptions about the detention facility as long as it remains open? How does the State Department intend to defend the president's plans for the indefinite detention of some categories of detainees? What steps will the State Department take in fiscal year 2010 to build support for U.S. detention policies even if the administration closes Guantanamo Bay and moves detainees elsewhere?

*Answer.* The President has said that we will close Guantanamo Bay's detention facility because it has set back the moral authority that is America's strongest currency in the world. Rather than keep us safer, the Guantanamo prison has weakened U.S. national security by serving as a rallying cry for our enemies and at the same time setting back the willingness of our allies to work with us in fighting an enemy that operates in scores of countries. To turn the page and emphasize that the President's objective is a diplomatic priority, I have appointed Ambassador Daniel Fried as Special Envoy for Closure of the Guantanamo Bay Detention Facility. As Special Envoy, Ambassador Fried is working with foreign governments to repatriate, resettle abroad, or transfer for further judicial process those detainees whom the Guantanamo Detainee Review Panel—an interagency group created by the President's Executive Order of January 22, 2009, which acts on behalf of the relevant Principals—has deemed eligible. In his diplomatic engagements, Special Envoy Fried regularly and publicly discusses the improved conditions of detention currently in place at the Guantanamo Bay detention facility, noting especially the high level of professionalism exhibited by U.S. men and women serving on the staff, and the comprehensive medical support provided to detainees.

With regard to future plans concerning communications on detention issues, these issues continue to be deliberated within the Executive Branch, and it would be premature to discuss the development of any communications strategy at this time. The Department is working regularly with foreign interlocutors to help them understand how the steps that this administration is taking with regard to U.S. detention policy and practice are consistent with international law, the rule of law, and the deeply held values that we share with our closest allies.

*Question.* Aside from any policies or programs that involve improving the image of the United States, does the State Department have a strategy in fiscal year 2010 to empower moderate Muslims in their struggle against violent extremists?

*Answer.* The Department of State has an established strategy of combating the extremist ideologies that can radicalize young people and lead them to join violent groups. There are two general approaches to such activity:

First, we work to create alternatives that will divert "at risk" youth away from the recruitment process. Examples would be the use of mobile phones, SMS messaging, and Co-Nx video chats to amplify the reach of the President's recent Cairo speech. But we are also piloting other on-the-ground programs like a Teach for Lebanon, based on the Teach for America model that employs Lebanese students from top universities to teach in the impoverished and often Hezbollah-influenced regions of Lebanon. We are also working to build networks of moderates within the Muslim communities of Western Europe that can counter the extremist narratives both in Europe and on a more global scale. Additional efforts include support for mobile empowerment programs for "at risk" communities in Afghanistan with the hope of expansion into Pakistan.

Second, we offer opportunities for "at risk" youth through diversionary programs such as ACCESS English teaching, YES scholarships, Fulbright Programs, and focused cultural programs that offer the prospect of rational alternatives grounded in the global economy.

*Question.* The Department of Defense spends hundreds of millions of dollars per year engaged in information operations and strategic communications activities but recently eliminated the Deputy Assistant Secretary of Defense for Support to Public Diplomacy. Are you satisfied in the level of coordination between State and Defense in this area? How will the State Department coordinate with the Department of Defense to ensure the United States sends consistent messages through its public diplomacy and strategic communications activities?

*Answer.* The Departments of Defense and State have a close, mutually reinforcing relationship here in Washington as well as in the field. The U.S. military offers many strategic communication resources in support of our international efforts and assists us in making a major impact with our public diplomacy.

There have been organizational changes at DOD but we continue to enjoy a healthy, cooperative relationship. Under Secretary Flournoy recently appointed a senior advisor to serve as OSD Policy's Coordinator for Global Strategic Engagement, reporting directly to her, and among the Coordinator's responsibilities is the task of coordinating State and helping to leverage DOD resources to better support public diplomacy. A senior public diplomacy officer (and former ambassador) represents the Under Secretary of State for Public Diplomacy at the Defense Department and engages daily with OSD/Policy, OSD/Public Affairs, the Joint Staff and the geographic combatant commands.

Up to a half-dozen DOD personnel join State FSO's in staffing the Global Strategic Engagement Center, an interagency secretariat at the State Department that supports NSC Interagency Policy Committee decisions under PPD-1 (dated February 13).

The Departments of State and Defense continue to benefit from cross-agency sharing of foreign media analysis, public opinion polling, and research. Currently, more than 20 Military Information Support Teams help U.S. embassies communicate U.S. policy in foreign countries. State and Defense both benefit from ever-increasing sharing of foreign media analysis, public opinion polling, and funded research. A new initiative to share strategic communication/public diplomacy training resources between the Foreign Service Institute and various Defense Department training and education institutions shows promise. Military officers and FSO's who have shared a classroom tend to work well together in PRT's and other foreign environments later. We also see promise in the development of a combined video and imagery database that will document America's on-the-ground engagement in development and humanitarian assistance in many parts of the world—so much of which is done by our military colleagues.

Secretary Gates and I, as well as Under Secretaries McHale and Flournoy, continue to believe that, managed properly, our two Departments' combined efforts in the field, under the direction of the President's ambassadors and their interagency country teams, are advancing America's cause and showing the world an open hand of peace, democracy, and justice.

*Question.* The post of Special Envoy to Monitor & Combat Anti-Semitism remains unfilled. Given the rise in anti-Semitic activity worldwide, and specifically in Venezuela, when can we expect someone to be nominated for this post?

*Answer.* Filling the position of Special Envoy to Combat Anti-Semitism is a priority for the Department of State. The Department is committed to identifying an exceptionally qualified candidate that can be announced to the public in the future.

*Question.* In light of the President's new strategy of engagement with the government of Hugo Chavez, what steps is the administration taking to combat anti-Semitism sponsored and conducted by the Chavez regime in Venezuela, as detailed by the U.S. Commission on International Religious Freedom, the Anti-Defamation League, and several news organizations including the Wall Street Journal?

*Answer.* The administration shares your concerns about anti-Semitism in Venezuela. We seek to engage the Government of Venezuela to advance the interests of the United States—including respect for democracy and human rights. Through direct communication with Venezuelan government officials, we can stress the importance of specific human rights issues, such as religious freedom and religious tolerance.

In recent years, there has been a rise in anti-Semitic incidents in Venezuela, particularly during the Israeli military operations in Gaza. Although these incidents have diminished since the end of these military operations, the United States will continue to work with our hemispheric partners to promote inclusiveness and tolerance in Venezuela. Department officials remain in regular contact with representatives of U.S. and international Jewish organizations. In June 2008, the Department's Special Envoy on Anti-Semitism visited Venezuela to meet with Jewish community leaders and a Venezuelan government official.

At the Organization of American States' Permanent Council Meeting on February 4, the United States condemned the January 30 synagogue attack, and called on the Venezuelan government to investigate the attack and prosecute those responsible. The U.S. Embassy in Caracas also meets regularly with local Jewish community leaders and, after the synagogue attack, our Chargé met with synagogue leaders and a delegation from the American Jewish Committee.

*Question.* When can we expect the nomination of a new Ambassador at Large for International Religious Freedom?

*Answer.* Filling the position of Ambassador at Large for International Religious Freedom is a priority for the Department of State. The Department is committed to identifying an exceptionally qualified candidate that can be announced to the public in the future.

*Question.* What support will the administration provide for human rights and democracy in Syria? For example, has the administration engaged with the Damascus Declaration, which represents a broad coalition of pro-democracy forces inside Syria?

*Answer.* President Obama has made clear his strong support for human rights around the world. He has also declared his strong commitment to using diplomacy and dialogue to work on issues of mutual interest, as well as to bridge the differences which remain in our policies. In keeping with this policy, Acting Assistant Secretary Feltman and NSC Senior Director Dan Shapiro recently visited Damascus and discussed a wide range of issues including our concerns about the human rights situation in Syria. We will continue to use dialogue with the Syrian government to directly address U.S. concerns and identify areas where the United States and Syria can cooperate. The United States has had and will continue to have contact with a broad range of Syrian nationals, including human rights advocates and civil society leaders associated with the Damascus Declaration.

In fiscal year 2005, NEA's Middle East Partnership Initiative (MEPI) launched its first grants aimed at supporting democracy promotion in Syria. Through a number of organizations and projects, increasing numbers of democracy activists have obtained the skills, training, and tools to advocate for reform, mobilize other citizens on behalf of the reform agenda, highlight the human rights situation inside the country, and begin to develop an alternative vision for the country's future. Projects have aimed since then to provide ongoing support to Syrian democracy activists mainly through targeted technical assistance, including training in political communications, effective use of information technology, and the media. The Bureau of Democracy, Human Rights and Labor (DRL) also continues to support programs that promote democracy and human rights in Syria. Recent program themes include civic education, engaging youth in social activism, and working with youth to establish online communities for networking and debate. DRL plans to support similar programs in Syria in fiscal year 2009 through a congressional earmark.

*Question.* On at least two occasions, the State Department has reported on the significant progress by the Philippines in strengthening human rights protections—progress that took place both before and following the enactment of the conditional FMF funding. I therefore noted with interest that the administration, in the Appendix to the fiscal year 2010 Budget, proposed to delete the FMF conditionality. This action appears to recognize of the progress made by the Philippines, as detailed in the State Department's reports.

So that the Committee can consider the administration's request to remove the conditions, please advise the Committee on the bilateral cooperative actions the United States intends to take with the Philippines to continue progress in protecting human rights in the absence of such conditions.

*Answer.* As the Philippine government has taken steps to combat extra-judicial killings (EJKs) and strengthen human rights protections, the United States has been closely engaged with the Philippines in promoting and protecting human rights through a variety of targeted programs and diplomatic outreach. Although we are pleased there has been a decline in the number of killings and forced disappearances, we share President Arroyo's view that even one killing is too many.

Ongoing military assistance programs, including our bilateral Philippine Defense Reform initiative, are designed to enhance professionalism, strengthen the concept of command responsibility, and encourage respect for human rights. U.S. military personnel provide human rights training, embedded in military training exercises, to thousands of Philippine soldiers each year. U.S. law enforcement agencies are similarly engaged with their Philippine counterparts and provide training on human rights, ethics, rule of law, leadership and anti-corruption. USAID concentrates on building the capacity of civil society and the judicial system, the latter by improving the efficiency and effectiveness of the courts.

The Ambassador and other senior U.S. officials in Manila and Washington frequently and consistently raise human rights issues with Philippine government interlocutors. Since the start of 2009, Embassy Manila has intensified its outreach activities on human rights, stressing U.S. support for Philippine government human rights mechanisms—such as the independent Commission on Human Rights—as well as the complementary role of civil society in promoting and protecting human rights.

Embassy Manila and officials in Washington have also emphasized the need to address extrajudicial killings (EJKs) and continue to urge the Philippine government to make greater progress toward eliminating the killings and investigating and prosecuting crimes that have occurred to date. Our concerns are reinforced at the working level and through targeted assistance programs sponsored by USAID, the State Department's Bureau of Democracy, Human Rights and Labor (DRL), and the Bureau of International Narcotics and Law Enforcement Affairs (INL). This as-

sistance includes: training on the investigation and prosecution of EJKs, forced disappearances, and torture; workshops offering human rights training for judges, public attorneys, police and military personnel, and other government officials; and training and materials to enhance the capacity of journalists to produce high-quality, accurate reports on human rights investigations and cases, thereby promoting greater public awareness.

We continue to highlight at every opportunity our concerns about human rights and extrajudicial killings and seek to identify additional ways the U.S. Government can provide assistance.

*Question.* When asked about U.S. aid to Africa at a hearing before the House Committee on Foreign Affairs in March, Secretary Clinton said: “I don’t know where a lot of it ends up. And our transparency and our accountability measures are not adequate. We waste way too much money on contractors. Fifty cents out of every dollar is not even in the pipeline to serving the people it should serve . . . I think we have to start over. I think we’ve got to ask ourselves, what are we doing? And how do we do it better? How do we define our mission?”

Is there a process in place at the State Department to ask those very questions with respect to aid to Africa and foreign aid more broadly? I understand that Under-Secretary Lew is looking at budgets and spending, but how do you plan to answer the larger questions about mission and strategy? Who is leading that process, to ensure that strategy is driving our budgeting, rather than vice versa?

Answer. I am committed to making sure that Foreign Assistance is properly managed and implemented. One element of this review is ensuring, exactly as you say, that our strategy drives our budgeting, rather than vice versa. I take seriously the need to modernize how we deliver foreign assistance so it is as strategic, effective, and coordinated, as possible. We have not yet fully completed our review of Foreign Assistance reform. We are thinking through these issues in a thoughtful and deliberative manner and will coordinate with a broad range of stakeholders.

Jacob J. Lew, Deputy Secretary for Management and Resources, serves as my principal adviser on overall supervision and direction of resource allocation and management activities of the Department. He is focused on ensuring that the Department of State is well coordinated internally and collaborating effectively with other agencies and organizations, spending smarter as we build the capacity to achieve our objectives and deliver results.

Deputy Secretary Lew also is also responsible for the overall direction, coordination and supervision of operational programs of the State Department, including foreign aid and civilian response programs.

The focus in these first few weeks has been on securing the necessary resources to implement a “smart power” agenda. I remain committed to improving and streamlining our delivery of foreign assistance and look forward to consulting closely with the Congress in the weeks ahead.

*Question.* Recently I met with human rights and humanitarian activists to speak about the terrible situation facing the people of Burma. I was extremely impressed by the international NGO response to Cyclone Nargis—and was pleased that your request for fiscal year 2010 includes increased funds for humanitarian relief inside Burma. What steps are being taken to ensure that the assistance, some of which is provided through the ESF account, will reach the people most in need and will not be diverted for use or benefit by the SPDC?

Answer. The United States has committed nearly \$74 million to date to helping the people of Burma recover from the devastating May 2008 Cyclone Nargis. This assistance has helped meet the needs of those most severely affected by the tragedy; a need that is not being met by their own government. The United States provides assistance to the people of Burma, including the victims of Cyclone Nargis, through international NGOs and U.N. agencies. These organizations closely monitor and account for the funding provided to them and provide reports to us regularly. Each implementing organization has inventory control systems and safeguards in place to ensure USG-funded commodities are delivered to the intended beneficiaries. In addition to our implementing partners’ efforts, U.S. officials in Rangoon and in the region regularly travel to cyclone-affected areas and other program sites to monitor the distribution of assistance and its impact on the daily lives of the Burmese people. Working closely with our implementing partners, we will continue to monitor the humanitarian assistance we provide to ensure that it does not enrich or benefit Burma’s ruling generals.

*Question.* The fiscal year 2010 Budget proposes a \$15 million cut for the National Endowment for Democracy (NED). Does this reflect a diminished commitment to the promotion of democracy and human rights? If not, please outline the steps the State Department will be taking to make up for the diminished capacity of the NED.

Answer. The Department recognizes and supports the NED's unique role as a key strategic partner in promoting democracy worldwide. The \$100 million fiscal year 2010 request for the NED is actually a \$20 million (25 percent) increase over the previous administration's fiscal year 2009 request of \$80 million and consistent with NED's fiscal year 2008 actual funding level, on which the request was based. As a result of subsequent Congressional action, the fiscal year 2009 request was increased to \$115 million, including \$15 million for additional, non-core NED small grants programs. The Department's request for NED does not historically include any non-core special program funds.

The fiscal year 2010 funding request will allow NED to continue its strong core grants program in priority countries and the activities of the NED's core institutes: the American Center for International Labor Solidarity, the National Democratic Institute, the International Republican Institute, and the Center for International Labor Solidarity. In addition to core funding for the NED, the administration's fiscal year 2010 budget request for Foreign Assistance funds includes \$2.8 billion for Governing Justly and Democratically activities to be administered by the U.S. Agency for International Development and the Department of State. As has happened historically, NED will also be able to implement programs funded from other appropriations.

#### CONCLUSION OF HEARING

Senator LEAHY. The subcommittee will stand in recess.

[Whereupon, at 11:05 a.m., Wednesday, May 20, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]



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