TESTIMONY OF DEBORAH A. MCCARTHY AMBASSADOR-DESIGNATE TO THE REPUBLIC OF LITHUANIA NOVEMBER 28, 2012 SENATE COMMITTEE ON FOREIGN RELATIONS

Members of the Committee,

It is a privilege and an honor for me to appear before you today. I am grateful to President Obama and Secretary Clinton for their confidence in nominating me to be the U.S. Ambassador to Lithuania. If confirmed, I pledge to represent the United States to the best of my ability and to work with this Committee, your staff, and your Congressional colleagues to advance U.S. interests.

With your permission, I would like to introduce my daughter, Natalia, and my sister, Diana McCarthy Bernard.

Over the last 14 of my 30 years of government service, I have served as Deputy Chief of Mission in Nicaragua, Consul General in Montreal, Deputy Assistant Secretary of State for Narcotics, Deputy Chief of Mission in Greece, and now Principal Deputy Assistant Secretary for Economic and Business Affairs, responsible for global economic engagement. I believe that these experiences have prepared me well, if confirmed, to lead our Mission – and to exercise American leadership – in Lithuania.

The United States enjoys a close relationship with Lithuania. It is a relationship founded on America's 90 years of unbroken diplomatic relations with Lithuania, the transatlantic ties of the many American citizens of Lithuanian ancestry, and the energetic engagement of Lithuania with the United States in addressing today's challenges to freedom and security worldwide.

Since Lithuania re-established its independence in 1990, it has embraced democracy and the principles of a free market. In addition to its active role in the North Atlantic Treaty Organization (NATO) and the European Union (EU), Lithuania successfully chaired the Community of Democracies and the OSCE in 2010-2011, demonstrating Lithuania's growth into a leading promoter of democratic values on a global scale. Moreover, the fact that Lithuania has one of the highest rates of voting with the United States at the United Nations is evidence of the principles it shares with us.

Lithuania is particularly dedicated to advancing democracy in the countries of the former Soviet Union, sharing the expertise it gained during its hard-won reintegration into the West. It is actively helping the Belarusian people build a strong civil society in the face of terribly difficult circumstances, vigorously supporting Georgia's territorial integrity and accession into NATO, and is working on the grassroots level elsewhere in Eastern Europe, including in Ukraine and Moldova, to build stronger democratic institutions. When Lithuania takes on the

Presidency of the European Union in July of next year, it plans to make the EU's Eastern Partnership Initiative a key priority, hosting the Eastern Partnership Summit in November 2013.

Lithuania is a committed ally of the United States, volunteering to send troops to Afghanistan even before joining NATO. It leads a Provincial Reconstruction Team in Ghor province, deploys Special Operations Forces to Regional Command-South, and has pledged to help financially sustain the Afghan National Security Forces beyond 2014.

The global economic crisis had severe effects on Lithuania. GDP shrank by 14.8% in 2009. Through the government's implementation of strict austerity measures and active trade and investment efforts, the economy has rebounded and become one of the fastest growing in the EU, with a 5.9% increase in GDP in 2011 and 2.5% forecast for 2012. The energy sector in particular has been growing as part of the Lithuanian government's strategy to diversify its sources of power. Such growth offers opportunities to support the President's National Export Initiative (NEI) and help create jobs in the United States. I have spent the last two years in the Economic Bureau directing State's efforts to carry out the NEI and, if confirmed, I will work actively with U.S. businesses to expand their opportunities in Lithuania and the region.

Addressing issues that linger from the days of war and totalitarian occupation has been difficult for Lithuania, but during the past several years, the government has made significant progress in doing so. To name a few developments: the Lithuanian authorities granted protection to a historic cemetery considered sacred by Jews worldwide, dedicated the year 2011 to the remembrance of Holocaust victims in Lithuania, passed legislation to compensate for Jewish communal property seized under Nazi and Soviet rule, and approved the resumption of the International Commission for the Evaluation of the Crimes of the Nazi and Soviet Occupation Regimes in Lithuania. If confirmed, I will work closely with the government to monitor and encourage effective implementation of the afore-mentioned agreements as well as to promote tolerance and historical understanding.

Thank you for this opportunity to appear before you today. Should the Senate confirm my nomination, I will dedicate myself to protecting and advancing U.S. interests in Lithuania. I will be pleased to answer any questions you may have at this time.