

THE PRESIDENT'S FOREIGN AFFAIRS BUDGET

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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FEBRUARY 13, 2008
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THE PRESIDENT'S FOREIGN AFFAIRS BUDGET

WEDNESDAY, FEBRUARY 13, 2008

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

The committee met, pursuant to notice, at 10:03 a.m., in room SD-106, Dirksen Senate Office Building, Hon. Joseph R. Biden, Jr. (chairman of the committee) presiding.

Present: Senators Biden, Dodd, Kerry, Feingold, Boxer, Menendez, Cardin, Casey, Webb, Lugar, Hagel, Coleman, Corker, Voinovich, Murkowski, Isakson, Vitter, and Barrasso.

OPENING STATEMENT OF HON. JOSEPH BIDEN, JR., U.S. SENATOR FROM DELAWARE

The CHAIRMAN. The hearing will come to order. It's a great pleasure to have Secretary Rice before us today to present the budget of the State Department and talk about that and other things with us. And it's an honor to have you here Madame Secretary. And it's hard to believe that this is the last—at least maybe—the last budget you'll be presenting, at least under President Bush. And who knows, maybe—maybe it will continue, but we thank you for being here, Madame Secretary, and appreciate your cooperation.

Before we begin, I'd like to acknowledge what all of us are aware of, but it warrants being acknowledged, that our counterpart in the House, Tom Lantos, has passed away. Tom Lantos, we all had relationship with Tom, but as we say, as a point of personal privilege, my relationship with Tom goes back a long, long time. Tom was actually my foreign policy advisor. Tom was working for the Bank of America and teaching at the University of San Francisco as an economics professor. And I met him out there and on one occasion, and I talked him into coming back to work as my staffer. And I may be the only chairman who ever had a chairman work as a staffer.

But we became very close friends, our families, and his daughter, Katrina, worked for me as well. And his grandson Tomicah is a Ph.D. and handles Europe for me on the committee as we speak. But Tom, as we all know, was the only survivor of the Holocaust to ever serve in the United States Congress. In a sense, Tom was more American than the son of the American Revolution. Tom epitomized every value that we herald as being an American value. Above all, as the Secretary knows, he was a consummate gentleman.

I used to kid him, I used to tell him that I believe that the Blarney Stone in Ireland was probably first found in Budapest, because

I've never—I've never run across a more charming, more decent, and a more brilliant man, with all those qualities rolled into one. And, he is—it's a big loss for the country, and I know he was a close friend of Barbara's as well, being a fellow Californian and coming from her neck of the State. So, I just want to acknowledge how profoundly missed that Tom will be.

I'd also like to welcome the newest member of our committee, Senator Barrasso. Where—is he here? Oh, there he is. I'm looking the wrong way. I'm so used to looking right when I think Republican. I apologize. And you were appointed last evening to take the place of Senator Sununu, who left the committee to take a seat on the Finance Committee. I welcome you and I really look forward—and I know you're going to have to leave because you're on the Energy Committee, as well, and there's a major issue coming before that committee today. But, we just want you to know how welcome you are and look forward to working with you on this committee.

Madame Secretary, today the committee meets to hear from you on the President's budget for Foreign Affairs for fiscal year 2009. The budget submitted to Congress last week, seeks \$39.5 billion in spending for Foreign Affairs, a substantial increase over the last year, and I commend you. I commend you for persuading the President to continue to expand the Foreign Affairs budget.

I'm particularly pleased by the nearly \$250 million for funding requested for the Civilian Stabilization Initiative, which was an initiative of my colleague and Chairman Senator Lugar and I, but he was the main engine behind all of that. And I think it is extremely important. This builds on legislation that we developed 4 years ago, to establish a corps of Active Duty and Reserve civilian personnel that we can send overseas on short notice to address post-conflict needs and humanitarian crisis. We still have unfinished business here in the Senate and the Congress, the latest version of our legislation has been stalled in the Senate for nearly a year. It is my hope we can unglue it and get it passed.

I'm also pleased that you are working to increase the number of Foreign Service personnel, as well as diplomatic security agents. Secretary Powell began that expansion, but it has been offset by the demands of Iraq, and there continues to be reports of personnel shortages in many areas of the department.

The President's Emergency Action Program for HIV/AIDS has saved more than a million lives. It may be the greatest legacy this President leaves, or any President could leave. It's saved more than a million lives, and it also, not only did the right thing, is doing the right thing, but puts America in the right light, once again trumpeting our values and our humanity, not just our power.

This year's budget includes \$6 billion for HIV/AIDS. I know that sounds like a lot of money and is a lot of money, but, in reality, the request only marginally increases the program over last year. We're not doubling our investment as the President said, we're just barely maintaining it. And I believe we can do even better than that, so this may be a case where briar rabbit is allowed to be thrown into the briars, because my intention to try to expand that number, and I believe others will join me in that regard.

So Madame Secretary, I strongly support most of your budget efforts. What I don't support, and this is not your responsibility, is

the practice of placing tens of billions of dollars for the wars in Iraq and Afghanistan in the category of so-called emergency spending, which the President again exempts from normal budget rules. I think it is wrong to force the taxpayers of tomorrow to pay for the wars of today.

Beyond the budget, this is an opportunity for you to talk about your policy priorities for the remaining months of the administration.

And let me briefly mention a few of mine and what I'm going to attempt to, with the help of Senator Lugar and others, have the committee focus on. In Iraq, all of us welcome the recent decline in violence. Our military, as it always has, has done its job and has done its job remarkably well. And they've taken advantage of other critical developments, including the awakening movement among Sunnis and the Sadr cease-fire among Shiites. Unfortunately, political progress, which was the principle aim of the surge, has not followed.

I still see no strategy for achieving what virtually everyone agrees is the key to success in Iraq, a sustainable political settlement that convinces Iraqis they can pursue their interest peacefully without bullets and bombs. Without a political settlement, Madame Secretary, we could easily see a resurgence of violence, no matter how many troops we keep in Iraq. And, we just can't keep this many troops in Iraq for a whole lot longer. Every day we stay in these numbers is another day of terrible strain on our fighting forces and their families, on our military readiness and ability to meet other threats to American security, on our taxpayers and government's capacity to meet challenges here at home, and our standing in the world.

The President says our strategy is to "to leave on success." The question is: Does that mean that it is his intent to stay on failure? Because right now, in the absence of a political strategy in Iraq, that's what we're doing. We're treading water. That's better than drowning, but we can't keep doing it.

I'm pleased that both you and Defense Secretary Gates have now clarified the so-called framework for normalization of relations. That is the administration's plan to negotiate with the Government of Iraq. And you've laid out clearly, it does not include security commitments that would bind us to engage our military in Iraq's defense. As I made clear to the President in a letter last December, any such commitment would require the consent of the Senate.

And I'm also pleased that the President himself has said on the record, the United States seeks no permanent military bases in Iraq. We have passed such legislation, I believe on several occasions in the Senate, and once finally, the entire Congress, signed by the President. I've repeatedly put a prohibition against permanent bases in legislation because the misplaced belief in Iraq and the wider Arab and Muslim world, is that we seek a permanent presence, has been used as a recruiting tool for al-Qaeda, and it is an accelerant for anti-Americanism, and I'm glad the President has stated flatly that is not our intention.

What I hope to hear from you today, Madame Secretary, and in the weeks ahead, is just how we get to success. What is the political strategy in Iraq? What is the diplomatic strategy to help

achieve it? You know my views and my colleagues, unfortunately, know my views. I've been like a broken record, as they used to say, but unless and until we put our energy into helping the Iraqis build what is already in their Constitution, a federal system that brings resources and responsibility down to the local and regional level, I don't believe we're going to reach that political solution. Where are we on that? And if we continue to reject that plan, which Congress overwhelmingly endorsed, what's the alternative?

If we should have surged forces anywhere, I think most of the committee would agree it was in Afghanistan. I know you're just back from there, and Senators Kerry and Hagel and I are about to go. When we return, the committee will want to hear your ideas for how we can turn around the situation that seems to most of us, if not the administration, to be slipping from our grasp. Violence is up, the Taliban is back, drug production is at an all time high, and people seem to be losing faith in Karzai government's ability to deliver progress.

Afghanistan's fate, as you know better than anyone, is linked to Pakistan's future, and so is American security. We're going to see, next week, what the elections bring in Pakistan, but we'll be anxious to hear from you after that.

But no matter what the result, we need to move in Pakistan from Musharraf policy to a Pakistan policy, one that demonstrates to its moderate majority that we are with them for the long haul, with the help to build schools, roads, clinics, and that we're going to demand accountability for the billions of dollars in a blank check that we keep writing for the Pakistan military.

And finally, in Darfur, the United Nations and the African Union jointly assumed control over the peacekeeping mission on December 31, but fewer than 10,000 of the 26,000 authorized troops are on the ground. One reason is Khartoum's obstructionism, but the other is the pathetic fact that the international community can not muster 24 helicopters needed for this mission. I would like to know exactly which leaders you and the President have personally contacted to get these helicopters, and what can be done to deal with that.

There's a lot more to talk about, Kosovo's imminent declaration of independence, your plans for the NATO summit, your efforts in the Middle East, the challenges posed by Iran, Syria, and Lebanon.

And this committee is going to spend a lot of time in the months ahead on some long-term challenges that may seem less urgent, but are no less important to America's future, the emergence of China, India, and Russia, the critical issues of energy, security, and climate change, which Chairman Lugar started in earnest the last 2 years, and the need for a more effective strategy to advance democracy and combat extremism that will help us recapture the totality of America's strength.

We won't have time today to cover even a small piece of this agenda, so I hope you'll come back a few times before the year is out, Madame Secretary.

And with that, let me turn to Senator Lugar for his opening comments.

Senator LUGAR. Mr. Chairman, thank you very much. Let me ask of—I note the presence of a quorum, and both parties have been

consulted about legislation, five pieces and 19 nominees that have unanimous consent, whether it might be the pleasure of the chairman to proceed to that business.

The CHAIRMAN. Well, I would ask the Secretary if she minds us interrupting.

[Recess.]

The CHAIRMAN. Now we'll move back to regular session and the floor is yours.

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

Senator LUGAR. I thank the chairman, and I know the Secretary thanks the chairman. Nineteen worthy Americans will be heading out to embassies that need to have our presence, and we appreciate very much this action.

And I join the chairman in thoughts about Tom Lantos. He was a very dear friend and a wonderful partner with this committee. We have appreciated that leadership very much throughout the years, as well as opportunities to be with him in Hungary during CODELs in the past, in which he enriched our understanding.

Likewise, I want to welcome our new member, Senator John Barasso. He is going to be a very able and eager participant in our hearings. He'll be back, I understand, after he does his work in the Energy Committee today.

I join you, Mr. Chairman, in welcoming the Secretary. This hearing gives the committee an opportunity to examine the State Department's budget and ask fundamental questions about the Bush administration's foreign policies. It's especially important in a year of transition to examine international projects that we have in motion, and the overall strategies of our foreign policy institutions. We should ask whether the State Department, the Bush administration, and indeed, the entire political establishment of our country, both Democrat and Republican, are adapting to the world as it is.

Have bureaucrats and budgetary inertia consigned us to spend most of our time preparing for yesterday's military and diplomatic threats, or are we fixated on old processes and tactics that are being overwhelmed by global economic, demographic, and technological changes?

The understandable Bush administration response after September 11, 2001, was to shift assets toward combating terrorists. And defending this country from terrorist attacks remains a fundamental national security priority. We are also engaged in vital diplomatic efforts related to problem countries, including Iraq, Iran, Afghanistan, North Korea, but the gravity of these situations should not keep us from responding to dynamic global changes.

In a recent piece from the Financial Times, the eminent columnist, Martin Wolf wrote, "Neo-classical economics analyzed economic growth in terms of capital, labor, and technical progress, but I now think it is more enlightening to view the fundamental drivers as energy and ideas." If Wolf is correct, and I believe he is, our economy and our foreign policy are at risk of being overwhelmed by forces that are receiving far too little attention within our Government.

Principal among these forces is the burgeoning demand for energy from China, India, and elsewhere, and the cosmic economic shifts that are being driven by these immense, rapidly industrializing societies. The immediate effect is rising energy prices, but longer term effects include accelerating climate change and shortages of hydrocarbon supplies, both of which could become sources of serious conflict.

The most eye-opening statistics emanate from China. That country's rapid industrialization is obliterating old ways of thinking about the global economy. Consider that the Chinese coals plants that came online in 2006 alone, added a net 80 gigawatts of electricity generation to the Chinese system, an amount roughly equal to the entire electrical capacity of Great Britain.

Meanwhile, China last year used 32 percent of all the steel consumed in the world. The 7.2 million vehicles sold in China in 2006 were 4½ times as many as were sold in China just 9 years earlier.

And thanks both to foreign direct investment in China and its massive current surplus, China has nearly \$1.5 trillion in official foreign currency reserves. That accounts for a quarter of all the reserves in the world. The value of the dollar has fallen, as our trade deficit has risen and our savings rate remains near zero. We are not just buying what they are making, America is, in effect, importing debt, along with consumer satisfaction.

Such statistics raise many disconcerting questions about global stability, the United States influence in the world, and the maintenance of American living standards.

I make these points today because there is a temptation in the last year of an administration for observers to dismiss, not only the budgetary priorities of the outgoing President, but also important foreign policy initiatives. Lame-duck administrations sometimes embed such attitudes by failing to quickly appoint nominees, as numerous vacancies come open, and by giving up on initiatives that require approval from Congress. I would emphasize the United States can not afford to take a year off, and I trust the administration believes that very stoutly.

The President should be reaching out to the Congress in an effort to construct a consensus on how we can respond, not only to a high-profile threat such as terrorism and climate change, but also more nuanced problems such as U.S. energy vulnerability, the struggle to diversify central Asian energy supplies, our weakened debt positions, the shift of financial influence to Asia, the growth of sovereign wealth funds, and the coming expansion and demand for nuclear power, which will complicate our nonproliferation efforts.

These are economic and political problems that require the reorientation of the State Department. For example, traditional ways of thinking about Russia have less salience when Russian foreign policy is now largely based on maximizing the political leverage and financial earnings of its energy supplies, and dominating the transport of energy in Eurasia.

Secretary Rice, I congratulate you for moving toward a much-needed reinvigoration of U.S. international energy diplomacy. I would highlight agreements with Brazil on biofuels, and with India on civilian nuclear power as examples of how our strategic alli-

ances can bring together our foreign policy, our energy security, and climate change interests.

I hope that you will act quickly upon legislation establishing an international energy coordinator within your office. The legislation was passed unanimously by this committee and signed into law by President Bush in December 2007. Swift implementation of this legislation, with your clear support, would empower the international energy coordinator to galvanize diplomatic capacities currently stove-piped within the State Department and other executive agencies.

Last month, I traveled to Georgia, Kazakhstan, Turkmenistan, Azerbaijan, and Ukraine to advocate for greater cooperation on energy security. The stakes there are high, as President Putin has repeatedly traveled to the region to solidify Russian domination of energy supplies. Chairman Biden and I have joined in urging the administration to appoint a high-level, Special Envoy for energy in that region. Indeed, during my trip, leaders of those countries asked that the United States send such a representative to affirm U.S. interest in central Asia and affirm U.S. security.

Madame Secretary, I'm hopeful you will share with us your strategy for the region, and whether you intend to appoint such an envoy.

As we think about how to achieve our goals, we must also consider how to strengthen our diplomatic capabilities. The Bush administration deserves praise for its international affairs budgets, which have attempted to reverse the downward spiral in U.S. foreign policy capabilities imposed during the 1990s.

By 2001, embassy security upgrades were behind schedule. We lacked adequate numbers of diplomats with key language skills, many important overseas posts were filled by junior Foreign Service officers, and our public diplomacy was completely inadequate for the mission in an era of global terrorism. Our diplomatic capabilities have made progress under President Bush, but much work is left to be done.

Congress however, must begin to ask more fundamental questions about the national security budget as a whole. Although our Defense, Foreign Affairs and Homeland Security and Intelligence, Energy budgets are carefully examined from the incremental perspective of where they were the last year, it is not apparent that Congress is adequately evaluating whether the money flowing to these areas represents the proper mix for the 21st century security threats that we face.

Last year, in my opening statement at our State Department budget hearing, I pointed out that the Foreign Affairs account was just one-fourteenth the size of the Defense budget. Defense agencies increasingly have been granted authority to fill gaps in foreign assistance and public information programs, but the military is ill-suited to run such programs. A far more rational approach would be to give the State Department the resources it should have to achieve what clearly our civilian missions.

This view was echoed by Defense Secretary Gates in a speech last month at CSIS. He pointed out that the total Foreign Affairs budget request was roughly equivalent to what the Pentagon spends on health care alone. He also noted that the planned 7,000

troop increase in the Army expected for 2008 is an, "equivalent to adding the entire U.S. Foreign Service to the Army in one year." We must adjust our civilian foreign policy capabilities to deal with a dynamic world, where national security threats are increasingly based on nonmilitary factors.

Though the State Department has numerous underfunded priorities, I would emphasize the urgency of establishing a rapidly deployable civilian corps that is trained to work with the military on stabilization and reconstruction missions to hostile environments.

I am very pleased that after several years of work by this committee and the State Department, the Bush administration is requesting \$248.6 million for the Civilian Stabilization Initiative. Creating and sustaining this civilian capacity is precisely the intent of the Lugar-Biden-Hagel legislation that passed the Senate in 2006, and passed this committee again last March.

In addition to meeting contingencies in Iraq and Afghanistan, we must be ready for the next post-conflict mission.

Madame Secretary, it is a pleasure always to have you with us. We look forward to your insights and many other matters that you wish to bring before us.

Thank you.

The CHAIRMAN. Chairman, thank you for an insightful statement. I appreciate it.

Madame Secretary, one housekeeping measure. We're told there's going to be a vote around 10:30, and what I'd like to suggest is you begin your statement and I'd have you go through your statement. But it may be that one of us will leave. I've read your statement in its entirety already, believe it or not, and may leave to vote so we can come back without interruption, and just keep this going. But I apologize for the interruption, which is likely to occur around 10:30.

The floor is yours, Madame Secretary, and again, welcome. Thank you for being here.

STATEMENT OF HON. CONDOLEEZZA RICE, SECRETARY OF STATE, DEPARTMENT OF STATE, WASHINGTON, DC

Secretary RICE. Thank you very much, Chairman Biden.

I would first like to thank the committee. This is, indeed, the last budget that I will present to you as Secretary of State.

I want to thank you, Mr. Chairman, I want to thank Senator Lugar, and all of the members of the committee for what, I think, we have achieved together over the last several years.

I'd also like to take just a moment to say how much Congressman Tom Lantos will be missed. He was, of course, a northern Californian, someone that I knew very well. I feel that I've lost an inspirational mentor, and I've lost a good friend. And when I testify today before the House Foreign Affairs Committee, it will be a sad moment to see him not sitting there. He was a true American hero, and I think he embodied the best of our country.

I want to thank you very much for what we have been able to do together. I have a full statement, Mr. Chairman, but I'll just have that entered into the record with your permission.

The CHAIRMAN. Without objection, the entire statement will be placed in the record.

Secretary RICE. Thank you.

I'd like to just mention a few highlights of what I think we've been able to do together, and then to address three questions that came up in the remarks that you and Senator Lugar have made.

First, I'd like to thank you very much for the support of this committee in significantly increasing foreign assistance during this administration. Really, foreign assistance had been essentially flat-lined for almost 2 decades, and it was time for the United States to do more.

We have to be able, with your help, to double foreign assistance for Latin America, to triple it worldwide, and to quadruple it in Africa. That includes, of course, the development of the HIV/AIDS PEPFAR initiative, which you mentioned, Senator Biden, as well as the development of innovative approaches in foreign assistance, like the Millennium Challenge Corporation. I think it's been a good story.

If I could say one thing from a point of privilege, I hope that it will continue into the future. Because we've learned, as important as development assistance is, foreign assistance is because of our moral obligation to help those less fortunate, it is also critical to our national security. We have seen what happens when states are failed states, when they are unable to deliver for their people. And we have both an obligation and an interest in having well-governed, democratic states that can deliver for their people, that can fight poverty, that can defend their borders. And I think foreign assistance is our most valuable tool in doing so.

Second, I'd like to thank you very much for the support that you've given to the Department as we've tried to transform the Department into one that is capable of taking on the myriad challenges that we face. We are sending diplomats into places that diplomats didn't used to go. And I want to take a moment to thank the men and women of the Foreign Service, the Civil Service, and especially Foreign Service Nationals, for their willingness to serve in extremely difficult places and difficult circumstances.

We've tried to give them new tools. We've tried to develop new ways of doing this, the Provincial Reconstruction Teams, for instance, in Iraq and Afghanistan that, in effect, marry us with our military counterparts. Because, while the military can buy time and space, it is really civilians who have to help these people and these governments build governance structures, nongovernmental institutions, rule of law, justice, and functioning economies. And I think that the Provincial Reconstruction Teams will also live on as a way to think about post-conflict operations.

I'm especially pleased that we have included the budget request for the Civilian Response Corps. To be very frank, I think we tried in Afghanistan to deal with counterinsurgency, and reconstruction through a kind of international effort—I'll be very frank—it was a kind of an adopt-a-ministry for each country for capacity-building. It was very good to have so many countries involved, I've seen those efforts. But it also has led to some incoherence, with which we are still dealing. And I will make a comment about that, when I turn to Afghanistan.

And then, in response, in Iraq, we tried the single U.S. Government department, the Department of Defense took responsibility, but I think did not—was not able to—fully mobilize the range of capabilities that were needed. There was no single, U.S. Government institution or agency that was capable of doing that.

I think that under the State Department with the Civilian Response Corps, we would be better capable of getting the city planners, and the justices and the lawyers, and the health experts, out into the field to help countries recover in post-conflict situations.

And it's not just the large ones like Iraq or Afghanistan, but Haiti or Liberia, or the many places that have to develop. And I thank you for the innovation of the Civilian Response Corps, for the work that you and Senator Lugar, and Senator Hagel have done, and I sincerely hope that we can get it stood up and really working. It is probably one of the most important things that we can do as the United States Government.

I want to thank you, also, for the support of increases in public diplomacy. When I first testified before this committee for my confirmation hearing, I said that we would try and increase the resources to public diplomacy—this is a long-term prospect. It's not something that is going to take hold overnight. But we've increased, dramatically, the number of exchanges. We have record numbers of foreign students studying in the United States now.

I think we've overcome some of the difficulties of the post-9/11 period, when we really did—I have to think hard about who was coming into the country, but where we were in danger of sacrificing one of our best, long-term tools in improving the understanding of the United States and respect for it. That is, people who come here and study and go back to their countries to be leaders. And I'm very grateful that we've been able to rebuild that function. There's much more work to do, and I'm sure that Jim Glassman, as he replaces Karen Hughes, will put energy into that.

I would also like to note that there is a request for a substantial increase in the number of Foreign Service Officers, and USAID officers—roughly 1,100 in the Foreign Service, and 300 in USAID. We're just very small. And on many occasions, I've been asked if the State Department could do things, it's been hard to do it. We have roughly 6,500 professionals worldwide. I believe there are twice as many lawyers in the Defense Department as Foreign Service Officers. And while Secretary Powell and the President started the process of rebuilding after the 1990s, with roughly 2,000 over 4 years, this is another important increment, and I will be counting on your support with the appropriators to make sure that we can, this time, fully fund the personnel requests.

It will be important, as a part of that, also, to do compensation reform, so that our people do not lose locality pay when they serve over, abroad. It is principally our younger officers that suffer from that disparity, and we will press again for compensation reform.

I say all of this because it has been an extraordinary period for the United States, in which we've been taking on challenges, and difficult challenges, that I think perhaps none of us could have fully foreseen in 2001. It has required us to make some difficult decisions. We have not always agreed about those decisions. But I think that we have always done it in the spirit of our great democ-

racy, which is one that recognizes that people can disagree and still be patriots. That recognizes that we must always support our men and women in uniform, as well as our civilians abroad.

We have much work to do in the remaining 11 months, and I want to assure you—we will sprint to the finish. We, the United States of America cannot afford any less.

In this regard, let me just say briefly on Iraq and Afghanistan and then, perhaps, a comment on the energy issue. It has been difficult in Iraq, but I do believe that not only are we starting to see security improvements, but we're starting to see the Iraqis rebuilding their country and developing a young political system to deal with their differences.

I would just note that reconciliation is taking place, from the bottom up, of course, with provincial councils and local councils that are working. With an awakening movement—not just in Anbar, but efforts to spread it to the southern part of the country. With, frankly, Senator Biden, as we've talked, a pretty decentralized structure, which I think is probably best for a country as complex as Iraq.

The local citizens committees that are coming out to defend their territory are coming out—not unlike a tradition we've had in our own country for people to defend that which is nearest to them, which is their neighborhoods and their districts.

The political progress that we're seeing at those local levels—and I will say, I sat with the Kirkuk provincial council and watched Kurds and Arabs trying to overcome their difference through political dialog, but those local efforts are starting to have an effect on the national level.

Frankly, I think we thought that it would be the national level, downward. In some ways it's been the local level upward that has put the pressure on the Iraqi national leaders to be responsive. And thus, they have passed in recent months, a pension law, an investment law, a justice and accountability law—in other words a de-Baathification reform. Just today, a provincial powers law, setting a date for provincial elections to take place during the fall. A general amnesty—which is very much welcomed by the Sunni population, and a 2008 budget, which has significant increases for provincial governments, for Iraq's own security forces, and a capital budget that also has a significant provincial element.

So, it is hard work, it is harder work, perhaps, than we thought when we began this enterprise. But they are going about the business of building a political structure.

That is welcome among their neighbors. We are seeing Arab States begin to engage with them. The Saudis have said that they will put a diplomatic mission there, as well as others. The Russians have now forgiven, on Paris Club terms, some 90 percent of the Iraqi debt. And we will have—I've just accepted the invitation of the Kuwaiti Government to hold the third Iraqi Expanded Neighbors Conference toward the end of April. So, I believe that we see progress on all fronts, although it is fragile, and there is still much work to do.

If I may, just one word on Afghanistan. I was just there. I was in both Kabul and in Kandahar. It is quite clear that militarily there are battlefield successes against the Taliban that, quite frankly, doesn't do very well when it comes at the coalition forces

or our forces in military-type formations, and has therefore gone to hit-and-run tactics, to suicide bombings to try and to terrorize the population.

And I had extensive discussions there about the importance of refocusing on population security and the importance of building police forces, and local citizens forces. That can—after an area has been cleared by coalition forces—hold the territory so that building can take place. And I just want to say that there's been a lot of attention to NATO in the South, and can we get more NATO forces in to help the forces that are fighting there—the Canadians, the Danes, the British, the Dutch—and they deserve to have the help that they have asked for. And Secretary Bob Gates and others are working very hard on that.

But I also saw reconstruction efforts that, frankly, are not as coherent as they should be. And we are searching now for an envoy who can help to bring coherence to that international effort, because we now understand that in counterinsurgency, you have to defeat the enemy, keep him from coming back, and then give the population reason to believe in a better future.

I believe that we—that the Afghan project is making progress. The situation is better than some reports, it is not as good as it needs to be. And we are paying a lot of attention to improving the circumstances in Afghanistan.

Let me say just finally, Senator Lugar, on the energy piece—and I'll be very brief—I agree with you, it is a really important part of diplomacy. In fact, I think I would go so far as to say that some of the politics of energy is warping diplomacy in certain parts of the world. And I do, indeed, intend to appoint, and we are looking for a special energy coordinator who could especially spend time on the central Asian and Caspian region.

Thank you very much.

[The prepared statement of Secretary Rice follows:]

PREPARED STATEMENT OF HON. CONDOLEEZZA RICE, SECRETARY OF STATE,
DEPARTMENT OF STATE, WASHINGTON, DC

Mr. Chairman, Senator Lugar, members of the committee, thank you for this opportunity to appear before the committee today in support of the President's FY 2009 international affairs budget request, and to discuss our Nation's foreign policy priorities. This is the fourth time I have come before this committee to discuss and defend the international affairs budget. As you know, this is the last budget I will present to you in my capacity as Secretary of State. I want to take this occasion to thank the committee, and especially the chairman and ranking member, for their support and cooperation on many of the issues we addressed here in the past 3 years, and to let you know that this administration is committed to a vigorous foreign policy during our remaining 11 months. We have many critical issues before us and we intend to press forward our national interests on all fronts. I look forward to working with the committee to do just that.

I would like to take a moment to ask you to act quickly on the balance of funding requested in the FY 2008 global war on terror supplemental. These additional resources are critical to the Department's continued diplomatic operations in Iraq. The supplemental also addresses critical security and construction requirements in Afghanistan, support for international organizations functioning in Iraq and Afghanistan, and peacekeeping missions in Darfur as well as other urgent humanitarian and foreign assistance efforts. This funding is necessary to our ongoing diplomatic mission and I ask for your support.

FY 2009 STATE OPERATIONS REQUEST

Let me begin by discussing our request for Department of State operations. This request funds the platform on which we build our foreign policy activities, including diplomacy and foreign assistance, around the world.

The FY 2009 budget for Department of State Operations totals \$11.456 billion. These funds will significantly strengthen the core programming, policy, and management capabilities of the Department which are necessary to carry out vital U.S. diplomatic and consular relations with more than 180 countries. They will also support strategic U.S. engagement abroad through public diplomacy and multilateral diplomacy.

Diplomatic Solutions to National Security Issues

The request provides \$3.806 billion to increase the capacity of American diplomacy to meet challenges to U.S. national security and welfare in the international arena where power is defined increasingly in economic and financial terms and where transnational threats like terrorism, disease, and drug trafficking have become urgent. The requested funding will strengthen the global operating platform for the U.S. Government and add 1,095 new positions. These new positions will allow us to expand training in much-needed skills, including in critical foreign languages. The positions will also increase the number of political advisors to the military combatant commands, enhance interagency collaboration, and allow Department employees to take advantage of interagency development and training opportunities. Increased interagency cooperation is a valuable means to advance our diplomacy, but we need sufficient numbers of trained personnel to execute complex, coordinated efforts abroad. Building the Department's capacity to fill this role is my highest priority and I ask for your strong support.

The request also includes funding, as in previous years, for Foreign Service Compensation Reform, which would eliminate the pay disincentive caused by the loss of locality pay upon transfer to foreign assignments. When the Government instituted locality pay in the 1990s, it did not include Foreign Service employees working abroad. As a result, when officers transfer to overseas assignments, they lose the locality portion of their pay. With the Washington, DC, rate now equal to approximately 20 percent of employee compensation, this loss severely undermines the salaries of officers assigned abroad. Moreover, this sizable and growing disincentive undermines our ability to attract talent and reward sacrifice. Diplomacy is a difficult, sometimes dangerous business, and the sacrifices made by Foreign Service officers and their families are real. In implementing Senior Pay Reform, we were able to eliminate this disincentive for our senior members of the Foreign Service, but the problem remains—and is more acute—for our mid-level and junior officers. I am asking that you provide the necessary authorization requested by the administration to address this problem by enabling a transition to a performance-based pay system and a global rate of pay.

Civilian Stabilization in Post-Conflict States

The request provides \$249 million, including funding for 351 positions, in a new appropriation, the Civilian Stabilization Initiative, to build a U.S. Government civilian capacity that can assist in reconstruction and stabilization efforts in post-conflict states. The requested funding will support, train, equip, and deploy an interagency civilian response corps comprised of interagency Active and Standby components and a Civilian Reserve of outside experts. This effort will provide mission-ready experts in fields such as policing and the rule of law, transitional governance, and economic stabilization and development. The request will also fund the personnel and operating expenses of the Office of the Coordinator that provides Washington leadership to whole-of-government strategic planning, analysis, policy direction, and coordination of USG reconstruction and stabilization activities. The CSI complements our request for additional personnel and has the strong support of the Department of Defense. This is a high priority and we need to get this accomplished.

Protecting America's Borders

The FY 2009 budget provides \$2.124 billion for the Border Security Program. This program helps secure American borders against illegal entry by terrorists and others who threaten homeland security. At the same time, it facilitates the entry of legitimate foreign visitors and students. Revenue from Machine Readable Visa (MRV) fees, Enhanced Border Security Program fees, the Western Hemisphere Travel Surcharge, and visa fraud prevention fees will fund continuous improvements in systems, processes, and programs. The fees will also fund 448 additional positions required to address rising passport demand associated with the Western Hemisphere

Travel Initiative and rising visa demand, including increases related to Border Crossing Card renewals.

Providing Secure Diplomatic Facilities

The request provides \$1.163 billion for worldwide Security Protection to increase security for diplomatic personnel, property, and information in the face of international terrorism. The funding will extend the program to upgrade security equipment and technical support, information and systems security, perimeter security, and security training. This funding will also support the worldwide local guard force protecting diplomatic missions and residences. Funding increases will help meet new security demands in all regions and implement the Visa and Passport Security Strategic Plan to safeguard the integrity of U.S. travel documents. Because people continue to be the single most important factor in deterrence and response to terrorist acts, the funding will add 200 security professionals.

The request provides \$1.790 billion to continue security-driven construction projects and to address the major physical security and maintenance needs of U.S. embassies and consulates. This total includes \$844 million for the Capital Security Construction Program to replace diplomatic facilities at the most vulnerable overseas posts. FY 2009 proposed projects include new embassy compounds in Santo Domingo, Dakar, Maputo, and Malabo. During the fifth year of Capital Security Cost Sharing (CSCS), U.S. Government agencies with personnel abroad under chief-of-mission authority will contribute \$455 million to CSCS construction. The request also includes \$105 million to upgrade compound security at high-risk posts and to increase protection for soft targets such as schools and recreation facilities. In addition, the request includes \$841 million for ongoing operations, including major rehabilitations. These programs are essential to protect the investment in real estate assets which are currently valued at over \$14 billion and to keep more than 15,000 properties in good working order.

Influencing Foreign Opinion Through Public Diplomacy

The request provides \$395 million in appropriations for public diplomacy to influence foreign opinion and win support for U.S. foreign policy goals, including through providing 20 new public diplomacy positions. In addition to advocating U.S. policies, public diplomacy communicates the principles that underpin them and fosters a sense of common values and interests. Objectives of the national public diplomacy strategy include promoting democracy and good governance, marginalizing extremist leaders and organizations, and preventing extremist messaging from gaining a foothold with vulnerable populations. Through innovative programs we are providing positive alternatives for Muslim youths, and helping build networks among progressive-minded Muslims, in many cases working in partnership with the private sector, civil society, and academia. We also place a high priority on modernizing our communications architecture to strengthen our leadership in the war of ideas and sharpen our messaging to counter terrorist propaganda.

Exchange Programs

The request provides \$522 million and 19 positions for educational and cultural exchanges to increase mutual understanding and to engage the leaders of tomorrow. Aligned with other public diplomacy efforts, these people-to-people programs are uniquely able to address difficult issues. The request includes increased funding for academic and professional programs to reach constituencies vital for America—youth and those who influence youth. The programs include English language, Fulbright, and other academic initiatives, and Citizens Exchanges, within the President's Partnership for Latin American Youth. The funding will also continue to support the President's National Security Language Initiative, promoting teaching and study of critical foreign languages, including the Arabic, Chinese, Korean, and Russian languages, and the Indic, Turkic, and Persian language families.

Information Technology

The request provides \$414 million for State's Central Fund, including revenue from fees, for Central Fund investments in "knowledge management" and information technology (IT). The ability of the Department to support transformational diplomacy, information sharing, rightsizing efforts, and E-Government initiatives depends increasingly on robust, secure IT. Funding increases in FY 2009 will help support the State Messaging and Archive Retrieval Toolset project, diplomacy through collaboration, and IT infrastructure that provides American diplomats with anytime/anywhere computing.

Multilateral Diplomacy

The request provides \$1.529 billion to pay U.S. assessed contributions to 47 international organizations, including the United Nations. The request includes payments to address outstanding U.S. arrears to international organizations. The request recognizes U.S. international obligations and reflects a commitment to maintain the financial stability and efficiency of those organizations. Membership in international organizations assists in building coalitions and gaining support for U.S. policies and interests. Further, multilateral diplomacy through such organizations serves key U.S. foreign policy goals, including advancing democratic principles and fundamental human rights, promoting economic growth through free trade and investment, settling disputes peacefully, encouraging nonproliferation and arms control, and strengthening international cooperation in environment, agriculture, technology, science, education, and health.

International Peacekeeping

The request provides \$1.497 billion to pay the U.S. share of costs for U.N. peacekeeping missions. This funding will help support peacekeeping efforts worldwide, including the activities of ongoing missions in Lebanon, Haiti, Liberia, and the Congo. Proposed funding increases will also pay U.S. assessments for new missions in Darfur and Chad. These peacekeeping activities further U.S. goals by maintaining peace and strengthening regional confidence and stability. They also leverage U.S. political, military, and financial assets through the participation of other states that provide funds and peacekeepers for conflicts around the world.

FY 2009 FOREIGN OPERATIONS REQUEST

Let me turn now to our foreign assistance request. The total State Department and USAID Foreign Operations request for FY 2009 is \$22.7 billion. These funds support the strategic purposes of our diplomacy: Securing peace, supporting democracy, advocating our principles and ideals, meeting global challenges, and aiding our friends and allies.

War on Terror

Fighting and winning the war on terror remains the greatest challenge to our national security, and it will continue to be the focus of our military and diplomatic efforts as long as extremist ideologies and their proponents find safety and support in unstable and failing states. We have made enormous strides in diplomatic and foreign assistance efforts in Iraq and Afghanistan, which are notable for their successes even as we recognize the daunting work that remains. We credit our progress in these countries to many who have struggled there, to our military and our diplomats, to the international community, to our counterparts in the military and government in these countries, and to the citizens in Iraq and Afghanistan who recognize and are fighting for the full benefits of freedom.

Iraq

Our engagement with Iraq remains a centerpiece of the United States effort in the war on terror.

The administration's FY 2009 requests of \$404 million in foreign assistance funding and \$65 million in operations funding are critical to meet these goals. Of this total, \$300 million in Economic Support Funds will help consolidate the security gains realized in 2007 and 2008, and will increase the capacity of local and national Iraqi Governments (\$75 million) to provide services for their population, which in turn will reduce support for extremist elements. The administration is also requesting funds to help the nonoil economy grow, including the development of the agricultural sector (\$50 million), support for business formation (\$25 million), and continued support for key Iraqi economic reforms (\$62 million), such as reducing subsidies. These programs will generate jobs and stimulate economic growth. This request also includes funding for the Iraqi-American Enterprise Fund (\$40 million), which will address a critical lack of access to capital and know-how that is preventing Iraqi entrepreneurs from forming companies. This request also includes \$48 million to continue Democracy and Civil Society programs, which will be vital to support Iraq's nascent democracy, particularly in working with new representatives and/or parties elected in anticipated nationwide elections in 2009. Democracy and Civil Society programs also will have a direct impact in fostering political reconciliation.

The administration is also requesting \$75 million in funding under International Narcotics Control and Law Enforcement (INCLE) to bolster Iraq's rule of law, including continuing training and security for judges and program support for major crime task forces, which will help Iraq combat terrorism and a growing criminal element, and mentoring to Iraq's corrections service to ensure criminals are effectively

and humanely kept off the streets. The administration is also requesting \$20 million in Nonproliferation, Anti-Terrorism, and Demining (NADR) programs, of which \$16 million will support expansion of a successful humanitarian demining program that has allowed hundreds of communities to bring agricultural and industrial land back into production, and \$4 million in programs to combat terrorism.

Taken together, these programs are an integrated approach to build on the significant investment we have already made in Iraq's success. The FY 2009 programs complement our previous investments in infrastructure, security, and capacity-building and will hasten the ability of the Iraqi people to meet their own needs. Failure to fully fund these programs will endanger the progress we have made over the last 5 years. In order for us to carry out these programs, we need the full \$65 million request for operational funding for core Embassy functions.

As a final point on Iraq, I would like to bring some clarity to discussions about the agreement that we plan to negotiate with Iraq. With the U.N. Security Council mandate due to expire at the end of this year, we need an agreement with Iraq that will ensure that U.S. forces continue to have the authorities and protections they need to operate in Iraq. An agreement with Iraq will not contain a "security commitment"; that is, there will be no binding U.S. obligation to act in the common defense in the event of an armed attack on Iraq, it will not set troop levels, and it will not provide for permanent bases in Iraq. This arrangement will not "lock in" specific policies, but will leave policy options open for the next President. In addition, much as we did in Afghanistan, we expect to negotiate a strategic framework arrangement building on the Declaration of Principles that will formalize our intentions to cooperate in political, economic, cultural, and security fields. We have begun to brief Members of Congress and will continue to do so as our discussions with Iraq progress.

Afghanistan

For FY 2009, the President has requested \$1.054 billion in foreign assistance to help prevent Afghanistan from ever again becoming a sanctuary for terrorists. We have achieved many successes in our fight against the Taliban and al-Qaida, but we have not won yet. The funds requested are critical to supporting our comprehensive approach to defeat the insurgency and return Afghanistan to long-term stability based on Afghan national sovereignty, democratic principles, and respect for human rights. The Afghan Government enjoys broad support, while the Taliban offers no political vision. We are collaborating bilaterally, with donors, and through NATO and other multilateral organizations to tighten the coherence of security, economic, and governance capacity-building efforts. Development and security efforts on both sides of the Afghan-Pakistan border aim to prevent the deterioration of overall progress.

Recognizing that counterinsurgency requires more than physical security, we have requested \$370 million for counternarcotics efforts, \$248 million for democracy and governance, \$109 million for health and education, \$226 million for economic growth, \$74 million to support the work of our Provincial Reconstruction Teams, and \$12 million in nonemergency food aid. Development efforts to improve Afghan governance at the national and regional and local levels and to achieve prosperity for the Afghan people are as crucial to winning the war as security assistance to fight insurgent groups, to prevent Afghanistan from becoming an illicit narcotics-based economy, and to train the Afghan Security Forces. Simultaneously, the efforts of the United States and the international community to work with the Government of Afghanistan to improve security, build government capacity, protect human rights, reconstruct infrastructure, and provide humanitarian assistance generate confidence in the Afghan Government and in turn decrease support for insurgents. As part of these efforts, we look forward to working with Congress on Reconstruction Opportunity Zone (ROZ) legislation that would help create employment and sustainable economic development in Afghanistan and the border regions of Pakistan.

West Bank / Gaza

The United States is firmly committed to supporting Israelis and Palestinians as they work to realize peace. Working with international donors and Quartet Representative Tony Blair, the United States is strengthening our support for the Palestinian Authority (PA) Government to help achieve this end.

Our FY 2009 funding request for the West Bank and Gaza is \$100 million. This includes \$25 million for the Palestinian Authority Security Sector Reform Program, part of a broader U.S. and international effort to strengthen and transform the Palestinian security sector and assist the PA in its efforts to extend law and order and meet its roadmap obligations to dismantle the terrorist infrastructure, thereby providing a reliable partner for Israel. Establishing the rule of law and effective secu-

rity in the West Bank will support President Mahmoud Abbas and Prime Minister Salam Fayyad by demonstrating to the Palestinian people that the PA can reduce lawlessness and improve their lives, and by building the capacity of the PA to address security threats against Israel. The request includes \$24 million for democracy projects that will assist the PA government to extend the rule of law and improve governance, including bolstering the justice system through training judges and building judicial independence, and supporting local municipalities. A further \$18 million will assist the PA to achieve economic growth by focusing on activities that increase agricultural productivity, provide support for microenterprises, create private sector opportunity and increase trade. Finally, \$33 million will assist the PA government to provide essential health, education, and humanitarian services to the Palestinian people.

U.S. Government assistance in these areas will help the Palestinian people directly and support moderates such as President Abbas and Prime Minister Fayyad, while also providing tools through security improvements, civil society building, and economic growth to combat Hamas and its terrorist infrastructure.

Pakistan

A broad, long-term, and strategic relationship with Pakistan is now crucial to global security and regional economic interests. We are encouraging formation of a moderate center to complete the transition to democracy and underwrite the fight against violent extremism. Our programs support transparent elections, democratic institutions, and long-term development. We are cooperating closely with the Pakistanis to defeat extremist groups and networks. U.S. assistance programs support all these goals.

For FY 2009, the Department of State is requesting \$826 million for Pakistan, to bolster four areas of cooperation: Peace and security, democracy, economic growth, and health and education.

To win the war on terror, this request includes \$150 million specifically to support development in the Federally Administered Tribal Areas. This is the second tranche of a 5-year \$750 million Presidential Commitment initiated in 2007. This will allow the United States to help the Government of Pakistan recast its relationship with the country's Federally Administered Tribal Areas.

Of the total \$826 million, we are requesting \$343 million for peace and security assistance, including \$7.7 million for counterterrorism programs and \$32 million for border security, law enforcement capacity-building, and counternarcotics efforts. This will aid the Government of Pakistan in countering the terrorist threat, enhancing border security, addressing illicit narcotics activities, and establishing the means to provide for a peaceful and secure environment.

Recognizing that the war on terror can not be won solely by improving security, our request includes \$55 million to strengthen democracy and good governance, \$119 million to expand economic opportunity, and \$260 million for health and education.

Lebanon

Progress in Lebanon remains a critical element of our efforts to foster democracy and security in the Middle East. We have joined hands with Lebanon's elected government to support their struggle for freedom, independence, and security. For FY 2009, the Department of State has requested \$142 million in foreign assistance for Lebanon to support two parallel objectives: Countering threats to Lebanon's sovereignty and security from armed groups backed by Syria and Iran, and helping foster good governance and a vibrant economy.

Three years ago this week, former Lebanese Prime Minister Rafiq Hariri was assassinated. One month later, the Lebanese people demanded an end to foreign domination and political violence, taking to the streets to call for Syrian withdrawal from Lebanon. The FY 2009 budget request includes support for the Special Tribunal for Lebanon—a concrete demonstration of our unwavering commitment to justice, an end to political violence, and the protection of Lebanese sovereignty.

Since then, Lebanon has elected a new Parliament and deployed its army to the south of the country for the first time in 40 years. However, Lebanon remains under siege by a Syrian and Iranian-backed opposition working to undermine the nation's stability, sovereignty, and state institutions. Meanwhile, political violence continues, including a January 15 bombing of an American Embassy vehicle. Our vision of a safe, secure, and democratic Middle East cannot survive without a sovereign and stable Lebanon.

ECONOMIC ASSISTANCE

Economic Support Funds

The FY 2009 request for Economic Support Funds (ESF) is \$3.15 billion, an increase of \$164 million over the FY 2008 enacted level. ESF remains a reliable assistance mechanism by which we advance U.S. interests through programs that help recipient countries address short- and long-term political, economic, and security needs. ESF also supports major foreign policy initiatives such as working to resolve the Israeli-Palestinian conflict and regional economic integration in East Asia. ESF funds global and regional programs that support specific U.S. foreign policy goals, including assistance to states critical in the war on terror.

The request includes significant increases in some activities over the administration's request for FY 2008, such as programs in Nepal to address rural poverty and help blunt the appeal of Maoist rebels, Lebanon to bolster that country's democratic traditions and reduce the ability of Hezbollah to divide the populace, and south and central Asia to improve communications and transportation linkages between Afghanistan and its regional neighbors.

The administration's strategic priorities for FY 2009 ESF include funding for our partners in the war on terror to mitigate the influence of terrorist and insurgent groups and reduce their potential to recruit in regions bereft of political and economic participation; countries and regions at risk of civil unrest, to assist in building democratic institutions, fight poverty, and provide basic services and economic opportunities; states of concern to encourage democratic reform and build civil society; and regional and thematic programs like the Asia-Pacific Partnership, Middle East Partnership Initiative, and promoting implementation of Free Trade Agreements, especially improving labor and environmental conditions, and efforts to combat Trafficking in Persons.

Millennium Challenge Corporation

The request of \$2.225 billion supports the continuing assistance efforts of the Millennium Challenge Corporation (MCC), an important contributor to U.S. foreign assistance through the principles of promoting growth through good governance, investment in health and education, and economic freedom. By early FY 2008, the MCC had approved a total of 16 compacts worth over \$5.5 billion. An additional 14 threshold agreements were in place at the end of FY 2007, and there is a robust pipeline of compacts under development. MCC expects to sign compacts with Tanzania (\$698 million) in February 2008, and with Burkina Faso (\$500–\$550 million) and Namibia (\$300–\$325 million) this summer. MCC is also engaged with Jordan, Moldova, Malawi and other countries in the compact development process, and foresees sizable compacts with those countries in FY 09.

Eight compacts are entering their second or third year of implementation, and are achieving tangible results. For example, in Georgia, the first phase of gas pipeline repairs is complete, providing Georgian citizens and businesses with needed electricity and heat. In Honduras and Madagascar, farmers are employing new techniques to improve productivity and links to reliable markets, thereby increasing their incomes.

MCC and USAID programs are complementary and mutually reinforcing. USAID programs help countries improve policies to qualify for compacts, build their capacity to manage funds and administer compact and threshold programs, and support overall U.S. efforts to keep MCC countries on a transformational development track. MCC programs frequently build on existing USAID programs and other USG assistance. They do not overlap with them, and USAID adjusts programs to augment funding for opportunities created by MCC programs, and to enhance and sustain assistance in other areas.

Development Assistance

The Development Assistance request of \$1.639 billion supports programs in countries that range from those with very low incomes whose governments are sufficiently stable and organized, to those with income levels above MCC eligibility that are relatively well-governed. The goal of all Development Assistance is to foster an expanded community of well-governed states that respond to the needs of their people and act responsibly within the international community.

Countries receiving DA face a range of long-term development challenges. Experience shows that the most effective response is to provide a well-balanced package that includes sustained support for transformational democratic and economic reforms and that is closely coordinated with MCC programs and the President's Emergency Plan for AIDS Relief (PEPFAR). These assistance programs also must complement and reinforce other development-related foreign policy initiatives, including

our diplomatic efforts to advance freedom and democracy, expand international trade opportunities, and address climate change and other critical environmental issues. Our strategic priorities for DA funding in FY 2009 include: Long-term democratic governance and economic growth programs in Africa; trade capacity-building programs in Africa and the Western Hemisphere; capacity-building in support of the Global Climate Change initiative; strengthened democratic governance in the Western Hemisphere; accelerated literacy and numeracy programs under the President's International Education Initiative, and more broadly in Africa, the Western Hemisphere, and the Middle East, and alternative development in the Andean countries.

We also recognize that any effort to improve development initiatives will require a significantly increased overseas presence of USAID, together with expanded technical and stewardship capabilities. Therefore, we are requesting \$767.2 million in USAID Operating Expenses which will allow USAID to increase its overseas workforce. Under the Development Leadership Initiative, USAID will hire 300 Foreign Service officers above attrition in FY 2009 to build the capacity to implement the National Security Strategy for foreign assistance.

Trade Agreements

Let me say a word about the trade agreements we have concluded with Colombia, Panama, and Korea. Expanding trade opportunities advances American economic and national security interests. The Department is deeply involved in international trade issues at all levels. I recently traveled to Colombia with nine Members of Congress, who saw firsthand the impressive results of economic and political reform there. Our missions abroad actively support the negotiation and enforcement of our trade agreements.

Through multilateral, regional, and bilateral trade agreements, we lower tariff and nontariff barriers to U.S. businesses, farmers, ranchers, and entrepreneurs. The American worker can compete successfully with anyone so long as the rules are fair. We help set those rules by promoting open markets, as we have done since the end of World War II. Our efforts at the World Trade Organization (WTO) strengthen these rules and expand opportunities globally. We are at a critical juncture in the Doha Round of WTO negotiations, which the President has described as a "once in a generation opportunity" to create economic opportunity, promote development, and alleviate poverty. As the President noted in his State of the Union Address, the United States is committed to the conclusion of a strong Doha Round this year, and will provide the leadership necessary to achieve this objective.

With respect to bilateral trade agreements, our free trade agreement with Colombia is a prime example of how such agreements can strengthen both our economy and national security. The United States currently provides duty-free treatment to virtually all Colombian products entering the United States under the Andean Trade Preference Act. With the United States-Colombia Free Trade Agreement, U.S. GDP will grow by an estimated \$2.5 billion by expanding opportunities for U.S. exporters as the significant tariffs that are assessed on U.S. exports to Colombia are reduced and eliminated. We urge Congress to consider and pass the Colombia FTA to allow our exporters to receive the same treatment as is available to Colombian exports to the United States.

The importance of the agreement, however, extends beyond trade. The current and previous administrations, as well as the Congress, have made a significant commitment to Colombia by providing over \$5 billion in assistance through Plan Colombia. Security in Colombia is vastly improved, the economy has rebounded, and Colombians have real hope for the future. The proposed FTA advances our partnership and cements these gains. The Colombia FTA reflects the open, democratic, economic, and political system which is our vision for Latin America. Colombia is a friend of the United States. Its government has taken great risks to achieve the successes it has achieved. I urge the Congress to pass this agreement for internal security reasons as well.

Two additional key allies of the United States are also awaiting congressional action on free trade agreements: Panama and Korea. The United States-Panama Free Trade Agreement will build on our already vibrant trade relations and support the consolidation of freedom and democracy in this important country. The United States-Korea Free Trade Agreement is the most commercially significant FTA in over 15 years. Korea has been a steadfast partner and ally in promoting peace and security in Northeast Asia and globally. I urge your action on these agreements as well.

SECURITY ASSISTANCE

Foreign Military Financing

The request of \$4.812 billion for Foreign Military Financing (FMF) will advance U.S. interests by ensuring that coalition partners, allies, and friendly foreign governments have the equipment and training necessary for common security goals and burden-sharing in joint missions. This request includes \$2.55 billion for Israel, the first year of a 10-year \$30 billion commitment. FMF promotes our national security by strengthening the defense of friendly governments and bolstering their abilities to contain transnational threats, terrorism, and trafficking in persons, weapons, and narcotics. This request provides funding for Egypt to foster a modern, well-trained Egyptian military, and support for force modernization, border surveillance, and counterterrorism efforts in Jordan. FMF is helping to build a Lebanese army capable of implementing U.N. Security Council resolutions 1559 and 1701, secure Lebanon's border against weapons smuggling, and begin the process of disarming militias in Lebanon. The request also finances programs with the Gulf States of Bahrain and Oman as part of the Gulf Security Dialogue. FMF will also assist ongoing efforts to incorporate into NATO the most recent members of the alliance and to support prospective NATO members and coalition partners, as well as partners in Iraq and Afghanistan.

The International Military Education and Training

The International Military Education and Training (IMET) program request for FY 2009 is \$90.5 million. Through professional and technical course curricula and specialized instruction, this key component of U.S. security assistance provides valuable education and training on U.S. military practices within a context of respect for democratic values and internationally recognized standards of human rights. IMET programs in Europe advance regional security and force integration among NATO and European Armed Forces, most notably in Turkey, Poland, Ukraine, and the Czech Republic. In the Near East, IMET provides technical training necessary to maintain U.S.-origin equipment in Jordan, Morocco, Tunisia, Egypt, Iraq, Lebanon and Oman. In Africa, IMET provides training programs for Ethiopia, Kenya, Nigeria, Senegal, and South Africa, countries central to long-term regional peace and stability. In east Asia, IMET programs with the Philippines and Indonesia, for example, focus on professionalizing defense forces and developing skills in fighting the war on terror. In south Asia, IMET programs improve military interoperability with the United States and educate south Asian armies in respect for human rights and civilian-military cooperation. In the Western Hemisphere, IMET focuses on building capacity to respond to regional security challenges, with major programs in El Salvador, Colombia, and Mexico.

IMET is a critical tool to strengthen important military relationships in the global fight against terrorism and to do so in the context of support for human rights. IMET helps ensure that future leaders of foreign militaries are well trained, exposed to the U.S. system of civilian control of the military, and have lasting ties to the U.S. defense community.

Nonproliferation, Antiterrorism, Demining, and Related Programs

The request for the Nonproliferation, Antiterrorism, Demining and Related Programs Account is \$499 million. With this year's request, three separate subaccounts, Humanitarian Demining, International Trust Fund, and Small Arms/Light Weapons, are combined into one line item in the budget to address more appropriately our global Conventional Weapons Destruction efforts. We are also establishing a proposed new subaccount for WMD terrorism to undertake projects that improve international capabilities to respond to potential WMD terrorist attacks.

The FY 2009 request includes increases in several important areas. We propose continued funding for humanitarian demining and increased funding for programs to address the threat to civil and military aviation posed by terrorists and insurgents armed with MANPADS. We have also proposed increased funding for the Nonproliferation and Disarmament Fund to address emergent nonproliferation and disarmament requirements including additional support for disablement and dismantlement activities in North Korea, as they are achieved in the ongoing six party talks. Increases in the Global Threat Reduction program will strengthen biosecurity programs and antinuclear smuggling programs.

Under the Anti-Terrorism Assistance (ATA) program, we are expanding the TransSahara Counterterrorism Partnership (TSCTP) in the North Africa region, and strengthening linkages with the existing TSCTP in sub-Saharan Africa to prevent terrorist movement between Mahgreb and sub-Saharan states and to promote

greater regional cooperation. Increased funding for ATA will also support counterterrorism programs in East Africa.

Peacekeeping Operations

The FY 2009 request for Peacekeeping Operations (PKO) is \$247.2 million, which is necessary to advance international support for voluntary, multinational stabilization efforts, including support for non-U.N. missions and for U.S. conflict-resolution programs. PKO funding enhances the ability of states to participate in peacekeeping and stability operations and to address counterterrorism threats. In the aftermath of conflict, PKO funds help transform foreign military establishments into professional military forces guided by the rule of law.

An important element of FY 2009 PKO funding is the President's Global Peace Operations Initiative (GPOI), now in its fifth year. FY 2009 funding will train over 15,000 peacekeeping troops to reach the initiative's goal of 75,000 peacekeeping troops trained worldwide. GPOI includes the African Contingency Operations Training and Assistance (ACOTA) program, as well as train-and-equip programs outside of Africa. GPOI assists in the deployment of peace operations troops, provides logistics and transportation support, and assists regional organizations in planning and managing peacekeeping operations. PKO funding also helps support TSCTP; Security Sector Reform programs in Liberia, Sudan and the Democratic Republic of Congo; peacekeeping activities in Somalia; and the Multinational Force and Observers peacekeeping mission in the Sinai.

GLOBAL CHALLENGES

Democracy & Human Rights

We will continue to promote democratic development and uphold international standards of human and worker rights globally. We are requesting \$1.745 billion for programs to advance good governance, democracy and human rights in support of the President's Freedom Agenda, including political competition and consensus building, rule of law, and civil society activities in countries around the world. This budget will support centrally managed and multilateral efforts that provide targeted funding for unforeseen needs and opportunities, advance democracy in difficult countries where bilateral programs are not feasible and provide technical support to our overseas missions on democracy issues and programs.

Our request includes \$60 million in ESF for the Human Rights and Democracy Fund to support innovative activities that open political space in struggling and nascent democracies and in authoritarian regimes as the leading element of the U.S. Government's efforts to effect positive and lasting change. HRDF will allow us to support pivotal democracy and human rights programming in critical target countries such as China, Belarus, Russia, Lebanon, North Korea, Thailand, Venezuela, Somalia, Burma, and Pakistan. With HRDF, we will continue to support the Global Human Rights Defenders Fund, a program that enables us to quickly disburse small grants to human rights defenders facing extraordinary needs due to government repression. In addition, we will fund innovative approaches to advance labor rights abroad by strengthening democratic trade unions and will promote corporate social responsibility globally.

International Narcotics and Law Enforcement

The \$1.202 billion request for International Narcotics and Law Enforcement (INCLE) and \$406 million for the Andean Counterdrug Program (ACP) in FY 2009 supports bilateral and global programs to combat transnational crime, illicit narcotics threats, and terrorist networks built upon and funded by the illegal drug trade. These programs aim to strengthen and professionalize law enforcement institutions that are weak or subject to corruption.

INCLE funds are focused mainly on countries in which serious security threats exist, both to host governments and to our national interests as well. This includes countries like Afghanistan, Iraq, Pakistan, the Democratic Republic of Congo, Haiti, Indonesia, Liberia, and Sudan.

Of particular note this year is the importance and timeliness of the Merida Initiative, our new program for security and law enforcement cooperation with Mexico and the nations of Central America. The President has requested \$550 million in FY 2008 and in FY 2009, a total of \$1.1 billion. The administration believes that we must act now to assist our southern neighbors in their fight against the criminal organizations that threaten their security and prosperity, as well as our own. These nations have demonstrated the political will to tackle critical problems and have asked us to cooperate with them as partners. I strongly urge Congress to fund this important national security initiative both through the FY 2008 supplemental and the FY 2009 appropriation.

Migration and Refugees Assistance

Our commitment to providing humanitarian assistance and protection for refugees, conflict victims, and vulnerable migrants remains strong. We are requesting \$764 million in FY 2009 to fund contributions to key international humanitarian and nongovernmental organizations and for bilateral programs to respond to humanitarian needs abroad and identify durable solutions, including resettlement of refugees in the United States. These funds provide for basic needs to sustain life, protect refugees and conflict victims, assist refugees with voluntary repatriation, local integration, or permanent resettlement in a third country. They are a humane and effective response to pressing needs that reflects the compassion of the American people. Humanitarian needs related to Iraq and Afghanistan will be subject to a separate FY 2009 supplemental request. The request of \$45 million for the President's Emergency Refugee and Migration Assistance Fund is critical to meet urgent and unforeseen humanitarian requirements.

Global HIV/AIDS Initiative

The Global HIV/AIDS Initiative account (GHAI) is the largest source of funding for the President's Emergency Plan for AIDS Relief (PEPFAR). The request of \$4.779 billion is a substantial increase over the FY 2008 enacted level for the PEPFAR bilateral program, and capitalizes on the demonstrated capacity-building and programmatic successes in prevention, care, and treatment during the first 5 years of the program. Funding will support country-based activities, international partners, technical support, and oversight and management. The FY 2009 request is the first of a new, 5-year, \$30 billion Presidential commitment that builds upon and expands our initial 5-year, \$15 billion commitment.

The request also proposes the development of a "Partnership Compact" model, with the goal of strengthening host government commitment. In selected countries, compacts will outline reciprocal responsibilities, linking our resources to increased host country resources for HIV/AIDS and the establishment of policies that foster an effective HIV/AIDS response.

Environment

As President Bush said in his State of the Union Address, the United States is committed to confronting the challenge of climate change. We want an international agreement that will slow, stop, and eventually reverse the growth of greenhouse gasses. Achieving that goal will require commitments by all major economies, a point we have made in the two Major Economies Meetings on Energy Security and Climate Change under the initiative launched by the President in support of U.N. negotiations.

In Indonesia this past December, the United States joined with the other parties to the U.N. Framework on Climate Change (UNFCCC) to adopt the "Bali Action Plan." This document will guide negotiations of a new post-2012 climate change arrangement by 2009. Our FY 2009 budget request includes \$64 million to support our efforts to address adaptation and reduce deforestation, major elements of the "Bali Roadmap."

Through the Asia-Pacific Partnership on Clean Development and Climate (APP), the United States works with China, India, Australia, South Korea, Canada, and Japan to accelerate the adoption of clean energy technologies. Over 100 APP projects and activities are reducing emissions in major sectors such as power generation, cement, steel, aluminum, and buildings. Our FY 2009 foreign assistance budget request for APP totals \$26 million.

As part of our long-term commitment to protecting the Earth's ozone layer we are proposing \$19 million for the Montreal Protocol Multilateral Fund. Last year, the international community agreed to a landmark U.S. proposal to accelerate the phaseout of ozone depleting substances. Over the next two decades, this acceleration will provide climate system benefits that could exceed those contemplated under the Kyoto Protocol.

Finally, a request of \$40 million supports our commitment to labor and trade-related environmental initiatives with our Dominican Republic-Central American Free Trade Agreement partners. These activities will strengthen institutions for more effective implementation and enforcement of environmental laws and promote biodiversity, market-based conservation, and private-sector environmental performance.

CONCLUSION

Mr. Chairman, the FY 2009 International Affairs request proposes an increase of 16 percent over the FY 2008 base appropriation, and more than 9 percent over all FY 2008 appropriations enacted to date. I understand that this is a significant in-

crease. But the President and I, as well as the officials in all departments and agencies which administer the foreign affairs account, strongly believe this request is fully justified and critical to the national security interests of the United States. We understand that these funds are the result of the efforts of hard-working American taxpayers. You have our commitment that we will manage these funds efficiently as stewards of the resources entrusted to us by the American people.

The CHAIRMAN. Based on who's here, we can start with 10-minute rounds, but we'll start with 10-minute rounds, and if it turns out that other people show up, they'll just get less time. That's the price of coming late. So, we'll begin with 10-minute rounds, here.

Madame Secretary, there are reports of growing frustrations in the ranks of the former Sunni insurgents, a co-called "Awakening" to whom we have been providing monthly payments of \$300, which I agree with, that's not a criticism. They want to be integrated into the Iraqi Government and security forces, but the central government seems—even with the changes made as recently as yesterday—to be balking, particularly in mixed areas close to Baghdad.

The situation is said to be so bad that our military has started developing plans to create a Depression-era style Civilian Job Corps, so these folks are going to be gainfully employed. What are the consequences of the Iraqi Government's failure to hire these exinsurgents, or to the concerned local citizens, as they are called by our military? What are we going to do to increase this integration? And, if they're not integrated, can we—by stepping in—stave off what is a growing discontent?

Secretary RICE. The Iraqi Government I think it's fair to say, was initially quite skeptical of the local citizens committees, in part, because they worried they might be new militias, in a sense. And what we have done is to work with the Maliki government. There is a committee that reviews, now, the local citizens committees, and their integration into the security forces. Not all of them will be integrated into security forces, and it is important that there be job opportunities for them. There is work going on in that—not just temporary jobs, but real jobs through, for instance, we believe that if the Iraqi Government fully executes its budget for housing—the construction industry brings a lot of jobs—that that might be a way to absorb some of these people.

I'm heartened by the budgets that are now coming out for provincial governments. You are starting to see more of an emphasis on budgetary resources from the center, going to the provinces.

We have had—through the Provincial Reconstruction Teams—to intensify our efforts to make it possible for the provincial governments, then, to spend the resources that they're getting.

I've sat with the sheikhs of the awakening—both in Iraqi and when they were here—they want more project money into their province. In fact, there was an Anbar supplemental of about \$70 million. The Anbaris are politically powerful enough that several national politicians decided they should go and deliver it by hand. And there was a big ceremony for it.

The—ultimately I think you will see that the elections at the provincial level will be the real answer to this. Because some of the provincial councils, which are not so representative, because of the way that the elections took place in 2005, I think, will be renovated

by a new provincial powers, and it's why—by new elections—and it's why the provincial powers law is so important.

I might just say that they were engaged in debates about the provincial powers that we would recognize from our own history. What was the role of governors who could remove them? Did governors have the right to mobilize military forces—these were really very crucial debates, and I think it's a good thing that they've gotten a law.

The CHAIRMAN. I was there for that ceremony. I was there when the central government came out to meet with the sheikhs and with Satr, not Sadr, Satr—who was the guy who organized the sheikh, who organized the other sheikhs. And I was there at that ceremony. I, along with Ambassador Crocker and the General.

And it was an interesting phenomenon. The fact was that I was told by two of the Vice Presidents that came from Baghdad—one Sunni and one Shia—that Maliki wouldn't sign the check until the very last minute, and I assume it was because of some significant pressure from Ambassador Crocker, I don't know that.

And the point I'm making is this—at least it may have changed in the last month or so. But there is an overwhelming distrust, as you know, as to whether or not these are merely stopgap measures.

And what I keep being told is that there is a need for there to be actual integration—not just in the regional government, and the regional elections that will be coming up, but in the central government, and in the security forces.

And I haven't—I may be missing something, and I'm not being facetious—I may be missing something here, but I don't see any of that integration occurring. Because that's where—what the sheikhs with whom I personally met, and there were, I think, six present—they wanted to make sure that they were integrated into the security apparatus, on a permanent basis. And the bottom line was, because they didn't want Shia patrolling their streets, they didn't want Kurds patrolling their streets, and they wanted to be able to patrol their own streets, being a representative of the central government, but in their own areas.

Secretary RICE. There is a program that is working with the Iraqi Government. There is a committee that the Prime Minister, himself, appointed—to do precisely that—to work these people into permanent structures of the state.

I think, not everybody who's in the local citizen committee will be.

The CHAIRMAN. No, no.

Secretary RICE. But, you're right, Senator—this will take some time. This was a very fortuitous development, Awakening and the local citizens' committee, it was frankly not envisioned in the way that the security forces were planned. And now working them into the structure is very important. But it is underway. And my only point is it's, I think, working in the security structures is important, but also having Awakening feel that they are really a part of the political process.

The CHAIRMAN. No; I understand both. And I agree. All I'm saying to you is, I think we are, we should be pushing, quite frankly, and according to the military, with whom I speak, considerably harder. And as you pointed out, that real progress has come—not

the only progress—but real progress has come the more we've empowered people. And I really would argue, again, for you all to take another look at what the Congress passed here, about pushing forward on this whole Federal system that their constitution envisions. But, I'll come back to that.

In my remaining 2½ minutes here, I'd like to ask you about the de-Baathification law. As you know, whether the recently passed de-Baathification law promotes healing or further division, depends on how it's implemented. If you listen to some of the voices of those, such as Dr. Chalibi, who has been closely associated with de-Baathification, the law will actually lead to the expulsion of more individuals from key government jobs, then inclusion.

What steps are we taking, and how are we monitoring this to make sure that the de-Baathification law actually integrates more people, rather than has this negative impact. Because, the devil really is in the details of how this is read, and how it is being advertised, if you will, in Iraq by those individuals representing the sectarian interests in Iraq.

Secretary RICE. We made the point, precisely, that you've made. That the issue here is going to be implementation. The law itself is not a perfect law, it is a compromise law. And, obviously, with any law, it is subject to interpretation.

But when we've talked, particularly, with Tariq al-Hashimi, the Vice President, he is now very focused on the question of implementation, and also whether or not there need to be certain understandings about how it will be implemented. And we have people in the Embassy who are working on that.

One of those things that has come about, when I was out there, a couple of times ago, Senator, I worked very hard with Prime Minister Maliki to restart something called the three-plus-one, which is—they now call their Executive Council the Presidency plus the Prime Minister. And, by meeting weekly, and then having a little steering committee of their people to meet even more frequently—we've encouraged them to—practically, every day, to look at this and how it's going forward.

I think the principle concerns are about what may happen to certain people in the security forces, and in the intelligence forces. It should be helped by the fact that the pension law and, frankly, also by the amnesty—but we've been making exactly the point, regarding the implementation, and whether there need to be certain understandings about it.

The CHAIRMAN. I think Hashimi's come a long way, I've spent a lot of time with him, and I think he's come a long way in terms of greater regional authority. And I think there still is a significant deal to be made here, tied to oil, but my time is up. And I yield to Senator Lugar.

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

Madame Secretary, yesterday Russian President Vladimir Putin, while President Yushenko of Ukraine was sitting next to him, threatened to target Ukraine with nuclear weapons if Ukraine was to deepen their relationship with NATO. Now, this comes on the heels of similar threats to Poland, and the Czech Republic, if those nations were to cooperate with us on missile defense.

Last year the Russian Government, fomented unrest and stood idly by while government-sponsored groups physically threatened the Estonian Ambassador at her Embassy in Moscow, and are suspected of sponsoring a massive cyber-attack on their Baltic neighbor, all because the government in Talin moved a Soviet statue.

Last year, Russia withdrew from a treaty, restricting conventional weapons in Europe. And this week, a Russian bomber risked an international military incident when it flew over a U.S. aircraft carrier, while another bomber simultaneously violated Japanese airspace.

And President Putin announced that Russia is in the midst of a new arms race with the United States and our allies.

Meanwhile, Gazprom, the Russian state energy company, threatened to cut off energy supplies to Ukraine, although the intervention yesterday by President Yushenko and some agreement may have postponed that for the winter—and Moscow continues to use energy as a weapon against its neighbors, to extort sales of vital infrastructure, with the goal of monopolizing energy development and transportation.

Other forms used by Russia to bully its neighbors have taken the form of a blockage of Georgia, and daily threats to those capitals who work cooperatively with the United States. Now, given this record of behavior, why is NATO considering inviting President Putin to the Summit Conference in Bucharest in early April? It would seem that the alliance might very well be intimidated by that presence, given all of the experiences of its members.

I just simply want to ask you to discuss for a moment what you perceive in the event the agenda at NATO is new members—three have been strongly suggested—our two MAP programs, for Ukraine and Georgia, and then, of course, discussion of Afghanistan, or other issues in which we are, as an alliance, involved.

What is the effect of joining President Putin to join the conversation?

Secretary RICE. Thank you, Senator.

First of all, let me just say that I said it at Davos, that the unhelpful and, really, reprehensible rhetoric that is coming out of Moscow is unacceptable and is not helpful to a relationship that, actually, I think, has some positive aspects. And we have cooperated on North Korean denuclearization, and Iran and the Middle East, and of course the cooperative threat reduction and global nuclear terrorism—a lot of things. And yet, when it comes to issues that I would say come out of the structure of the post-cold-war order in Europe, we get this kind of rhetoric which is most certainly not helpful.

As to the NATO agenda, it's the administration's strong belief that NATO will do what it must as an alliance, and Russia has no veto.

So, in fact, we will look at what the status of various aspirants really is, and whether they're ready for different stages of, either NATO membership or the various relationships that NATO can offer, and we'll make the decision on that basis. I think that's the only way that NATO can proceed.

We've also been very clear that we are absolutely devoted to the independence and sovereignty of Ukraine and of the other states

that were once as part of the Soviet Union. The Soviet Union had all of these parts, but that was another point in time. It is gone forever. And I hope that Russia understands that.

Now, as to how these discussions go, I've sat through, at least, the ministerials of the NATO-Russian Council. And very often, Senator, it goes the other way. It's an opportunity for Russia to see the unity of the alliance. It's very often an opportunity for the Russians to sit and recognize that the Baltic States are part of NATO, and therefore enjoy the protection of Article V and of the European and North Atlantic allies.

And so, in that sense, these sessions tend not to be one in which the alliance is intimidated by Russia, but rather where a very strong message of alliance unity can be communicated.

And I would hope that if we do go forward with a NATO-Russian Council in Bucharest, that that would be what is being communicated—that it is a Russia-NATO conversation, but that NATO is a strong and unified alliance that is not going to see a return to the cold war, and that means, neither to Russia's ability to intimidate its neighbors, nor to the times when we had an implacably hostile relationship with the Soviet Union.

Senator LUGAR. Well, I thank you for that response. Can you give us an indication of how vigorous the administration will be in backing the three new membership applications that are imminent, as well as the MAP designation for Ukraine and Georgia?

Secretary RICE. Well, on the three aspirants, we believe they're making very good progress. We will obviously reserve judgment until the time that we've had a chance with our allies to determine whether or not they've met the standard.

But, should they meet the standard, it's our view that they ought to be invited for membership.

In terms of the Membership Action Plans, of course, those also require an examination of where a state is, and I would give the same answer—we've always believed that states ought to meet these, or receive these relationships as they become able and capable for carrying out the responsibilities that go with them.

Senator LUGAR. Well, we will certainly ask you, as April approaches, to inform the committee about the impressions of the administration, the vigor of this pursuit. Because, as you know, action will need to be taken by the Senate. The last round was a joyous occasion. Of a good debate, ending in the morning, about noon-time. The Foreign Ministers of the countries involved, sitting in the gallery of the Senate. Proceeding to the White House for a celebration. I would hope that this would be the case on this occasion, as opposed to a very tentative situation in which the countries may or may not know where they stand with you or with the Senate.

And we've not had much discussion on the issue, but I cite this as a very important set of developments, rather stoutly ahead of us, at this point.

Secretary RICE. Thank you, Senator. Let me just add that it's also very important to the future stability of the Balkans, as well, so we're mindful of the fact that this could help in issues of stability in the Balkans.

Senator LUGAR. I appreciate very much, your response and your opening statement that a special coordinator or negotiator or how-

ever one wants to designate this person, may be charged with a very heavy duty in the Near East.

I cite this, specifically, having come through Kazakhstan and Turkmenistan within a week after President Putin, literally, had been on the telephone with the Presidents of those two countries, almost personally negotiating a natural gas deal, of very sizable amounts.

This is not a bureaucratic functionary from Russia, this is at the top. And the necessity of gaining those resources, then, to pass them through Russia where—even while I was traveling—deals were being inscribed with Bulgaria, with Russia taking control of 50 percent of the pipelines underneath that country, and then shortly after, with Serbia. Negating, in part, the so-called Nabuko pipeline idea that we have. So, life is going on, rather seriously in this area, which we need to be following.

And the new President in Turkmenistan, as you know because you have met him—is a very different President. After a long stretch of total, absolute control by someone with whom we really had no dealings. So, there's an opportunity. He has already been in touch with President Sakasvili of Georgia. They see each other as the same generation, and what had seemed impossible before, with trans-Caspian pipelines, or ships, may happen. And that is new.

But we really need to be there, in Ashkbat, as well as with all of the dealings in Astona now, with the six powers, the very large Kashagan field—this is a huge situation, for the world, as well as for us.

You know this, but I just applaud the need for our State Department to be on top of it. With somebody—almost on a daily basis—in touch with these leaders who want to talk to us. And especially President Aleyev, who is waiting for assistance, but values the security of the relationship, vis-a-vis, Russia, Iran—anyone else who might breathe heavily in the area.

Thank you very much.

Secretary RICE. Thank you.

The CHAIRMAN. Thank you, Senator.

Senator Dodd is next, but he suggested I—

Senator DODD. Well, no, Mr. Chairman, having just arrived, let me defer to my colleagues. We had a markup on a Banking Committee bill, Madame Secretary, and I'll defer my time and come back in a few minutes, thanks.

The CHAIRMAN. Senator Kerry.

Senator KERRY. Thanks, Mr. Chairman.

Let me join you and the ranking member in expressing our sadness at the loss of Tom Lantos. My daughters and I had the chance to have one of those wonderful trips you referred to with him, in Budapest, and he was just so full of enthusiasm and energy, and had this marvelous warmth and brightness about him that we all remember.

And we will miss him, and his passion for human rights, and for the issues that we're talking about here today.

And what a family—a great, unbelievable family.

Madame Secretary, thank you so much for being here with us today, for what you're doing. And I want to congratulate you on the

increase of the State Department personnel, the Foreign Service personnel and USAID personnel—that is so important. And this is a very significant increase that you have asked for, and I'm confident the committee will embrace it wholeheartedly. I think it is long overdue.

One concern—well, a number of concerns on the budget, overall. Secretary Gates, in a speech at Kansas State University, he said, “There’s a need for a dramatic increase in spending on the civilian instruments of national security. Diplomacy, strategic communications, foreign assistance, civic action, and economic reconstruction and development.” And I think it’s wonderful to have the Secretary of Defense, who is making that argument.

The question is, really, whether or not this budget, in fact, fully meets that task. I know it’s an increase and we welcome the increase and you cited the various increases that have taken place.

But specifically, for instance, turning to Afghanistan where General Jones and others—I might ask you, parenthetically, to perhaps comment on that, I mean you’re familiar with the report—of these eminent persons who really see the Afghanistan situation slipping away, and that’s the way they’ve cited it. And General Eickenberry has said, “Where the road ends, the Taliban begins.” And there’s this whole notion that we need to be making a stronger commitment. I think the budget is a plus-up of \$150 million over what you asked for in the regular budget. Then, of course, there was a supplemental above that. So, the total last year as over \$1 billion.

But the question is asked, why wouldn’t we be asking for that full amount here in this budget, and why would the increase not be more significant with respect to the support for the PRTs which, I think is around \$50 million or something, that vicinity.

So, are you asking for enough to really, in fact, get the job done, and where do you assess that situation at this moment, with respect to General Jones reports, et cetera?

Secretary RICE. Thank you, Senator.

Well, first of all, I believe that the budget represents, as you said, a significant increase. And I’d like to focus very intensely this year on getting it fully funded.

I think that one of the problems that we’ve had is that we’ve had increases, and then we’ve not be able to get them approved—particularly on the personnel side. In the last budget we asked for 280 positions—that didn’t get approved. And so, I believe this is a very, very significant increase, and if we could get this fully funded, then we would leave the Department during the next budgetary cycle, in a position to increase the funding again, and to get to a place where we need to be.—

Senator KERRY. But that’s the personnel part, right?

Secretary RICE. That’s the personnel part.

Senator KERRY. Right.

Secretary RICE. On Afghanistan, we have tried, in part, through supplemental funding, which is really focused on the kinds of things that we don’t think will be recurring costs in the budget for extended period of time, to infuse counterinsurgency funding.

A lot of the funding that we think will be longer run governance, the building of capacity and all of that—we’ve started to put into the regular budget. But there’s certain things—and this is where

the PRTs are very important, where we really are very much linked up in a war-like environment, where we are part of the counterinsurgency effort.

I think these are the right numbers. I will be the first to say that we have made a priority decision in favor of roads and electricity. And it's in part, because of what you mentioned—the insurgency begins where roads end.

It is also because we believe that the electricity piece is very important.

Senator KERRY. Which part of the package goes to that? I'm trying to just break it down, here.

There's \$370 million for counternarcotics, there's \$240 million for democracy and governance, \$109 million for health and education, \$74 million for the PRTs, \$12 million for nonemergency food aid.

Secretary RICE. And there's an infrastructure piece in the supplemental; we had a road-building plan over a number of years.

Senator KERRY. It's in the supplemental.

Secretary RICE. Yes; it's in the supplemental.

Senator KERRY. I see.

Secretary RICE. So we are building roads.

Senator KERRY. Why wouldn't that be part of the overall budget request, to accurately reflect what we need to do in Afghanistan?

Secretary RICE. Yeah; there's \$834 million in the supplemental. A significant portion of that is for infrastructure. I'll get the exact breakout for you, Senator.

[The information referred to above follows:]

In the Fiscal Year 2008 Base Budget, the Department of State has allocated on a preliminary basis \$94.5 million for power and \$95.3 million for roads. An additional \$60 million for power and \$279 million for roads has been requested in the Fiscal Year 2008 Supplemental for the Global War on Terror.

After the original Supplemental request for Fiscal Year 2008 had been submitted, the Government of Afghanistan approached the United States Government with an emergency request for diesel generators for Kabul and the Northern Electrical Power System. Furthermore, the development of Sheberghan, a thermal power plant with adjacent oil and gas fields that would feed electricity into the Northern Electrical Power System, became a high priority for infrastructure development. It has the potential to increase access to electrical power for 50 percent of Afghanistan's population and greatly reduce Afghanistan's reliance on imported electricity and fuel. To fund these high priority infrastructure projects, the Department of State amended its Fiscal Year 2008 Supplemental request to include an additional \$115 million for power and an additional \$50 million for roads.

Senator KERRY. Come to the heart of the issue; when are you going to measure that against what General Jones has said, what the Secretary has said, and others—we still have the luxury of the majority of the people supporting our presence. We've got to keep that, which means we've got to turn around the on-the-ground delivery, rapidly.

Secretary RICE. Yes. And I think, Senator, only a portion of that, and I would say, a relatively small portion relates to resources. I think the problem that we really have—and here I do think the international effort has got to be more coherent—is that you really have a significant counterinsurgency problem in the South. And the forces are able to clear these areas.

If you take a place like Musukala, they have been able to clear it. The question is: Can it be held? And so there is a significant program now that I talked to the one-star general who has been

put in charge of it out there, to rapidly increase the number of police. We will work with them on doing that. There are certain limitations.

One of the problems in Afghanistan, as you know, this is a very poor country with people who are largely illiterate. Just finding people is not an easy matter. But, it's really being able to hold, and then making sure that all of the multiple reconstruction efforts—ours plus those of the rest of the international community—are really getting into an area, and building quickly.

They have a plan for what they're calling "Focus District Development" in the south, which means, taking a district, looking at the needs of clearing, looking at the needs of holding and then putting the right reconstruction efforts in. I think that will give us a much more focused way of doing it.

Senator KERRY. Let me follow up on that.

Secretary RICE. It's just the two of us.

Senator KERRY. But let me take advantage of that.

The Paddy Ashdown situation, and your recent trip—did you make any progress with the British foreign circuit and Foreign Secretary Miliband on the question of NATO troops, additional troops? And obviously, this is an enormous test for NATO. I think Secretary Gates made the right comments.

As I stated, this is really an important test. Can you report to us what progress you made, and what happens if NATO doesn't provide more troops? What are you planning?

Secretary RICE. Well, as you know, as a temporary matter, we are surging some 3,200 marines into Afghanistan. But the real answer here is that somebody's going to have to join the Canadians in the south. And the Canadians have been clear about that—it is not a request that should be beyond the alliance to do it.

And Secretary Gates is working very hard on it, I'm working very hard on it. The French have said that they may be able to help some, in some parts of the country, there are others who might help.

Senator KERRY. Why do you think this is proving so difficult? I realize that a majority of the German population doesn't want the troops there. When I was in Brussels, I met with the Ambassadors there, and the Dutch might be characterized as squeamish—everybody's squeamish about this. Where does that leave us, with respect to this first mission out of area for NATO and the future?

Secretary RICE. Well, I think the first point to make is, it is NATO's first really big mission out of area. And this was not what, I think, the alliance would have thought that it was going to be doing, 4 or 5 years ago. And I think the capabilities have come along more slowly than the new demands.

I also believe, Senator, that we've got a bit of a problem, in that governments are going to have to be more straightforward with their people, that this is not just another peacekeeping operation. That this is really a peacemaking operation, and that there are going to be casualties.

It is going to be tough fighting. You can't do it all with reconstruction assistance. And part of what we've been trying to do—Bob Gates and myself—is to just say to people, "We appreciate that you're doing what you can do, but this is a different kind of mission

than peacekeeping.” And so when you have allies like the Canadians, the Danes, and others in the south, who are encountering really tough fights. It’s important to get them the military help that they need.

And balancing the rhetoric with populations, about the need to do reconstruction and build schools and do health clinics, with a full understanding that there is a really tough military mission that has to be carried out here, has been part of the problem.

Senator KERRY. Is it fair to say that the NATO reluctance puts the mission in jeopardy?

Secretary RICE. I believe that if NATO is—if allies, all allies remain reluctant, yes, there is a real problem.

Senator KERRY. And is the administration envisioning picking up that slack with our own troops? I mean, does the temporary deployment of Marines then become permanent? Does it become larger?

Secretary RICE. I believe there are still good options for the alliance. A lot of effort is being put toward the common of Bucharest, to resolve some of these issues. We have increased in-flows, and willingness to give equipment and to use Special Forces, that’s important.

We need more people in the training units, who are—and you know, this is not training in a classroom, very often. This is mentoring out in a rough neighborhood where you might encounter terrorists, as well.

And so I know, and we can all be critical of how the alliance has taken this on, but I think we need to recognize that the alliance, which was structured to do something else, has only slowly transformed itself, and that the mentality of what it requires to do Afghanistan is only now really dawning on certain members of the alliance.

Senator KERRY. If NATO does not accept this responsibility, does this, in fact, put NATO’s rationale on the table?

Secretary RICE. Well, NATO is doing a lot of things, Senator. They’re also, you know, they have a training program in Afghanistan for leadership, we’re in Darfur as a planning element. I still believe the alliance will meet this test. But we have not minced words, that an alliance that has taken this mission on—and I want to underscore, this was a decision taken by the NAC, to take this mission on. It is a consensus organization. So there was no one who didn’t want to take this mission on. And we’ve not—

Senator KERRY. I understand.

Secretary RICE [continuing]. Minced words that we better succeed, or the alliance, in fact, will be weakened.

Senator KERRY. In your judgment, as you have these discussions with the various ministers and others involved, do they express an understanding of the challenge of the stakes in Afghanistan, but simply see a different way of dealing with it? Or do they not see the, sort of, downstream impact of Taliban resurgence, al-Qaeda, et cetera?

Secretary RICE. I would say that it’s mixed. A lot of countries now that are taking on this very heavy fighting understand, fundamentally, now what counterinsurgency is all about.

To be fair to them, this is something we’ve had to learn, as well. This has not been easy to learn that this is a continuum—you

clear, you hold, you build—it all has to happen in a continuum. There isn't a fine line between war and peace.

Senator KERRY. It's also fair to say, they have lived with these kinds of things longer, in some ways. Whether it's been the Basques or the IRA or other forms of terror.

Secretary RICE. Well, they've certainly lived with terrorism, but I think it's different, this is a different branch, a different form.

Senator KERRY. And you think they understand that? Or not?

Secretary RICE. I think they understand it, it's been harder to come to a realization about what to do with it, what to do about it. But in my visits down to the ISAF headquarters, I think people are coming to terms with it.

The problem is the alliance has to come to terms with it, as a whole. It cannot just be Canadians and Brits and Danes and Americans and a few others.

Senator KERRY. And what did Foreign Secretary Miliband say to you with respect to the British?

Secretary RICE. The British, I think, understand this fight. If there's a big piece of this I think we all are going to have to work very hard on it. And David Miliband and I spent a lot of time on this. I believe the ISAF mission is really understanding better, militarily, what has to be done. That you're going to be fighting for population security in circumstances where they won't come at you as an integrated military grouping, because then they get really destroyed. They tried that at Kandahar, they tried that on a spring offensive, they got destroyed.

The harder piece is the piece that is rounding up cells, using information and intelligence from the population to take down that suicide bombing network. It's that piece of it that they are now really trying to do.

But the piece that I don't believe is really pulling its weight is the build part. And only a small part of it is resources. Everybody would love to have more resources. But unless you're quick, and capable of going right into a community, and saying, "All right, you have helped clear your area of bad guys. We can hold, they're not coming back."

Senator KERRY. Now we're going to make a difference.

Secretary RICE. Now, let's make a difference for you. A lot of the structures of aid—institutions are not really structured to that.

Senator KERRY. I know I'm trying to draw this out a little bit for somebody to get back here so I can go vote. But, Pakistan—Senator Biden and Senator Hagel and I are going to be there on the election day and the next day. Can you share with us what the Republican Institute has pulled out of the electoral process. What are we doing, and what is your standard going to be, to make a judgment about the fairness of those elections?

Secretary RICE. Well, we will—for a variety of reasons, as you said, IRI had to pull out. There's a large European Commission monitoring mission. We will, of course, listen very closely to them, there are other NGOs that will be involved, we will listen closely to them. We have tried to help train, even local officials in election monitoring and the like, and we will have our people out and around the country—we have, as you know, several consulates, we'll have people out and around to observe—

Senator KERRY. What's your confidence level at this point, about the prospects of those elections being held?

Secretary RICE. Well, I believe that the Pakistani leadership understands that they have to have an election that inspires confidence in the Pakistani people that this is a step forward for democracy, I think they understand that.

It's not going to be easy, we're all concerned about the potential for violence, we're all concerned, of course, about the potential that there will be, at least, pockets where there may be problems with the elections. But I think we have to keep pressing and encouraging and insisting that this is an election on which a lot is holding. They have got to inspire confidence that people got to vote freely.

Once that is done, once the elections are over, the key is going to be to bring about a government that, again, can inspire that there are a wide range of moderate voices that have been integrated into it.

Senator KERRY. Madame Secretary, thank you, I need to go vote.

Senator Lugar, I think you get a second round, here.

Senator LUGAR. Thank you very much.

Senator KERRY. Thank you, Madame Secretary, very much.

Secretary RICE. Thank you, Senator.

Senator KERRY. Thank you.

Senator LUGAR. While awaiting my colleagues, let me ask a question about our relations with Serbia. It's anticipated that action may occur in Kosovo within days. The Serbians have had an election recently, Tadic was elected—a person who appears to be headed toward affiliation with Europe, and that is very encouraging, but can you describe any efforts that we are making to maintain very strong ties between the United States and Serbia, and thoughts on this transition, period, that may accompany a Kosovo announcement?

Secretary RICE. Thank you, Senator.

We want a Serbia that is looking to its future, and that future is in Europe. And we've been the strongest advocates of its agreement between Europe and Serbia, for reasons having to do with Serbian politics, they've delayed that somewhat but, I think we find our European allies recognizing that the Serbs need a European perspective.

I personally intervened so that the Partnership for Peace could be offered to Serbia. It doesn't mean that we are unaware of, or are uninterested in the important work of still getting the war criminals—we are. But we felt that it was time to move Serbia closer to NATO.

I do know that this is going to be an extraordinarily difficult period of time for the Serbian people. And what the United States will be doing is offering a hand of friendship, saying that the status of Kosovo and its resolution will allow Serbia to look forward, and to move on, then, with what it needs to do.

We hope to be good partners in exchanges, in economic assistance and all the ways that we could reach out to Serbia. But it's a great culture, and they're a great people. And I hope that they will look to that future, and not to the past.

Senator LUGAR. I was interim, waiting for Senator Hagel's arrival, and now I'll turn attention to him.

Senator HAGEL. Thank you, Mr. Chairman.

Madame Secretary, I add my thanks to you, for your many years of leadership and commitment to this country, in particular, foreign policy. I know this will not be the last time we see you, I'm sure—I hope—before this committee this year, before your tenure ends. But, as was noted at the beginning, it will be your last budget, most likely, that you will present.

And this country is grateful to you for your leadership and your good work and your efforts.

I wanted to go back to a couple of points that were made by Chairman Biden and Senator Lugar in their remarks. One reference—as you have noted in your budget presentation, to increasing a number of our programs. And in particular, what Secretary Gates said, recently, in two speeches over the last 6 weeks, about increasing our soft power, our diplomatic power.

Our entire arsenal of influence that's so critical for our country at a time, as both Senators Lugar and Biden noted—this is a different world, and you understand it, as well as anyone. It is going to require a 21st century frame of reference, that I'm not sure we're there, yet. I don't think that's anyone's fault, it is just realities of the world we're dealing in, and a world that experiencing the greatest diffusion of geopolitical, economic power in the history of man.

And to accommodate and to address those great challenges of our time, we are going to rely greatly, I think, on what you have within your portfolio, and the next Secretary of State, and the next group of leaders that comes behind you, and the President and your team.

And I want to compliment you—as has been noted here, too—for following along with what Secretary Powell has started, in enlarging, deepening those resources that are required as the State Department.

And General Petraeus has said, and others, there is no military solution to Iraq. There is no military solution to any of these problems. So, we're going to have to depend more and more on this arsenal of influence that, sometimes we've not coordinated as well as we needed to.

And, in particular, the energy aspect—what Senator Lugar talked about—your reference to trying to implement that energy coordinator before you leave office, which I think is one of the more important parts of dealing with these great issues.

I wanted to focus on a couple of areas more specifically, and go back to Iraq, because when we really look at this great framework of challenges in the world today, we the United States, are committed in two areas, in two wars. Roughly 180,000 troops in Iraq and Afghanistan. We're pouring tremendous resources, as we have been, into those two countries.

We took more casualties, as you know, in Iraq and Afghanistan, American casualties, last year than any other year. Our casualties in Iraq last month are the highest they've been in 4 months, with more violence.

And when you were talking here, and I didn't hear all of the conversation because of the vote, about the focus on bottom-up, and in fact you and I have had this conversation in your office. Efforts to

secure and stabilize at the regional level, community level, which is obviously critically important because that's an area that represents the human dimension, jobs, growth. How are the individual Iraqi lives—how are those lives being improved?

But also there's a risk in that, in that it has the potential to weaken the strength of a national government. And, if on one hand, we are focused on strengthening Iraq, strengthening the loyalty to a nation—not loyalty to a tribe, not loyalty to a region. And further, trying to strengthen a national army—loyalty to a national army. Trying to root out—which everyone recognizes, a tremendous amount of corruption that we are dealing with.

We've got to have some balance, obviously, to that, and I know you try to deal with that. And, in particular, I want to note an AP story that I just saw this morning that came out of Iraq last night, and I'd like to get your reaction to this.

This is an Associated Press story out of Baghdad. Last night, and I'll quote just a sentence or two from it, "The Speaker of Iraq's fragmented Parliament threatened Tuesday to disband the legislature in Iraq, saying it is so riddled with distrust, it appears unable to adopt the budget, or agree on a law setting a date for provincial elections, or any other bills."

And it goes on in some detail, it quotes other legislators, how much and how deeply troubled the Parliament is, and unable, as a result of that, to accommodate and address some of these great challenges that we know need to go forward. And, of course, that was the entire point of the so-called thrust that we, militarily, worked through last year, and the surge that was to buy time for the politicians, for the national interest, the leaders of Iraq, to not just move toward political reconciliation, but toward some political accommodation, in order to get these differences on some ground, in order to deal with a reconciliation.

And, as you have noted, we've all noted, that progress has been lacking.

Would you comment on this story, and if its accurate, and where we go from here?

Thank you.

Secretary RICE. Yes, Senator; I was following—I've been following very closely what has been happening in the Iraqi Parliament, and I think the Speaker, who I actually know, Mr. Mashhadani, was perhaps engaging in a little hyperbole to rally the troops. And they, this morning, came back.

What had been the dispute was going to be the sequencing of the bills, because the Kurds wanted their 17 percent before they voted the provincial powers, others wanted.

As you might imagine, legislative sequencing is something you understand better than I. They went back and they figured out how to do it all as one package, and this morning, they voted all three. They voted provincial powers, they set a—apparently, although I don't have my own confirmation of this, I was passed a note—that they've said, they will try to hold provincial elections before October 1.

Those provincial elections are going to be very important to renovating provincial councils that are, perhaps, not wholly representative. They passed their 2008 budget, with significant increases to

the provinces for funding. They also passed an amnesty that the Sunnis are very pleased to see.

So, the legislature has actually done a lot. We talk a lot about bottom-up reconciliation, and I don't think that's very, very key—the Concerned Citizens Committees, The Awakening movement, the functioning provincial councils.

When I was here on my first testimony on Iraq, in 2005, I talked about the formation of Provincial Reconstruction Teams as something we wanted to do.

I opened the first in 2005 in Mosul. They've gotten stronger and stronger as a way to bring about provincial and local capability to do things like execute budgets.

But, you're right—the national level has to work, too. And in the last few months, they've passed a pension law, an investment law, a justice and accountability law, a provincial powers law, a general amnesty and a 2008 budget.

They also, Senator—we've worked very hard with them—they've created a structure now, their Executive Council, which gets the Prime Minister to work with the Presidency Council on a weekly basis, and they've created a Secretariat for that.

It's still hard, you're right, there's a lot of distrust. There is a lot of feeling that is very deep. But when we talk about reconciliation, I think it's important to realize what they're trying to do right now is what I would call *de jure* reconciliation. They're trying to get the right laws in place, the right distribution of power. The coming together of peoples will happen over a longer period of time.

But, you see every day, efforts between Sunnis and Shia to assert their "Iraqi-ness" not their Sunni or their Shia element, and it will be helped by these laws that have been passed.

So, yes; it was a big kerfluffle last night in the Council of Representatives, apparently they solved it this morning.

Senator HAGEL. Mr. Chairman, thank you.

The CHAIRMAN. Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman, and thank you, Madame Secretary, for testifying before the committee. We are at a critical time right now, with regards to our foreign policy, and related spending, which makes this hearing all the more timely. And I'd like to just make a few quick remarks, and ask that my full statement be placed in the record.

I'm a strong supporter of increased funding for State Department operations, to ensure that we have a robust and fully functioning agency. I'm pleased that the President's proposed fiscal year 2009 State Department budget has increased 8.5 percent from last year's budget request, including emergency funding.

I nonetheless remain deeply concerned that the President is still failing to properly allocate resources, so we can address our top national security priority, and that of course is the global threat posed by al-Qaeda and its affiliates.

The misguided and narrow focus on the war in Iraq is depleting our financial, diplomatic, and material resources around the globe—whether in Afghanistan, Pakistan, Indonesia, the Democratic Republic of Congo, or Algeria—and making it much more difficult for us to pursue a policy agenda that does, in fact, contribute to our national security.

Following the Defense Secretary's lead, last week the Chairman of the Joint Chiefs testified before the Senate Arms Services Committee and noted that we need to do a better job of developing the capabilities and capacity in other agencies, outside of the Defense Department, including State and USAID.

And, you know, how have we—how has this happened? How have we reached the point where the Defense Department has to advocate more strongly for building and strengthening our civilian and diplomatic capacity than our own State Department?

In addition to my concerns about misplaced priorities, I continue to be concerned about this administration's misleading budgeting. As in previous years, the President's budgeting fails to account for the cost of the wars in Afghanistan and Iraq and fails to pay for those costs, thus sticking our children and grandchildren with the bill. Passing the tab for these wars onto future generations is simply irresponsible.

And I'd also like to echo the comments of some of my colleagues with respect to Iraq and Afghanistan and the need to ensure that we are equally focusing on the so-called "nonkinetic" programs. I think such priorities are essential and need to be substantially robust.

Madame Secretary, I understand this budget request includes creating an additional 50 positions for political liaisons with military counterparts, designed to provide additional support for the Department of Defense. And I do believe and understand that these relationships are key to ensuring that U.S. military actions are consistent with U.S. foreign policy objectives.

However, given that the Department of State is incapable of meeting critical foreign policy needs overseas, coupled with the fact that the U.S. military is increasingly filling the gaps when the Department of State cannot, it almost seems like the Department of State is outsourcing its mission and its jobs to the Department of Defense.

What steps have you taken to ensure that the Department of State does not cede its foreign policy responsibilities to the Department of Defense, and retains its position—which I, of course, believe in—as the primary agency responsible for foreign policy?

Secretary RICE. Well, Senator, let me start by saying this problem began in the 1990s, when we tried to capitalize on the peace dividend. It was when USIA went away, it was when there was a hiring freeze on Foreign Service officers—we now will experience a bubble in a couple of years, where we simply didn't hire anybody for years.

As so, what we have done in this administration, and what I have done with the support of this committee—and frankly, not just starting this year—is to rebuild those capabilities, over a period of time. That's why public diplomacy funding has been up every year in the President's budget. That's why funding for foreign assistance has quadrupled in Africa, doubled in Latin America, tripled worldwide. It's why we have, not just spent more money, but we've completely restructured the way we think about what the State Department is doing.

I have, frankly, 300 diplomats in Europe that I didn't need. They're now someplace else. And I think it's important that they're

in India and Brazil and in parts of Africa. I had as many diplomats in Germany as I had in India. That was an outrage.

And so, it is, in fact, not just more people, although, thank goodness we are asking for a lot more people—1,100 new Foreign Service, and 300 new USAID—but it's also, what are those people going to be doing?

It's a great thing to have great political reporting—I believe in it. But I've said to my officers in places like London and Berlin, I talk to those people all the time. The political reporting I need is, how are we mobilizing the trans-Atlantic alliance to do something about Darfur—where you've had a tremendous interest, sir—or to do something about Somalia?

And so, we've been changing the whole structure of the way that we think about diplomacy. I gave a speech yesterday, a second speech—I gave the first at Georgetown 2 years ago, and I went to update it, called Transformational Diplomacy—what are diplomats going to be doing?

Now, in that regard, diplomats are going to be doing more to help people improve their lives, through being able to manage foreign assistance as part of our foreign policy. Diplomats are going to be working with the military, which is why the PolAds are important, because we fully believe—and by the way, so do our military counterparts—that they don't want to, nor should they have, the mission of carrying out the foreign policy of the United States. It would erode the State Department's mission, and it would erode their mission in terms of military functions.

But, increasingly we have a continuum. And not just in places like Iraq or Afghanistan, but in a Haiti or a Liberia, where an area might not yet quite be stable, so you have to work with military assets while you build the capacity of the government, which is why you see us working very hard for these civil/military-type apparatuses, like the Provincial Reconstruction Teams.

Finally, I was really quite unhappy that, when it came to staffing major civilian reconstruction, that we had not developed, in the United States of America, civilian institutions to do that.

I mentioned, Senator Feingold, I think you might not yet have been here—the way we did it in Afghanistan with the bond process, I will label “adopt-a-ministry.” So, one country took this ministry, and another country took that ministry, and frankly, we're still paying for the incoherence of that effort.

Then we got to Iraq, and it was given to the Defense Department. But they would be the first to say that they weren't capable of mobilizing the full range of civilian capability for reconstruction. And it's only when we went to Provincial Reconstruction Teams, this kind of integration of civilian and military, that we were able to do more.

Now, the last big step in that is what Senator Lugar and Senator Biden and Senator Hagel and the State Department have been so interested in, the Civilian Response Corps. Because what we really ought to be able to do is not to turn to the National Guard or to the Reserves to provide city planners, or to provide judges or people who know how to do a health care system. We ought to be able to ask Americans who want to serve, to say, “If you're an Arizona prosecutor, and you want to take a year off and help the Liberian

people develop rule of law—the U.S. Government will put you in the Civilian Response Corps and we'll call on you to do that.

So, I believe that these are all innovations that we've made over the last several years, with increased resources, but not just with increased resources. With really changing the way that we think about what diplomats are going to do. And I'm very pleased and proud to say that I think that the men and women of the State Department have been excited by the challenge. They've been willing to think about the different kind of training, and the different kind of light that that's going to require.

We have had to support families better, just one final example—when we wanted people to go to Afghanistan, or to Iraq, unaccompanied—in the old days their family had to move back to the United States, that was very disruptive. Now we can leave them in theater.

So, we've made a lot of innovations. I want to say that I think we've made them together, and we've increased the resources together. But this is going to take more than what we've been able to do in one administration, and long after I'm gone, I hope the United States will continue to build these capabilities.

Senator FEINGOLD. Madame Secretary, you know from past experience, I normally wouldn't tolerate such a long answer, but you really were trying to talk about this fundamental issue, and I appreciate the breadth of what you talked about, especially the reference to the civilian corps at the end—this is exactly what we need to do.

And let me just say, as my time is running out, you know, having been to Africa many times, and seeing the work of our military in some of these situations—it is so moving and wonderful to see, for example, in a place called Dire Dawa, Ethiopia, they actually provided these army tents when there was a flood, and it's the only reason people were OK—and this wasn't even in a military situation, this was a situation just, where we helped people.

But what bothers me, and I know you're sensitive to it, is, you know, you see the kids running up to the military people, and that's a lovely sight and they're excited and grateful. But for our face to be, first and foremost, military in a situation like that. I know you're sensitive to this, but somehow we have to get to the point where our first face is not military in these situations. Their role is important, but we have got to have the diplomatic and other resources so that it isn't, "the United States does good things, if they're in uniform, only." It can't just be that.

And I realize you're sensitive to that, but I think that is one of the most overarching issues for our foreign policy throughout the world, and it is a continuum between Defense and State in those functions, but I think too often the continuum right now is too much on the appearance of a military side, and make it more balanced, appropriately balance it, it would be great.

Thank you.

The CHAIRMAN. Senator Coleman.

Senator COLEMAN. Thank you, Mr. Chairman.

Madame Secretary, I want to join my colleagues in thanking you for your service, it has been an honor for me to work with you. And I do hope that, though this might be your last budget presentation,

I'm sure there will be lots of conversations that will go on until the end of the President's term.

Let me just, I want to just start by reflecting on some positives, and then raise some areas of concern.

I also join in appreciation for the increase, 8.5 percent increase in State Department funding, I think that's important.

I support and applaud the continuing commitment to Millennium Challenge Account, though I would hope that we in Congress could do better. I think this is one of the really important ways in which we do foreign aid, which is to work with local governments, and have them identify what they need. And then have in place those indices of accountability and transparency that give us a greater sense that they'll return for the investment, that watch it be used in the way it's intended.

So, I applaud the continued commitment, I would hope that we could do better than what's set forth in the budget. The robust funding for global AIDS, I think the—this administration has not gotten the recognition for the incredible commitment we've made to global AIDS, and the impact it's had, in terms of saving lives, and I applaud that.

I participated in a meeting with Ambassador Negroponte just the other day on the Merida initiative, with the Ambassador from Mexico and El Salvador, and I applaud the commitment there to combat transnational organized crime. The places in Minnesota are impacted by the inability to deal with organized crime and drug trafficking in Mexico.

And finally, if that's not of great focus, but of great significance has been your personal efforts, and the efforts of the State Department to expand the opportunities of student visas, bringing students into this country. I think in the post-9/11 universe, we squeezed back, and I have been concerned by the long-term implications of that. And we talked about this, I think during your confirmation you made a commitment to change that. And as I've reviewed the numbers, I think we're back to pre-9/11 numbers of students from other countries. And here, we're doing a lot of work now with the Arab countries. I think it's important that the best face of America—I can only imagine in 10 years, someone in this seat, 15 years, talking to a Prime Minister from an Arab nation or South American nation, if they studied here, it makes a difference, and so I applaud that.

Two areas of significant concern. One, I am concerned about what appears to be a push by this administration to complete a Civil Nuclear Cooperation Agreement with the Russians. We've talked a little bit and Chairman Lugar raised the issue of some of the language which you, yourself, you know, labeled unhelpful, reprehensive rhetoric.

I understand that—or our intelligence community has confirmed that Russia continues to assist the Iranians in long-ranch missile programs, I'd, at least that has been reported. I would ask you, one question would be—is that an accurate assessment?

I also understand that Russia is selling advanced air defenses to Iran, defenses that could be deployed to defend Iran's nuclear sites. And I believe the Clinton administration made a point of demand-

ing in the late 1990s that—a limitation of that. Have we reversed that? Are we allowing that to go forward?

And then, finally, and this is the issue, this—the whole question of proliferation. I supported the India agreement, I thought it was—it made sense.

But on the one hand, we have—we're putting diplomatic pressure on nations not to trade with Iran, not to support it, not to put it in a position to expand its nuclear efforts. You've talked about upping the impact of sanctions about 20 percent, to significantly higher, we begin to see the efforts of that.

I understand that a few weeks ago, Moscow made its final shipment of nuclear fuel, needed to start up a massive power plant reactor at Bushehr. My understanding is that once this plant is up and running, it will produce enough near weapons-grade plutonium for roughly 60 crude nuclear weapons.

So, that's the information that we're hearing. I'm hearing that, and I don't know whether that's Energy or State Department, that doesn't matter to me. The bottom line is, help me understand whether, in fact, this is a path we're moving down. If I'm wrong in the assertions I've made, let me know. But I would state very clearly that it's a deep concern to me, that moving forward with a Russian Civil Nuclear Cooperation Agreement, particularly in light of their activities in Iran, really are inconsistent and contrary to the diplomatic efforts we're trying to assert, regarding Iran and its capacity to develop a nuclear weapon.

Secretary RICE. Thank you, Senator.

Well, there certainly are concerns about Russian conventional transfers, air defense capabilities, and the like, to Iran. And this is something that I bring up consistently and frequently with my counterpart. They say, "Well, these are not arms sales that are illegal," and we say, "Not everything that is legal, is wise." And this is a discussion we have, and will continue to have.

I do believe that we think that the Civ Nuke agreement—and we've not yet initialed it, we have largely negotiated it, but we've not initialed it—we do believe that a Civ Nuke agreement with Russia makes sense. They are one of the members of the Nuclear Suppliers group. We believe that their proliferation activities—or nonproliferation activities, let me put it that way—on nuclear matters are consistent with the obligations that we would be taking and they would be taking under the 123 Agreement, and that it would be in the benefit of both sides to have it.

Let me just say, on Bushehr—we frankly have had, over time, a kind of evolution of our policy on Bushehr, because when it became clear that what we needed to do was to stop the Iranians from enrichment and reprocessing, but not to deny that they had the right to peaceful nuclear uses, that the Bushehr strategy, the Bushehr framework by which the enrichment and reprocessing of fuel would take place, that all spent fuel would be returned to Russia, and that the Iranians would not be involved in the technology, therefore learning how to enrich and reprocess on their own, was actually a good model going forward, for how countries might acquire civil nuclear power, but not have the proliferation risk associated with the fuel cycle.

Senator COLEMAN. But, wouldn't that be a good model, Madame Secretary? If, in fact, the Iranians agreed to step back on, and we had a sense of assurance that we're stepping back on reprocessing and enrichment, because we don't have that right now, and there's nothing in the NIE estimates or anything that says that they—so they're getting the best of both worlds.

Secretary RICE. I agree. What we'd like them to do, I mean, what would be acceptable is if they would stop their own indigenous efforts at reprocessing and enrichment, and accept that fuel would be supplied by outside powers. We and the Russians have even put forward the concept of a kind of assured fuel supply that might be given by the Nuclear Suppliers Group, or some members of it, so that countries don't acquire the fuel cycle. This was a proposal that the President made in a speech at the National Defense University a couple of years ago, and he and President Putin have agreed that that would be a good thing.

So, my point is that we believe Bushehr is a model that would make sense. And the last fuel shipment was sent with the Russians saying to the Iranians, "All right, now you don't need indigenous reprocessing and enrichment," and I think, frankly, has helped us to move forward on the next Security Council resolution, which I hope will be voted sometime in the next few weeks.

That does not excuse, Senator, the problems we continue to have with the Russians on, particularly, the advanced weapons systems sales to Iran. Even if the Russians wish to talk about them as defensive in character, we will continue to press on that. But I think we believe that in the nuclear side, for the most part, we have a system in which the obligations of the 123 Agreement would be sustainable.

Senator COLEMAN. Again, my concern is to be moving forth in a Civil Nuclear Cooperation Agreement at a time that the Russians engage in a range of activities which we find unhelpful—unhelpful, at least, and perhaps dangerous—perhaps dangerous, I think certainly this body, I anticipate, will be looking very closely at that.

Last area of concern, I had forwarded a letter signed by 26 of my colleagues about the Durban II conference—and this is an issue, obviously, close to the heart of Tom Lantos, who attended Durban I, which we walked out of at the end, first the Secretary of State wasn't going to participate, and then we sent a lower level delegation. And then, ultimately, when it resulted at every level, in perpetuating the idea that Zionism is a race and falling into that anti-Semitic—just an unhelpful—unhelpful international process, of which Tom Lantos said was, you know, recognized that.

We're now in Durban II and I appreciate the fact that we made a statement about U.S. funding, we're voting against the budget because it included funding for this. We're not participating in the preparatory activities, but we're walking down the same path.

And I believe the Canadians have said they are not going to provide credibility to this process by participating, we haven't made that statement yet. Are we going to make that statement?

Secretary RICE. Well, we've not made that statement, but let me assure you, Senator, we have no intention of participating in something like Durban I. It was an outrage, and I've been very clear with my counterparts about that. We sent a signal on the budget,

and we've not tried to make a final decision on this, but let me just state very clearly, we don't have any interest in participating in something that deteriorates into the kind of conference that Durban I was.

Senator COLEMAN. Thank you, Madame Secretary.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Senator Dodd.

Senator DODD. Thank you, Mr. Chairman, I'm going to be brief in all of this, because I know my other colleagues have been here a little longer than I have this morning.

And let me join with the chairman and others who have expressed their sorrow over the loss of Tom Lantos, as well. I had a nice conversation with his son-in-law Dick Swett the other day, and Katrina and Annette, and they're just wonderful people.

I go back, running for Congress 30 years ago, when Tom Lantos was in the private sector, and very supportive of many of us, beginning early on. He had a remarkable career, made a difference in every stage of it. So, it's a real loss for the country and I know you and others expressed your similar sentiments. So, I wanted to join you in that.

Let me ask you about Latin America a bit. I know we're—obviously tension in Iraq and Afghanistan and these other issues that Senators have raised—but there's some huge issues looming. I was going to address the issue of the Merida program, and at some point I'll talk to you or your staff about that—the \$500 million that are being requested on the drug issue. And that's the obvious issue in Mexico and obviously Colombia we need to deal with.

But, we're reading about Bolivia these days, the issue of what's happening with energy resources. You've got a new President in Argentina. Obviously, the problems that are still looming, and maybe growing larger in Venezuela, the issue of the FARC and what's going on between Venezuela and Colombia.

It seems to me that there are a whole series of issues. And I've said this over and over again, I want you to know, that obviously the issues of Iraq and Afghanistan have sucked a lot of the oxygen out of what would be, normally, a foreign policy debate that would have included Latin America a lot more. That's not to say its been avoided entirely, but certainly there's only so many places you can keep the kind of level of attention. And, obviously, some huge issues here that need our attention.

And I wonder if you might give us some idea of what thoughts, plans, ideas—the post-Castro regime—are there plans being formulated? Are we thinking about this? Are we talking to regional leaders as to what might happen, is there a glide path that others have talked about that would allow for an easier transition, if that occurs.

Would you spend just a couple of minutes and share with me some thoughts, and sort of range around the region, if you will, for me a bit—beyond the drugs issues—as to where the administration is?

Secretary RICE. Thank you.

Well, I think we've had, actually, quite a lot of focus on Latin America. I think the President's been there five times, or some-

thing like that, I've been there an additional three—I was just in Colombia.

We've doubled assistance to Latin America, and I think we have a very positive agenda for Latin America, which is one that looks for open markets and democracy, and frankly, a much more, a much stronger identification with the social justice agenda than the United States has had in the past.

And I think it's served us well to be very clear that we don't have any ideological tests for our friends. We have very good relations with left governments like Brazil and Chile and Uruguay, and equally good relations with countries like Colombia. And a very, very budding and strong relationship with Brazil which, of course, is the big power in South America.

We, of course, with Central America, have had the Central America Free Trade Agreement and we've had a number of other free trade agreements.

I would say that, it is true that there are some troublesome regimes in Latin America, but there are equally as many who have come into power who are very strong friends and allies of the United States like, for instance, Peru, where we've just passed a trade agreement.

The one single thing I'd most want to do is pass the Colombia Free Trade Agreement—I was just there. This is a remarkable story. We're talking about a country that, in 2001, everybody was talking about it as a failed state.

Thanks to early work by the Clinton administration, we've expanded that work. We now have a Colombia that has literally has taken its country back from both paramilitaries and from the guerrillas. It's a country that can now extend police power and military power throughout the country.

We were just in Medellin, which was synonymous, of course, with Pablo Escobar and trouble, and is now a thriving city. It's not all perfect, because they're continuing to work on the justice system, and issues of impunity and human rights, I understand that. But Colombia is an extraordinary, bipartisan success for the United States of America and it stands as a symbol to the rest of the region that friendship with America, and willing to work on your difficulties can—you can succeed.

We also, of course, are working very hard through the Millennium Challenge Program with some of the poorest countries. I would note that even though Nicaragua has a government with which, shall I say, we have a history, they've been fierce defenders of the Millennium Challenge, even though the areas in which that is being done is the Sandinista or Sandinista areas—those Sandinista mayors have been really clear that they want those programs to go forward.

And so, I think the combination of support for democratic development, willingness to admit that democracy doesn't necessarily mean social justice, and that we, therefore, have to have programs that expand the reach. I, personally, have had a focus on Afro-Colombian, and Afro-Brazilian affairs, I'm looking forward to going to Balilla very shortly, and the inclusion of marginalized populations.

I think we're doing rather well in Latin America. But it is a place that is always in the balance, having made the moves away from

juntas and from governments that were nondemocratic, there's always the problem of democratic governments getting elected, and then not be able to deliver for their people. And that's what we've been very, very focused on, and we've tried to do it as a positive agenda, not as an agenda against anyone, but rather as a positive agenda.

Senator DODD. I thank you for that and I won't take the time right now, but I'd love to spend a little time with some people, possibly, and talk about this—the \$500 million account and how that's going to work. I know it's starting with Mexico and Columbia, principally, I presume.

Secretary RICE. And Central America, there's a significance there.

Senator DODD. I know the transit points. Well, thank you very much.

Secretary RICE. Thank you.

The CHAIRMAN. Thank you.

Senator VOINOVICH. Thank you. First of all, I'd like to join with my colleagues and say how much the loss of Tom Lantos is going to be to this country and to the cause of human rights. I got to know Tom during the last several years, when we working on the issue of anti-Semitism and trying to bring it to the priority list of the OSCE and make sure there was an effort to combat anti-Semitism in the 55 OSCE countries.

Madame Secretary, I am really happy to see that the Department of State has been included as a National Security Agency in the President's FY 2009 budget. I think that for too long we have ignored the importance of public diplomacy and soft power in our national security interests. This time last year, we talked about getting more personnel for the job. You said you were aware of the problem, and I congratulate you for being candid about the needs of the State Department and requesting the new positions. I'm very interested in personnel training management. I think that's one of the areas where we need to really improve our Federal Government.

I've been asked to be on the Advisory Committee for the American Academy of Diplomacy, led by Ambassador Pickering, to examine the Foreign Affairs budget and resources. I hope these recommendations you've made in the President's final budget will be looked upon with great approval by this group, as they advise the next President on the challenges in your area.

I also believe the Civilian Stabilization Initiative is extremely important. We all know that we must to do a much better job in post-conflict stabilization and reconstruction. I'll never forget being in Iraq and talking to some of the sheikhs, particularly the Sunni, who said, "We changed our attitude because one, we've concluded you don't want to occupy our country. No. 2, we don't like al-Qaeda, we don't like their brand of the Sunnis. And No. 3, we love your PRTs."

The PRTs have contributed greatly to our success in Iraq and also Afghanistan. We need to do more in this area, and the fact that you recognize the need to have people in the State Department to do so, the fact that we're going to cascade this out in other

agencies of the Federal Government so they also are prepared to contribute will be a wonderful step in the right direction.

I also mentioned anti-Semitism. I'm a little concerned that there doesn't seem to be any money in the budget for the OSCE because it's critical right now. The Russians are putting a lot of effort into the OSCE. Ambassador Christian Strohal, the director of the OSCE's Office of Democratic Institutions and Human Rights (ODAIR), is stepping down, and it's anti-Semitism adviser also is leaving. I hope that somebody at the State Department pays attention to the new people that we choose to run ODAIR and the funding that I cannot find it in the budget.

One of my favorite topics—not so favorite right now because we don't know what's going to happen—is Kosovo. I recently sent you a letter explaining my concerns about that, and I know that you share my concerns about preserving human rights there. I'm very, very worried, Madame Secretary, about what's going to happen there because I'm getting mixed signals. I think Kosovo probably will declare its independence, and the European Union will go along with it, but I'm really fearful that the institutions and infrastructure referred to in the Ahtisaari plan will not be put in place for the plan to be successful. If it's not successful, I think it will cause a real problem for our goal of integrating Southeast Europe into the EU.

I was interested also in Senator Lugar's comments about the three new countries joining NATO. I'm hopeful that you'll support extending an offer of Membership Action Plans to Georgia and Ukraine, and maybe even Bosnia-Herzegovina, Serbia, and Montenegro. I really believe that if we can get these countries into NATO and the EU, we will have accomplished a great deal.

Finally, I'd like for you to comment on why there's no money in the President's FY 2009 budget for the OSCE, and if that is a priority.

Secretary RICE. Well, thank you, Senator Voinovich. First of all, I think that there is OSCE money. I'm told it is both in the SEED account and in the DNCP account, and it's about \$25 million. So, it may be distributed in ways that you can't see. I'll get you a full accounting for it.

[The information referred to above follows:]

In the President's FY 2009 budget, a total of \$26.5 million has been requested for the OSCE in the following accounts: \$7.875 million in the Assistance for the Independent States of the Former Soviet Union (FSA) account; \$14.625 million in the Assistance for Eastern Europe and Baltic States (SEED) account; and \$4 million in the Diplomatic and Consular Affairs Program (D&CP) account. We expect to meet our financial obligations to the OSCE and continue the practice of providing additional, voluntary funding over and above our OSCE budget contributions for activities such as election monitoring, extra-budgetary projects and personnel secondments, albeit at lower levels than in the past due to overall funding constraints. In an era of tight budgets, we in the U.S. Government must—and do—work hard to ensure that OSCE's activities fulfill its core missions, complement without duplicating other local and international efforts and does so in ways that are fiscally sound.

The administration remains a strong supporter of the OSCE, and appreciates consistent Helsinki Commission and bipartisan Congressional support. In a constrained budget environment, we need to focus on top priorities, promote budgetary discipline, and reduce expenses where appropriate (e.g., the OSCE Secretariat). We are working with the OSCE and others member states to develop OSCE budgets for 2008 and beyond that reflect these goals. As the only post-Cold War multilateral organization in the Euro-Atlantic region, the OSCE remains the most effective—and

cost-effective—organization for promoting core U.S. policy objectives on security, democratization, rule of law, and human rights in the region. We look forward to developing a carefully targeted OSCE program to build border security and customs capacity along the Afghanistan border, thereby enhancing cooperation between Afghanistan and its Central Asian neighbors.

The Office for Democratic Institutions and Human Rights (ODIHR) remains one of our top priorities, especially in connection with its democratization and human rights promotion efforts. The United States has contributed generously to ODIHR extra-budgetary programs and projects in the last few years, with a particular focus on election observation and tolerance programs. The majority of our contributions for the tolerance programs have been for projects to combat anti-Semitism. With this support, the ODIHR has published a number of handbooks on teaching about the Holocaust and is providing educators with tools for curriculum development to promote tolerance education. Our 2008 agenda for supporting events to highlight the continuing problem of anti-Semitism is extensive. One expert event has already occurred in Berlin, another event focusing on hate crimes is scheduled for the summer in Helsinki, and the Romanian Government will sponsor a conference on anti-Semitism in September. We will seek to have an additional session at the yearly October Human Dimension Implementation Meeting in Warsaw devoted to a review of implementation of existing commitments to fight anti-Semitism and other racial and religious intolerance.

We share your concern over the need to protect the rights of minority populations in Kosovo and are pleased that the Kosovo Assembly has shown its commitment to a multi-ethnic Kosovo by moving quickly to adopt much of the legislation required to implement the Ahtisaari plan; we expect that all the Ahtisaari legislation will be adopted soon. Kosovo Police are actively supporting international efforts to protect all minorities in Kosovo. We also are encouraging these actors to improve the situation at Roma camps in the north and to be mindful of the particular challenges facing the Roma minority.

Secretary RICE. But there is money for the OSCE. I'm very supportive, as you know, of the work that the organization does, both its peacekeeping operations and its election monitoring. It was very critical in helping us in Kyrgyzstan when that was—that drama was unfolding. I made a visit to Vienna and addressed the Perm Reps. I've said I want to look, at some point, the distribution between what we're doing in Vienna and what's done in the field, but it's obviously a very important—

Senator VOINOVICH. Well, we had a hearing before the Helsinki Commission. I'm not on it, but Senator Cardin is, and the people that testified indicated they thought that there was less interest by the State Department in the OSCE, compared to what it was 2 or 3 years ago.

Secretary RICE. No; we're very interested in it, following it very carefully. I think there is a question of the relative distribution of resources between Vienna and the actual activities of the OSCE. But no, it's a very important organization and we've continued to work very hard on it. And you're right, there are those who would turn it to other purposes, which is another reason to be very vigilant about the organization.

Senator VOINOVICH. By the way, I am concerned that the biggest contingent of people in the OSCE is in Kosovo.

Secretary RICE. Yes.

Senator VOINOVICH. And now OSCE is going to pull them all out. Who will fill the jobs that those people are now doing?

Secretary RICE. Well, we've spent a lot of time with our European allies looking at the so-called supervised independence, should it come to that for Kosovo. The Europeans have a mission that will be going in, including an ESDP mission to deal with policing and police training and the like. There is, of course, still a U.N.

activity there. And so, we're very aware that helping Kosovo develop the infrastructure—we expect there will have to be a donors conference for Kosovo. I don't want to get too far ahead of myself in terms of what will happen here, but we've spent a lot of time being very concerned about the very issues that you've mentioned out of the Ahtisaari plan, the human rights issues, the respect for holy sites, and what happens to the population, the minority populations in Kosovo. So, it is something that's very much on my mind and very much in our planning.

In fact, we had a Principles Committee meeting yesterday and a National Security Council meeting just today about this very issue.

Senator VOINOVICH. I also appreciate the fact that you supported the Partnership for Peace program for Serbia, and that we have a State partnership with them. We've got to continue to let the Serbian people and President Boris Tadic know that we are supportive of them and we want to see their economy and quality of life improve.

Finally, to my last question. I have spent some time with Ban Ki-Moon, Secretary General of the United Nations, talking about the issue of our arrearage, in terms of our dues for peacekeeping and generally for the United Nations. Would you comment on how this year's budget impacts our arrears to the United Nations? I know there is \$1.497 billion for international peacekeeping. Does pay our dues in that area? And what about the other general dues?

Secretary RICE. Well, what it does, Senator, is it allows us to meet the peacekeeping assessment that we anticipate. We also have some voluntary peacekeeping funds that would come in supplemental, for instance, for Darfur and the like. It will not help us to make much progress on the arrearages. My goal right now is to prevent us from continuing to fall into greater arrearage. I think we can manage this with what is forecast in the budget, but we really need to fully fund this this time. We've experienced difficulty in fully funding. That has caused us to slip, and I would ask that we get the full funding. We also, of course, have work going on to look at the cap, which is a part of the problem.

Senator VOINOVICH. Well, the peacekeeping funds are really important because the U.N. is accomplishing a lot through its peacekeeping efforts that we're very interested in, and it's multilateral in terms of the participants. I think that getting ourselves up to date on the peacekeeping dues will mean a great deal to those we're trying to get involved.

Secretary RICE. I think we can manage it with the resources that we've requested, but we really do need the full funding this time.

Senator VOINOVICH. Thank you.

The CHAIRMAN. Thank you. I want to thank my colleagues. They've all stayed within the 10 minutes and we'll do 10 minutes with Senator Boxer. Depending on how long the question is, we promised we'd get the Secretary out at 1 o'clock. We're going to run very close. I warn my remaining five colleagues, I may cut it back to 8 minutes in order to accommodate her—her schedule, but I thank everybody for sticking with the time.

And thank you for your physical endurance, Madame Secretary. Senator Boxer.

Senator BOXER. Thanks, Mr. Chairman.

And thank you, to everyone for your beautiful remarks about Tom Lantos. I will tell Annette and she will be so happy to hear that this is one area we all agree on.

Secretary Rice, with 157,000 American troops in Iraq. The United States now makes up 94 percent of the total force there. The number of forces from other nations has decreased from 47,000 in 2003 to 10,600 as of today. British forces, which once numbered 45,000, have been reduced to 4,500. An additional 2,000 British soldiers are expected to leave Iraq this spring, yet you have described our coalition partners as strong and active.

As our strongest allies like Great Britain pull out of Iraq, I don't see how you can believe that they're strong and active. Here's the point, the American people are beginning to really get more and more uncomfortable with the burden that they have to bear for this war. Last week, an AP poll asked Americans how to best fix our ailing economy. And redeploying from Iraq ranked first. People are connecting the dots. Sixty-eight percent said ending the Iraq war would help fix our economy. Now the administration first said this war would cost tens of billions of dollars. It's already cost half a trillion, and there is no end in sight. Some are saying it could be quite a while—I believe Senator McCain said we could be in Iraq for 100 years. The war is costing about \$10 billion a month, while, to give you an example, we spend less than \$1 billion a month on all the after school programs for our children in a year. How much more do you think we should spend in Iraq, especially since some of our States are already in a recession? How much more do you think we should spend in Iraq?

Secretary RICE. Well Senator, I can't give you an answer to how much more we need to spend in Iraq. I can tell you what I think we need to achieve in Iraq.

Senator BOXER. I'm not asking that question.

Secretary RICE. Well, Senator, I'm sorry, I can't give you an answer.

Senator BOXER. Because people in my State—

Secretary RICE. I can't give you a number.

Senator BOXER [continuing]. The people that this administration talks about all the time, the taxpayers, are getting very disturbed that the burden of this war is on their shoulders. So you have no answer—

Secretary RICE. Senator—

Senator BOXER [continuing]. To—

Secretary RICE. Senator—

Senator BOXER [continuing]. What we should have to spend.

Secretary RICE [continuing]. I'm not going to try to come up with a number of how much more I think we will spend in Iraq.

Senator BOXER. Then let's get on to another question.

Secretary RICE. What I can tell you?

Senator BOXER. I don't want another answer. I want an answer to how much more we are going to spend.

Secretary RICE. Well Senator, you asked me a question.

Senator BOXER. No; you said you can't answer my question, so I'm moving to—

Secretary RICE. Senator, you asked me a question, and I'd like to have an opportunity to answer.

Senator BOXER. Well, you just said you can't answer it.

Secretary RICE. I'm not going to answer how much we need to spend.

Senator BOXER. Right, well, that's my question.

Secretary RICE. Force levels are being determined by the President and by the commanders on the ground through Secretary Gates to get the mission accomplished. Now, Iraqi forces are making up an ever increasing number—

Senator BOXER. Madame Secretary, the only reason I'm interrupting you is because you said you couldn't answer my question and I have another couple of questions.

Secretary RICE. Senator, I don't think there is an answer to your question.

Senator BOXER. Well, that is a sad statement about the lack of planning and foresight. There's no way out. There's no end in sight, and no one knows what they're doing and no one can answer important questions.

Secretary Rice, construction of the U.S. Embassy in Iraq is seen by many as a symbol of the administration's failed policy in Iraq. It is plagued by delays, cost overruns, and life-threatening safety concerns.

And I'll put those statements in the record, Mr. Chairman, if I might, backing up what I just said.

[The information referred to above follows:]

FORTRESS AMERICA¹

By Jane C. Loeffler

The new U.S. Embassy in Baghdad is the largest the world has ever known. Thousands will live inside its blast walls, isolated from the bloody realities of a nation at war. Why has the United States built this place—and what does it mean?

A citadel is rising on the banks of the Tigris. There, on the river's western side, the United States is building the world's largest embassy. The land beneath it was once a riverside park. What sits atop today is a massive, fortified compound. Encircled by blast walls and cut off from the rest of Baghdad, it stands out like the crusader castles that once dotted the landscape of the Middle East. Its size and scope bring into question whether it is even correct to call this facility an "embassy." Why is the United States building something so large, so expensive, and so disconnected from the realities of Iraq? In a country shattered by war, what is the meaning of this place?

For security reasons, many details about the embassy's design and construction must remain classified. But the broad outline of its layout says a lot about one of America's most important architectural projects. Located in Baghdad's 4-square-mile Green Zone, the embassy will occupy 104 acres. It will be six times larger than the U.N. complex in New York and more than 10 times the size of the new U.S. Embassy being built in Beijing, which at 10 acres is America's second-largest mission. The Baghdad compound will be entirely self-sufficient, with no need to rely on the Iraqis for services of any kind. The embassy has its own electricity plant, fresh water and sewage treatment facilities, storage warehouses, and maintenance shops. The embassy is composed of more than 20 buildings, including six apartment complexes with 619 one-bedroom units. Two office blocks will accommodate about 1,000 employees. High-ranking diplomats will enjoy well-appointed private residences. Once inside the compound, Americans will have almost no reason to leave. It will have a shopping market, food court, movie theater, beauty salon, gymnasium, swimming pool, tennis courts, a school, and an American Club for social gatherings. To protect it all, the embassy is reportedly surrounded by a wall at least 9 feet high—and it has its own defense force. The U.S. Congress has appropriated \$592 million for the embassy's construction, though some estimates put the expected building

¹This article first appeared in the September/October 2007 edition of *Foreign Policy*.

costs much higher. Once built, it could cost as much as \$1 billion a year to run. Charles E. Williams, who directs the State Department's Overseas Buildings Operations, proudly refers to it as "the largest U.S. mission ever built."

But, the idea of an embassy this huge, this costly, and this isolated from events taking place outside its walls is not necessarily a cause for celebration. Traditionally, at least, embassies were designed to further interaction with the community in which they were built. Diplomats visited the offices of local government officials, shopped at local businesses, took their suits to the neighborhood dry cleaner, socialized with community leaders, and mixed with the general public. Diplomacy is not the sort of work that can be done by remote control. It takes direct contact to build goodwill for the United States and promote democratic values. Otherwise, there would be no reason for the United States to maintain its 250-plus diplomatic posts around the world. The embassy in Baghdad, however, appears to represent a sea change in U.S. diplomacy. Although U.S. diplomats will technically be "in Iraq," they may as well be in Washington. Judging by the embassy's design, planners were thinking more in terms of a frontier outpost than a facility engaged with its community. "The embassy," says Edward L. Peck, the former U.S. ambassador to Iraq, "is going to have a thousand people hunkered behind sandbags. I don't know how you conduct diplomacy in that way."

It is tempting to think that the Baghdad compound must be an anomaly, a special circumstance dictated by events on the ground in Iraq. But, while it is larger in scope than other U.S. embassies opening around the world, it is hardly unique. Since al Qaeda bombed the American missions in Kenya and Tanzania in 1998, the State Department has been aggressively replacing obsolete or vulnerable embassies with ones designed under a program it calls Standard Embassy Design. The program mandates look-alike embassies, not the boldly individual designs built during the Cold War, when architecture played an important ideological role and U.S. embassies were functionally and architecturally open. The United States opened 14 newly built embassies last year alone, and long-range plans call for 76 more, including 12 to be completed this year. The result will be a radical redesign of the diplomatic landscape—not only in Baghdad, but in Bamako, Belmopan, Cape Town, Dushanbe, Kabul, Lomé and elsewhere.

If architecture reflects the society that creates it, the new U.S. embassy in Baghdad makes a devastating comment about America's global outlook. Although the U.S. government regularly proclaims confidence in Iraq's democratic future, the United States has designed an embassy that conveys no confidence in Iraqis and little hope for their future. Instead, the United States has built a fortress capable of sustaining a massive, long-term presence in the face of continued violence.

Forty years ago, America was forced to flee a newly constructed embassy in Baghdad just five years after it was opened, when the United States broke off relations with Iraq after the 1967 Six Day War. Given the costs of the new compound, the United States would not likely part with its latest Baghdad embassy under almost any circumstances, including escalating violence. As much as the situation there may deteriorate—the fighting already includes missile and mortar attacks in the Green Zone—the biggest problem may not be the embassy's security; indeed, it is the most impenetrable embassy ever built. Rather, the question is, with its high walls and isolation, will it be hospitable for conducting American diplomacy?

A CITY UPON A HILL

An embassy's precise design is classified. But earlier this year, sketches of the massive new U.S. Embassy in Iraq surfaced on the Internet. Herewith, a brief tour of Baghdad, U.S.A.

Mission Colossal

The main embassy building will include a central atrium and a rear portion housing classified offices, including the ambassador's. Hundreds of non-diplomatic personnel from dozens of U.S. agencies will work in the annex building. The two office buildings will house about 1,000 employees.

Battle Ready

Marines will provide embassy security and live in their own separate barracks. The embassy grounds will be surrounded by high blast walls, which are all that most Iraqis will ever see of the U.S. Embassy.

Home Sweet Home

Inside the compound, staff will feel right at home. The complex will include a shopping market, beauty salon, movie theater, and American fast food.

Compound Cribs

The ambassador's private residence will offer the most comfortable quarters. Lower-level employees will squeeze into 619 one-bedroom apartments.

Jane C. Loeffler teaches architectural history at the University of Maryland and is author of The Architecture of Diplomacy: Building America's Embassies (New York: Princeton Architectural Press, 1998).

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STATE DEPARTMENT STRUGGLES WITH IRAQ EMBASSY DELAYS, VOWS TO HOLD
CONTRACTOR ACCOUNTABLE

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The State Department vowed Tuesday to hold contractors accountable for delays and construction problems with the massive new U.S. Embassy in Iraq, saying it would not pay for "a turkey."

As the U.S. government orders major repairs to correct deficiencies at the Vatican-size compound in Baghdad, the department sought to fend off mounting congressional criticism of the project and its broader operations in Iraq, including the use of private security firms to protect diplomats.

The embassy, which will be the world's largest diplomatic mission, had been scheduled to be completed in September, but last week officials said it was badly behind and might not open for business until well into 2008. It will also cost nearly \$150 million more than its original \$600 million price tag, they said.

The delays, charges of shoddy workmanship and fraud by the main contractor have caused growing concerns in Congress, where two top Democratic lawmakers, Reps. Tom Lantos and Henry Waxman, the chairmen of the House International Relations and House Oversight and Government Reform committees, are demanding answers and a new timeline for the embassy's opening.

State Department spokesman Sean McCormack said Tuesday he was unable to provide a revised date for the completion of the project.

"We don't have an answer," he told reporters, adding that Secretary of State Condoleezza Rice was pursuing the matter. "I can't tell you when it will open up."

But McCormack insisted the repairs would be made and that the contractor in question, First Kuwaiti General Trading & Contracting Co., would be required to finish the embassy for the \$592 million it agreed to build it for. At the same time, he noted that changes ordered to the original design would cost an additional \$144 million.

"We're not going to buy ourself a turkey here," he said. "We're going to make sure that we get what we paid for."

McCormack's comments came in response to questions about the construction posed by Waxman in a 10-page letter sent to Rice on Tuesday and a similar letter sent last week to Deputy Secretary of State John Negroponte by Lantos.

Both lawmakers noted that they had been assured, in July and again in August, that the embassy was "on schedule and on budget" for September completion and that staff would begin moving in "shortly thereafter."

McCormack maintained that while he could not offer a new opening date, the project was now only nine days overdue and that Rice was willing to accept a reasonable delay, particularly on such a large compound.

"She's willing to cut everybody involved in the construction project some slack if it falls within a reasonable period of time and it falls within the normal practices of opening up a large embassy compound around the world if it's consistent with our past practices," he said.

Her patience, however, is not infinite.

"There will come a point if the embassy isn't opened up and doesn't meet the standards that have been required of the contractor, then you have a problem," McCormack said. "I can't tell you when that point is going to be."

In his letter, which McCormack said he had not read, Waxman details multiple failures of electrical wiring and fire sprinklers that have been pointed out by State Department building inspectors.

An internal Sept. 4 inspection report cited by Waxman says the “entire (fire suppression) installation is unacceptable” and notes widespread deficiencies with electrical wiring.

McCormack said he could not address the specifics outlined in the letter.

Embassy employees have been working and living in a makeshift complex in and around a Saddam-era palace that the Iraqis have said they want back quickly.

The temporary quarters are cramped and increasingly dangerous. Many employees live in trailers that are not fully protected from mortars fired from outside the Green Zone.

Insurgents have gotten better at firing into the heavily guarded zone in attacks this year have killed several people. The new complex is supposed to be safer, with additional blast walls and other protection.

McCormack also said he could not speak to allegations by Waxman that First Kuwaiti had been involved in illegal kickback schemes on a prior project for the U.S. government that should have raised concerns when the State Department hired the company for the embassy job.

Waxman has been a persistent critic of the State Department and its operations in Iraq, including its dependence on private security contractors like Blackwater USA to protect diplomats and refusal to divulge details of corruption in the Iraqi government.

“Increasingly, it appears that the State Department’s efforts in Iraq are in disarray,” he wrote in the letter. McCormack shot back when asked about that remark. “That is just a ridiculous statement,” he said.

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Senator BOXER. There’s also an ongoing criminal probe by the Justice Department into the awarding of the contracts. The \$700 million Embassy, originally budgeted at \$500 million, will be six times larger than the U.N. complex in New York, more than 10 times the size of the new U.S. Embassy being built in Beijing. Iraqis, who resent the U.S. occupation, are set to call the Embassy, “George W.’s Palace.”

Jane Loeffler, an expert on the architecture of embassies, has written that, “Encircled by blast walls and cut off from the rest of Baghdad, it stands out like the crusader castles that once dominated the Middle East.” Secretary Rice, do you agree with these criticisms?

Secretary RICE. No.

Senator BOXER. OK, so you don’t think that the Embassy that we’re going to build, that’s 10 times the size of our largest Embassy and way larger than the U.N. complex in New York, sends a message of a long-term occupation to the people of the world?

Secretary RICE. No, Senator. I think it sends a message that we are going to continue, through our political presence, to be a good partner for an Iraq that is trying to emerge from years of tyranny, that will be a stable ally in the Middle East, that will be at the center of a different kind of Middle East, and certainly we need a different kind of Middle East than the one that we inherited in 2001 that produced an ideology of hatred so great that people attacked innocent civilians. So, that’s how I see the Embassy.

I see it as a place that our men and women can work in safe conditions, that they can work in conditions that will allow them to

carry out their mission. I think you've heard a number of people talk about how our Provincial Reconstruction Teams are viewed as a force for good among Iraqis who are trying to better their lives, and that's how I see the Embassy.

Senator BOXER. OK. I would just say, to put our people in this walled-off Embassy does not send the type of signal that we usually send around the world.

Now, in August 2007, the New York Times quoted a Central Command official, who stated, "If we were not in Iraq, we'd have the Special Forces you need most to conduct precise operations in Afghanistan. We'd have more CIA. Anyone who tells you differently is blowing smoke." Just last week, the Secretary of Defense, Robert Gates, admitted that the war in Iraq has hurt our efforts in Afghanistan, particularly in respect to participation from our European allies.

Speaking before an International Security Conference in Europe, Secretary Gates said that, "Europeans, many of them I think, have a problem with our involvement in Iraq and project that to Afghanistan." In Afghanistan, attacks by al-Qaeda, Taliban, and other extremists are becoming increasingly common and deadly. The number of improvised explosive devices, including car and suicide bombs, has nearly tripled since 2005. Support for the Taliban is growing, and poppy production continues to rise. It is now accounting for 93 percent of the world's illicit opium supply. And Osama bin Laden is still on the loose.

Secretary Rice, do you agree with Secretary Gates, that the war in Iraq is making it harder to get our allies to contribute to Afghanistan?

Secretary RICE. I will tell you what I think the problem is in getting our forces—getting our allies, to the extent that they're not contributing, to contribute. And I gave the answer to Senator Kerry.

Senator BOXER. But do you agree with what Secretary Gates said?

Secretary RICE. I would like to answer, Senator.

Senator BOXER. But my question was do you agree with what Secretary Gates said? That was my question.

Secretary RICE. Senator, I would like to give you an answer to your question.

Senator BOXER. Well, I'd like you to answer whether or not you agree with what he said.

Secretary RICE. Senator, I will answer your question if you permit me the courtesy—

Senator BOXER. Please go ahead.

Secretary RICE [continuing]. To allow me to do so.

Senator BOXER. And please answer the question, yes.

Secretary RICE. Thank you. As I said to Senator Kerry, I believe that the problem with our allies in Afghanistan—by the way, all of whom undertook a decision to go into Afghanistan through the North Atlantic Council of NATO in a consensus decision to go into Afghanistan, so there was no question that our allies were prepared and willing to go into Afghanistan—I do think that there has been difficulty with some allies in wanting to deal with the fact that this is not a peacekeeping operation, that it is a heavy-duty

military operation in parts of the country. I think that is the problem with the allies.

Senator BOXER. OK. Well, let the record show that Secretary Gates said that many of our allies have a problem with our involvement in Iraq and project that to Afghanistan.

Secretary Rice, last Friday in a lead editorial titled, "A President Who Tortured," the Washington Post said that, "Water boarding will leave an indelible stain on the legacy of George W. Bush." Last week, the Director of the CIA admitted that the U.S. Government had subjected suspected terrorists to water boarding in 2002 and 2003, years in which you served as President Bush's National Security Advisor. In 2004, you wrote a letter to Congress opposing legislation that would have prevented the intelligence community from using extreme interrogation tactics. In 2005, then-Attorney General Alberto Gonzalez, approved two secret memos specifically authorizing water boarding, head slapping, and frigid temperatures. NBC News reported that you were aware of these secret memos.

Secretary Rice, do you remember those memos and do you believe water boarding is torture?

Secretary RICE. Senator Boxer, I'm not going to comment on matters that I was involved in as National Security Advisor. I will simply repeat what General Hayden has said, which is that this is not a part of the CIA program now. If there are issues to be raised about this, they will have to be raised through the Attorney General, but as a general proposition, let me state very clearly that the President of the United States has never authorized torture and that everything that has been done, has been done in accordance with our obligations, legal obligations, both domestic and international.

Senator BOXER. Thank you.

My last question. Earlier this year, the Center for Public Integrity released a report documenting 935 false statements by administration officials leading up to the Iraq war. According to this study, you were responsible for 56 of them. This report only reinforces what we all know now to be true, that the nation was led to war under false pretense. Back in 2003, the main justifications for going to war in Iraq were the allegations that Iraq had weapons of mass destruction and links to al-Qaeda that simply did not exist, as we all know.

Today, the Bush administration claims that one goal of the ongoing war in Iraq is to make sure that the country is "democratic." We hear that all the time. But just 2 years ago, you stated, "Let's be very clear about the grounds for war against Iraq," and it was actually not to bring democracy to Iraq. So I would ask you, what is the mission now?

Secretary RICE. Senator, I remember very well the quote that you are—you are referencing. What I said was that much in World War II, where we took down Adolph Hitler, not to bring democracy to Germany. We then, in order to make stable Germany for the future, insisted on a democratic Germany. In the case of Saddam Hussein, he was a threat to our interests, he was a threat to our security, we had gone to war with him in 1991, we'd gone to war with him in 1998. We believed that he had weapons of mass destruction, and with all due respect, the intelligence community be-

lieved he had weapons of mass destruction, the United Nations believed he had weapons of mass destruction, and he was a threat as he continued to threaten our pilots and take advantage of an Oil for Food program that had become a scandal. And so that's why we went to war.

Having gone to war, we believe that the most stable course for Iraq and for the Middle East is, if Iraq can develop democratic institutions that can make it a center of a different kind of Middle East, and that is the work in which we are now engaged.

And so with all due respect, Senator, the quote is not in context and it does not reflect what I have said. What I have said is, that the reason to go to war was because Saddam Hussein was a threat. The reason to build democracy in Iraq is because the only way to make certain that Iraq is stable for the long run, is if they learn to resolve their differences democratically, not by force or not by tyranny.

Senator BOXER. Yes; I think we all share that and many of us think it's up to them and it isn't up to us as an occupying force to do that.

Thank you very much.

Secretary RICE. May I just comment on one thing?

The CHAIRMAN. Sure.

Secretary RICE. Because I think it's extremely important that we don't leave on the record that American men and women in Iraq, who are sacrificing every day, are an occupying force. They are there on U.N. mandate. They are there at the invitation of a democratically elected Iraqi Government. They are there fighting al-Qaeda forces that take—that take women who are mentally challenged and send them as suicide bombers. And so I would not like to leave it on the record that our men and women in uniform are occupiers.

Thank you.

The CHAIRMAN. Senator Boxer.

Senator BOXER. Mr. Chairman, I would take backseat to no one in caring about our men and women in uniform, because many of those who have been killed or wounded in Iraq have been from California or based in California. We have lost 3,960 Americans, and we have more than 29,000-plus wounded. We have more soldiers committing suicide. This war is a disaster, and the fact is that many of us believe it is now time for the Iraqis to take over and to do what most nations do. And many of us believe that we have spent too much blood and too much money, and that it is time to bring this war to a close. But to say that anyone here, in any way, doesn't love, respect, and revere our fighting men and women, I think is a low blow.

Secretary RICE. Senator, I also take no backseat to support for our men and women in uniform, but I would never call them occupiers.

Senator BOXER. That's fine.

The CHAIRMAN. Thank you.

Senator—now look, here we are. We've reached the point where we have half an hour left and we have two, three, four, five, six people to ask questions. So, I'm afraid that we're going to have to

limit it to 5 minutes in order to meet our commitment to the Secretary.

Senator CORKER. Mr. Chairman, I'll be even more brief than that. I do sense we—

The CHAIRMAN. Then we'll give additional time.

Senator CORKER. Good, I do sense we've moved away from the budget that's being discussed. I'm sorry to arrive late, but I noticed that coming in. I would, sense we have moved away from the budgetary process, we had a meeting the other day, in sort of a private setting, with our Envoy to Darfur, Richard Williamson. And I have to tell you, this is not a critical comment, I just love to hear your comments regarding that. He's got four people who work with him. From what I can tell, has no budget.

My sense is, that if we had 26 helicopters there, we could make a huge difference in Darfur today. I know there's some security issues that surround that.

But I have to tell you, when he left, I did wonder, and I don't mean this in any way to be critical, I did wonder whether we had a Special Envoy in name, but really had no real activity taking place as it related to that. And I wish, if you could, I know several of us seemed to sense that when we left there and I wonder if you could focus on that for just 1 minute. And that will be my only question, may be my only question.

Secretary RICE. Thank you, Senator.

On Darfur, we have a full-time effort, not just with the Special Envoy, but, of course, he has at his disposal the resources of the Department to do whatever he needs to do. We have an Africa Bureau that will send people out when he needs. We have an Assistant Secretary who's also concerned with that account. We're working it in the United Nations all the time. And so I think the four people who work for him, it would be deceptive to think that those are the only people working on Darfur.

And, we, of course, have requested significant resources for Darfur, in terms of peacekeeping and for the Comprehensive Peace Agreement between Southern Sudan and Northern Sudan, which would help to bring stability to Sudan as a whole. So, it is a very big effort.

The difficulty has been really to get the U.N. peacekeeping forces, capable to get the numbers in place in order to be able to put that U.N. hybrid force on the ground to protect these innocent civilians.

Just yesterday, spoke with the Foreign Minister of Sudan, who came to see me. I said to him in no uncertain terms that it was time for Sudan to stop making excuses for why the hybrid force can't get in. We've also been very supportive of the peace negotiations that are going on to try to bring rebels and the government together.

And so it's a very active effort in the Department, but we're hoping that Rich Williamson, who is a very fine diplomat and who everybody thinks very highly of, will be able to bring a certain focus to the effort, just as Andrew Natsios did before him.

Senator CORKER. It seemed like he did not have the tools available and I don't know—

Secretary RICE. He'll have those.

Senator CORKER [continuing]. The other departments. If you could just look at that.

Secretary RICE. I certainly will.

[The information referred to above follows:]

The Department of State fully supports the efforts of the President's Special Envoy Richard S. Williamson in advancing the administration's goal of enhancing overall the stability in Sudan and bringing an end to the violence in Darfur through rapid deployment of the United Nations-African Union peacekeeping mission in Darfur (UNAMID), reinvigoration of the Darfur peace talks, and full implementation of the Comprehensive Peace Agreement.

With regard to operational resources, Congress has generously provided since 2006 more than \$850,000 specifically to support the Special Envoy's office. The Department of State has provided additional resources above and beyond this amount to cover the extensive travel and support costs of the Special Envoy. Special Envoy Williamson has specifically requested and has been provided with a personal staff of two policy officers and an office management specialist located in Washington, DC and a senior policy advisor in the U.S. Mission to the U.N. The latter is specifically devoted to coordinating U.S. efforts within the U.N. system to facilitate UNAMID's deployment.

In addition to his personal staff, Special Envoy Williamson is further assisted by the Bureau of African Affairs and its Sudan Programs Group Office (SPG) of more than 15 staff. The Special Envoy has the full backing of the National Security Council and the Department of Defense, which has offered the Special Envoy a Colonel to serve as a defense advisor as needed. The Special Envoy's efforts are also supported by the U.S. Embassy in Khartoum, including two Foreign Service Officers located in Darfur, and our Consulate General in Juba, Southern Sudan. In all of his efforts, Special Envoy Williamson has the complete support of the administration and the Department of State.

Senator CORKER. And if 26 helicopters are keeping us from saving thousands of lives, I hope we will not let that be an impediment, by blaming it on other countries not supplying those.

But thank you very much for your testimony.

Secretary RICE. Thank you.

Senator LUGAR. Senator Cardin.

Senator CARDIN. Thank you, Mr. Chairman, I appreciate the recognition there.

First, let me add my voice on the loss of Tom Lantos. Tom Lantos was clearly our leader to globally advance human rights. I cherish the time that I spent with him in the House, usually doing roll-call votes, where we would sit down and talk about strategizing and what we could do to advance human rights.

And I also had the opportunity to visit Budapest when he was there, and to see firsthand the struggles that he went through.

Madame Secretary, I want to thank you for being here. I want to follow up, first, on the point that Senator Voinovich raised on the OSCE budget.

All of us are very much in favor of the expanded budget you've brought forward on post-conflict resolution. But we have an international organization that's been very effective on that. The OSCE field missions have been very effective, as to the work they're doing in Afghanistan, on the Tajikistan border, what they've done in Kosovo, and what they've done in Bosnia.

The budget that you have submitted is actually 20 percent below the current budget for the U.S. commitment to OSCE, and I would hope that you would take a look at that.

But, I want to refer specifically to the point that Senator Voinovich raised on the work of ODAIR on human rights. We just talked about Tom Lantos, and I think it's appropriate.

The United States, through extra-budget means, have always been a leader in providing the wherewithal to advance the human rights agenda. We're responsible for initiating the efforts to fight anti-Semitism, and we should be proud of that. But there's virtually no support and no funding for that effort. The United States had led donor nations to provide extra budget support, there's zero, I believe, in this year's budget to do that.

So, I would just ask if you would get back to me and Senator Voinovich as to how we can clearly send the right signal internationally that the United States commitment today is strong as ever for OSCE.

[Secretary Rice's response appears on page 47 of this hearing print.]

Secretary RICE. I'll take a look at it. Clearly, we will support ODAIR, so let me take a look at it, and get back to you, Senator.

Senator CARDIN. I thank you very much, Madame Secretary.

I want to follow up on a point that my colleagues have been making. You usually talk about the DOD budget when it comes to Iraq, and how much of it is spent in that regards, but your budget, the State Department's budget, is very much impacted by our responsibilities in Iraq. I personally believe there are so many areas of the world we need to be engaged in. That we are spending so much effort in Iraq is detracting from our ability to resolve problems in other parts of the world.

But, in one respect, I'm not sure we're doing what we should be doing. And that is, we now know there are 2 million refugees from Iraq in Jordan and Syria, primarily. There are 2.2 million internally displaced people in Iraq, and yet the budget doesn't appear to provide help to deal with the refugee issue, which I think the United States, again, must be the leader on. And I appreciate your comments as to why we are not doing more to help the refugees?

Secretary RICE. I'm sorry, Senator, did you mean refugees, in general, or refugees in Iraq?

Senator CARDIN. Refugees, internally displaced people in Iraq and the Iraqi refugees in Jordan, Syria, and other countries.

Secretary RICE. Yes.

Well, I appointed an Iraq Refugee Coordinator so we could have a focus on, exactly, this problem. And we have provided resources, as a matter of fact I think we're something like 25 percent of the U.N. effort on refugees, and we are—we have money in supplementals for refugee affairs for the Iraqis.

It hasn't really, quite frankly, been so much an issue of funding. It has been a problem of the kind of infrastructure of dealing with Iraqi refugees. We only recently have begun to make some progress with Syria on the ability to process people coming out, to come out of Syria. We have a very good operation in Jordan. We've even provided some support to countries that are educating the children of Iraqi refugees.

We've also worked very hard, and the Iraqi Government itself has earmarked \$25 million for its own refugee problem. In that sense, it's not a country without some resources.

But it really is more of a problem of processing people, and getting them out and—

Senator CARDIN. I would just request that we make this a priority. There are so many people who are displaced, and I think we have a responsibility to be a leader on that internationally.

Secretary RICE. Yes.

Senator CARDIN. I do want to mention two other parts of the world. We're not going to have time for a full response. But in Kosovo, we do expect some activity this month, and I want to make sure that we're prepared to support the independence of Kosovo.

I think the United States has played a very constructive role here, but I expect it will be a challenge, internationally in moving forward, considering the positions of Serbia and the Russian Federation.

And then second, so I can get both questions in, under the wire, we haven't asked you about the status of peace between Israel and the Palestinians. We all, very much, support the initiatives that you brought forward in Annapolis, and want to be as helpful as we can to make as much progress as we can in 2008.

Secretary RICE. Thank you.

I'll just very briefly—just one other point on refugees. Another thing that we're trying to do is, there are certain parts of Iraq that people can now return to, but the housing, and the like, is not there. And encouraging Iraqis to rebuild housing in places like Ramadi is also part of our program.

On Kosovo, yes; we have been working very hard to try to make this as smooth a transition as possible. I think you know that we believe that the status of Kosovo has to be resolved, and we are prepared to take our responsibilities in helping to do so.

As to the Middle East peace, I think Annapolis was a very good start, in that it brought together the right coalition of countries to help support the bilateral peace process. I talk to the Israelis and the Palestinians quite frequently about how they're doing. They're continuing to have their negotiations and their discussions. They've tried to do it off stage, to a certain extent, to do it without much public glare on those conversations. I think that's probably a good point.

But, to the degree that they will need help to get to an agreement, we're prepared to help. I will probably return to the region at the beginning of March, Senator, to see if we can help them. We are focused a lot, right now, on trying to improve the circumstances of Palestinians on the ground.

Tony Blair, as you know, has a mission there. This morning I met with General Jones, and with GEN Will Frazier who are helping with the security and roadmap obligations piece of that.

There are a lot of pieces. We've been very much challenged by what is going on in Gaza. We've been very much challenged by continued terrorist and rocket attacks against Israel, and the irresponsible behavior—the deadly behavior—of Hamas. But, I think the good news is that the parties, who seem really quite devoted to trying to solve their conflict this time, are continuing their negotiations, and we will be there to try to help them. Because, as the President said, the time is now to try to create a Palestinian state, and finally end that conflict.

Senator CARDIN. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator. OK.

Senator ISAKSON. Thank you, Senator Murkowski, and I'll be very brief. One comment and one question.

And the comment is, with respect to Senator Cardin's question on displaced persons and refugees—I've just returned from a trip to Iraq and saw firsthand, two things that might help you.

One was, in Ghazaliyah, where I walked the streets, people are returning home because of the security, and the second reason they're returning is because of the microloans we approved in last year's budget, the \$500 to \$2,500 loans to restart businesses. In the particular little shopping area I went to, 18 of the 24 booths had reopened, and the colonel who traveled with me picked up three more applications for loans—which are really grants—to them to reestablish their businesses.

So, I think when you look at the investment in security, and then building their economy, people are coming home, and they're coming home at a pretty rapid rate in that part of Iraq. So, your investment there has paid off.

My question is this: On that same trip I returned through Djibouti and Equatorial Guinea, and I wrote you with regard to the Embassy in Equatorial Guinea, and I'm very pleased to see it's in the 2009 budget, but I do want to make a comment. Equatorial Guinea has gone from being the poorest country in the world, to the most rapidly developing economy in the world. The Chinese are building an embassy—I couldn't see it finished yet, because it wasn't finished—but it will be a huge compound. The Spanish are doing the same thing. The Americans and Equatorial Guineans have discovered one of the world's largest reserves of natural gas. They're liquefying it, and it's shipping into the United States.

Our Embassy has a hole in the ceiling so big you could drive a car through it, and it rains inside. And next to it is an apartment—a 2-bedroom, 1-bath apartment, where the Ambassador lives, which has no security.

So, I thank you for appropriating the money—or asking for the money for us to appropriate—for construction of the Embassy in Malabo.

But it may be helpful for you to look at the residents as part of that. The security of our Ambassadors and our people, I think is very important, although that country is relatively safe, it's not totally safe, and I would certainly encourage you to take a look at including the housing of those key State Department personnel, as well as the Embassy, in that appropriation request.

Secretary RICE. Thank you, Senator, I will do that, thank you.

Senator CASEY. Mr. Chairman, thank you very much.

Madame Secretary, thank you for your presence here today, your testimony, and of course your public service.

I'm going to be referring to—as a predicate to my questions—your prepared testimony today, and in particular, one aspect of our Iraq policy, where you use the word “bringing clarity” to discussions about this. That’s the reason for my question, since I think on any issue of importance, but especially the grave question of war and our foreign policy, I think it’s critically important that we have as much clarity as is possible.

If you’d just bear with me for a couple of moments, I just wanted to make reference to a couple of documents, a couple of parts of the record, so to speak, and some of which I’ll add to the record before I ask a question.

The first thing I’d start with is a letter that I spearheaded in December 6, 2007. I wrote—along with 5 other U.S. Senators—to the President, a letter pertaining to the question about a declaration of principles, with regard to our ongoing relationship with Iraq. And I’ll submit the whole letter for the record, but I do want to just read one sentence from it that encapsulates, really, what we’re concerned about.

[The material referred to above follows:]

U.S. SENATE, *Washington, DC 20510,*
December 6, 2007.

President George W. Bush,
The White House, *Washington, DC.*

DEAR MR. PRESIDENT: We write you today regarding the “Declaration of Principles” agreed upon last week between the United States and Iraq outlining the broad scope of discussions to be held over the next 6 months to institutionalize long term U.S.-Iraqi cooperation in the political, economic, and security realms. It is our understanding that these discussions seek to produce a strategic framework agreement, no later than July 31, 2008, to help define “a long-term relationship of cooperation and friendship as two fully sovereign and independent states with common interests.”

The future of American policy towards Iraq, especially in regard to the issues of U.S. troop levels, permanent U.S. military bases, and future security commitments, has generated strong debate among the American people and their elected representatives. Agreements between our two countries relating to these issues must involve the full participation and consent of the Congress as a co-equal branch of the U.S. Government. Furthermore, the future U.S. presence in Iraq is a central issue in the current Presidential campaign. We believe a security commitment that obligates the United States to go to war on behalf of the Government of Iraq at this time is not in America’s long-term national security interest and does not reflect the will of the American people. Commitments made during the final year of your Presidency should not unduly or artificially constrain your successor when it comes to Iraq.

In particular, we want to convey our strong concern regarding any commitments made by the United States with respect to American security assurances to Iraq to help deter and defend against foreign aggression or other violations of Iraq’s territorial integrity. Security assurances, once made, cannot be easily rolled back without incurring a great cost to America’s strategic credibility and imperiling the stability of our nations’s other alliances around the world. Accordingly, security assurances must be extended with great care and only in the context of broad bipartisan agreement that such assurances serve our abiding national interest. Such assurances, if legally binding, are generally made in the context of a formal treaty subject to the advice and consent of the U.S. Senate but in any case cannot be made without Congressional authorization.

Our unease is heightened by remarks made on November 26 by General Douglas Lute, the assistant to the President for Iraq and Afghanistan, that Congressional input is not foreseen. General Lute was quoted as asserting at a White House press briefing, "We don't anticipate now that these negotiations will lead to the status of a formal treaty which would then bring us to formal negotiations or formal inputs from the Congress." It is unacceptable for your administration to unilaterally fashion a long-term relationship with Iraq without the full and comprehensive participation of Congress from the very start of such negotiations.

We look forward to learning more details as the administration commences negotiations with the Iraqi Government on the contours of long-term political, economic, and security ties between our two nations. We trust you agree that the proposed extension of long-term U.S. security commitments to a nation in a critical region of the world requires the full participation and consent of the Congress as a co-equal branch of our Government.

ROBERT P. CASEY, JR.,
United States Senator.

ROBERT C. BYRD,
United States Senator.

EDWARD M. KENNEDY,
United States Senator.

JIM WEBB,
United States Senator.

HILARY RODHAM CLINTON,
United States Senator.

CARL LEVIN,
United States Senator.

Senator CASEY. I'm quoting from the second paragraph, "I believe—" or, we believe, I should say, "a security commitment that obligates the United States to go war on behalf of the Government of Iraq, at this time is not in America's long-term national security interests, and does not reflect the will of the American people."

Later in the letter, we referred to a statement by General Douglas Lute, the Assistant to the President for Iraq and Afghanistan, and I'm quoting from him, here. "We" representing the administration, "We don't anticipate now that these negotiations will lead to the status of a formal treaty, which would then bring us to formal negotiations, or formal input from the Congress."

Then I will go to your op-ed today in the Washington Post. In this op-ed written by you and Secretary Gates, you say, with regard to the agreement with Iraq, "Nothing will set troop levels, nothing will commit the United States to join Iraq in a war against another country, or provide other security commitments, and nothing will authorize permanent bases in Iraq."

Finally, I will go to testimony by Secretary Gates, in front of the Armed Services Committee, February 6, where he said in different parts, basically what you said in the op-ed, together. There's no commitment for security, and there's no security equipment, nothing to bind a future administration.

And then I come to—all of which I think is what we were aiming at in our letter. Then I come to the language in the Declaration of Principles, "Providing security assurances and commitments to the Republic of Iraq to deter foreign aggression against Iraq that violates its sovereignty and integrity of its territories, waters or airspace."

So, what I'm aiming for, here, is clarity, and an explanation as to what all this means.

Here's the question. The question for you and the administration is, is it the administration's position—its policy, its intention—and

contrary to anything else that's been written so far, in op-eds, or policy or statements—is it the policy of this government, this administration, to say categorically that there will be no permanent bases in Iraq, No. 1, and No. 2, that there will not be a guarantee of a security arrangement, as it pertains to Iraq being invaded, or having to defend itself against another country?

Secretary RICE. On the first of those, Senator, the President has also said we don't seek permanent bases in Iraq, and we do not.

Second, in terms of security, what we want to do is provide for Iraq the capacity to secure itself and to defend itself, which is why we are securing, why we are training their Armed Forces and the like, and obviously an Iraq that can defend itself is going to make the region more stable, but the United States is not taking on that obligation, as Secretary Gates and I have put forward in the op-ed.

Senator CASEY. But, I still don't understand why in the Declaration of Principles we would have language that says, "Providing security assurances and commitments to the Republic of Iraq." Why would that appear in the Declaration of Principles if the administration's policy is not to provide, or to—

Secretary RICE. Well—

Senator CASEY [continuing]. Set forth a security agreement?

Secretary RICE. Senator, that Declaration of Principles is a broad document that talks about the relationship of Iraq and the United States in the broadest possible way, over time. But, I just wanted to assure you that nothing in the actual document that we will be negotiating with the Iraqis—and I want to be very clear, we will also continue, of course, to consult with the Congress on it—nothing in that document would commit the United States to provide security guarantees or to engage ourselves in Iraq's wars with its neighbors.

Senator CASEY. And finally, and I know we're—

Secretary RICE. Which we hope would never happen, because we hope, now, that a democratic and stable Iraq will be a force for security in the region, not for trouble, the way that Saddam Hussein's Iraq was.

Senator CASEY. In my remaining minute, I have to say that what you're saying and what you've written—and others have written in the administration—seems to conflict, along with the President's signing statement.

I'm reading from President Bush's January 28th signing statement as it pertains to the Department of Defense authorization act for 2008. And it says, in part, and I'm quoting from the beginning, "Provisions of this Act—" the DOD act, "including Sections 841, 846, 1079, and Section 1222, which pertains specifically to permanent bases—". How do we square that—not just in the context of this signing statement, but in the context of other signing statements? This is an administration and a President that has had a lot of signing statements which calls into question whether or not despite or in contravention of statute, that this administration thinks that it can go around statutes, or interpret statutes in a way that Congress didn't intend.

So, based upon that, I would consider this a bad track record as it pertains to signing statements, and the reason for them, and

based upon what I perceive as an apparent conflict between rhetoric about no permanent bases and rhetoric about no long-term security commitment, in the actual policy, I don't see how you can square the two. And I would ask you to—

Secretary RICE. Well, Senator, we will—

Senator CASEY [continuing]. Attempt to do that.

Secretary RICE. I think we all believe that we will be committed, in effect, to Iraq for a long time—politically, economically, et cetera. We want to help build their security forces so that they can secure themselves, so that they can be a stabilizing force in the region, not a destabilizing one. And I would separate that notion, which I think is very much at the base of everything that we're trying to do with Iraq, and which I think has, in a sense, broad support that that's the kind of thing that we ought to be doing.

From the document that is being negotiated with the Iraqis, which is principally about a Status of Forces agreement so that our forces can operate there in a legal fashion when the U.S. Security Council resolution goes out of business at the end of the year—I'm not really—I'm not able to reflect on the specific signing statements, Senator, I don't—I haven't read them, I don't remember them specifically right now. But only to say that what Secretary Gates and I have said in the op-ed, that this is not about permanent bases, this is not about a—undertaking security assurances to the defense of Iraq—but it is about a long-term relationship with Iraq that would help Iraq be a stable and good neighbor in the region, and that our forces have to be legal in what they're doing there, that that's really what this is about.

Senator CASEY. Well, I would ask—and I know I'm way over time—but I would ask that you communicate with the President that I think people are looking for a lot more clarity on this. When you have an internally inconsistent policy, in my judgment. When you juxtapose a signing statement, and you juxtapose some of the language in the Declaration of Principles with what you have said and written and what Secretary Gates has said in testimony, what he has written.

So, I'd ask for—I think that the committee's record should be completed with a clearer and more declarative statement from the administration.

I'd wrap up, because I know I'm over, I ask unanimous consent to include in the record any of those documents that I referred to.

The CHAIRMAN. Without objection, we'll include them.

[The information referred to above was not available when this hearing print was sent to press.]

The CHAIRMAN. Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

And welcome, Secretary.

I'm going to move from Iraq to the Arctic—not a surprise. We've had discussions about this, and I've always said you're going to look at me and think about the Arctic, and I want you to think about the Arctic again today. And when we look at the area of the world where we have a clean slate in building relationships and, in truly developing policies, the Arctic is an opportunity for us.

We've got the International Polar Year underway, some very substantive research projects going on. We're going to be having the Biennial Conference of the Arctic Parliamentarians Meeting in Alaska in August, this is the legislative branch equivalent of the Arctic Council.

Just within this past week, we've got new mapping data from the Coast Guard cutter *Healy's Arctic Expedition* that demonstrates that Alaska's Continental Shelf extends more than 100 nautical miles further from the North Coast than we had originally thought, giving us an opportunity, clearly, to lay greater claim to the Arctic region, but we're still not a signatory to the Law of the Sea Treaty.

Others nations, as we're talking with them about Arctic policy, clearly want to work with the United States on developing and working with an Arctic policy. Can you give me any indication where we are in terms of developing that and the support within the budget to provide for a policy that does move the United States into more of a leadership role on Arctic issues?

Secretary RICE. Well, Senator, we have provided funding for the Arctic Council, and there will be, I think, a meeting fairly soon, and Paula Dobrianski has represented us in the past, and she will in the future.

There are obviously countries with which we share a lot of interests, and the Russians, in particular, have been interested in developing those ties concerning the Arctic.

I agree with you that it would be a very good thing if we had the Law of the Sea Treaty. That would obviously make possible some elements of our leadership that we've, that are more difficult without it.

So, the President has put the Law of the Sea Treaty on his list of treaties that he wants to see passed. But we are providing both funding and representation in the Arctic Council affairs.

Senator MURKOWSKI. And we would hope that with that funding, there is a push to not only talk about the policy, but actually to get a policy that is adopted. We've been dealing with a policy that, as you know, is old and it is important that we try to revamp that.

Very quickly, then, and going back to the Middle East now—there was a GAO report back in October about the amount of money that the international donors had pledged for Iraq reconstruction, a total of about \$16.4 billion. Of that amount, only about \$7 billion has been provided, as I am sure you are very well aware. But in looking at the list of the countries that have made the pledges and what has been delivered so far, what strikes me is that the countries who would be most immediately impacted if the Iraq Government were to collapse—essentially the neighboring countries surrounding Iraq—are the ones who are really not living up to their level of commitment in terms of keeping their pledges. What are we doing here in the United States to get Iraq's neighbors really more active in their support of the Iraq Government?

Secretary RICE. Well, we have an International Compact for Iraq and I think it's under that vehicle that we have seen the pledges made.

There have been some significant pledges from Iraq's neighbors. One of the problems, and one of the reasons that there's a distinction or a difference between what has been pledged and what has

been spent, is that frankly, until recently, I think people could either cite the security situation as a reason—or some might say, an excuse—and that the security situation is improving and that it is now possible to make some of those reconstruction efforts.

We are, and the Iraqis are redoubling their effort to, actually have states deliver on those pledges. And I think, it's my hope that you'll start to see countries come forward in that way.

For instance, some of the funding from Kuwait and Saudi Arabia is project funding, and not budgetary support, and frankly, the Iraqis don't need budgetary support, the project funding is what is helpful to them. And so we expect that they will begin to spend out that project funding as the security situation improves, and we're working with them on precisely that.

But it has been a combination of slow absorption by the Iraqis, and a security situation that I think has now improved to the place where we could expect these disbursements to take place more quickly.

Senator MURKOWSKI. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Vitter, thank you for your patience.

Senator VITTER. Thanks, Mr. Chairman.

Thank you, Madame Secretary for all of your service. We really do appreciate it.

I'm actually going to stay in the Arctic, where Lisa brought us, in terms of the Law of the Sea Treaty.

It's clear that I disagree with you and the administration and some of my colleagues, like Lisa, on the Law of the Sea Treaty. We won't resolve that today, and for now we can put that disagreement to the side.

What I am concerned about, no matter what anybody might think about the merits of the Treaty, is that there is about \$5 million designated for two entities created under the Law of the Sea Treaty. This is a significant amount of money. There's \$1.3 million budgeted to go to the International Seabed Authority. And there is \$3.6 million budgeted to go to the International Tribunal for the Law of the Sea. I hope we can all agree that this money being budgeted for entities, which are part of a treaty that is currently before the Senate, and has yet to be ratified by the Senate. Isn't it completely jumping the gun, and completely presumptuous for those two line items to be in the budget?

Secretary RICE. Senator, we're obviously not going to do anything in terms of the Law of the Sea Treaty until it's ratified by the Senate. As I understand it, some of these elements we've been willing to attend meetings to provide some technical assessments, because we have entities in the United States, including the U.S. Navy and some of our business interests, that are very concerned that people not use our absence of the ratification of the Law of the Sea to take advantage of us.

Senator VITTER. Well, let me just—

Secretary RICE. But, we will not spend any funding—

Senator VITTER [continuing]. Clarify your response. Is this money for American personnel to go to meetings? Will this money go to the international entities created by the Law of the Sea Treaty?

Secretary RICE. I assure you, Senator, we're not going to actually spend anything in conjunction with Law of the Sea unless it is rati-

fied by the Senate. But, in hopes that it might be ratified, we've made some requests going forward, that would allow us to rapidly begin to implement it if it does go forward.

Senator VITTER. While that should be reassuring, I would like to point out that what you just said is not in the budget. The budget does not contain your caveat that this money is not available before the Senate ratifies the Treaty, and that the money's just there in case the Treaty is ratified. So, I think it's completely presumptuous—

Secretary RICE. Senator, I think there may be—let me get you, in writing, an answer. Because I think there are some elements of this, the International Seabed, for instance, that we have wanted to support in order to protect our own interests. But I will get a— an answer to you in writing.

Senator VITTER. So, therefore, what you are actually saying is that the money in the budget could go to Law of the Sea related activities or entities prior to Senate ratification.

Secretary RICE. Senator, I want to have an opportunity to review it, and to come back to you in writing on precisely how we would use that funding, if we would use it at all.

Senator VITTER. OK, great. I look forward to that.

[The information referred to above follows:]

The President's budget request included funding to pay assessed contributions of \$1.3 million to the International Seabed Authority and \$3.6 million to the International Tribunal for the Law of the Sea in FY 2009. In both cases, the budget request explicitly conditioned expenditure of the requested funds on Senate approval of U.S. accession to the Law of the Sea Convention. Attached are pages 737 and 740 from the President's FY 09 budget, which clearly indicate that no funds will be provided to either organization until the United States accedes to the Convention.

We would like to reiterate the administrations's strong support for U.S. accession to the Law of the Sea Convention. Joining the 154 other parties to the Convention would promote U.S. security, economic, and environmental interests, with very modest financial implications, especially when weighed against the substantial benefits that would accrue to the United States.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS¹

International Seabed Authority, Kingston, Jamaica

(\$ in thousands)

Computation of Estimate	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request
U.S. Requirements in Dollars	0	0	1,296

The International Seabed Authority (ISA) is the institution through which states parties to the Law of the Sea Convention regulate activities in those portions of the seabed and ocean floor that are beyond the limits of national jurisdiction. Regulated activities include exploration and exploitation of solid, liquid and gaseous mineral resources at or beneath the seabed. ISA currently has 148 members. The principal organs of ISA are the Assembly, to which all members may belong, a 36-member Council and the Secretariat.

ISA carries out the Convention's provisions for non-discriminatory access to deep seabed mineral resources and adopts rules and regulations setting forth specific

¹ Transcribed from pages 737 and 740 of the President's 2009 Budget.

terms and conditions for exploration and development, including environmental safeguards. ISA has contracts in place with “pioneer investors,” has adopted regulations on prospecting and exploration, developed recommendations for assessing the potential environmental impact of certain exploration activities, and is working on rules for the exploration of certain oceanic crusts. ISA is also active in collecting and disseminating data on specific issues relating to deep seabed mining. Although deep seabed mining is not economically feasible at present, ISA will have the authority to grant unimpeded access to mining sites when it is. U.S. investors would benefit substantially from this predictability.

Explanation of Estimate

The FY 2009 request provides for the U.S. assessed contribution for 2009, the first year of the 2009-2010 biennial budget. Expenditure of the requested funds is contingent on Senate ratification of the International Law of the Sea Convention, which would establish U.S. membership in ISA. As a member of ISA, the U.S. would contribute 22 percent of the assessed budget, which represents the ceiling on member state assessed contributions.

Explanation of Estimate

Detailed Computation of Estimate	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request
Assessment against members (in dollars)	0	0	5,891
United States percentage share	0	0	22
United States assessment (in dollars)	0	0	1,296

* * * * *

International Tribunal for the Law of the Sea, Hamburg, Germany

(\$ in thousands)

Computation of Estimate	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request
U.S. Requirements in Dollars	0	0	3,608

The International Tribunal for the Law of the Sea (ITLOS) was established by the United Nations Convention on the Law of the Sea as one of several dispute resolution mechanisms available to states parties. Although the U.S. would choose arbitration tribunals rather than ITLOS for settlement of disputes where the choice is available, the U.S. would be subject to the Tribunal’s jurisdiction in certain circumstances involving prompt release of vessels and disputes relating to seabed mining. For this reason, and because the U.S. has an interest in influencing the interpretation and application of the Convention, membership [sic] in ITLOS would be of significant benefit to the U.S. As a member of ITLOS, the U.S. would also be able to nominate a judge for election to ITLOS, which would result in a U.S. judge being in the position to promote interpretation and application of the Convention in ways that would be helpful to U.S. interests.

Explanation of Estimate

The FY 2009 request provides for the U.S. assessed contribution for 2009, the first year of the 2009-2010 biennial budget. Expenditure of the requested funds is contingent on Senate ratification of the Convention of the Law of the Sea, which would establish U.S. membership in ITLOS. As a member of the ITLOS, the U.S. would contribute 22 percent of the assessed budget, which represents the ceiling on member state assessed contributions.

Explanation of Estimate

Detailed Computation of Estimate	FY 2007 Actual	FY 2008 Estimate	FY 2009 Request
Assessment against members (in euros)	0	0	11,200
United States percentage share	0	0	22
United States assessment (in euros)	0	0	2,464
Approximate Exchange Rate (euros to dollars)	0	0	0.686
U.S. requirement (in dollars)	0	0	3,608

Senator VITTER. Let me just say that I think it's inappropriate request or provide the money before the Senate acts. I strongly urge the administration, and strongly urge the Congress, to strike this particular budget request.

I would also note, one of the two entities listed in the budget provision, the International Tribunal for the Law of the Sea, is an entity in which the U.S. has said it will not participate if we ratify the Treaty. We're not going to submit to its jurisdiction. We don't trust it to consistently rule on matters involving the U.S. in a fair and impartial manner. Ratification is not going to change this. And yet we are asking for funding for this Tribunal anyway. I don't think there is any precedent for sending money to organizations created by a treaty on which the Senate has yet to act, and has not yet acted. I would request a review of this, and hopefully a change of policy. I would make the same request to Congress.

Thank you.

Secretary RICE. Thank you.

The CHAIRMAN. Madame Secretary, thank you for your patience and thank you for your presence. And believe it or not, it is 1 o'clock.

Secretary RICE. Perfect.

The CHAIRMAN. We got you out.

We are adjourned.

Secretary RICE. Thank you very much.

[Whereupon, at 1 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HON. RUSSELL D. FEINGOLD,
U.S. SENATOR FROM WISCONSIN

Thank you, Madam Secretary, for testifying before this committee, and thank you, Mr. Chairman, for holding this hearing. We are at a critical time right now with regard to our foreign policy and related spending, which makes this hearing all the more timely.

I am a strong supporter of increased funding for State Department operations to ensure that we have a robust and fully functioning agency. I am pleased that the President's proposed FY09 State Department budget has increased 8½ percent from last year's budget request, including emergency funding. We have thousands of dedicated Americans who commit themselves to serving this country by working at the Department of State—both overseas and at home—and without adequate funding our foreign policy agenda is shortchanged as critical staff does not have the necessary resources to do their job. This capacity and resource gap needs to be addressed immediately, and while these initial plus-ups are small compared to the overall needs, I am nonetheless pleased to see them.

Madam Secretary, I remain deeply concerned that the President is still failing to properly allocate resources so we can best address our top national security pri-

ority—the global threat posed by al-Qaeda and its affiliates. The misguided and narrow focus on the war in Iraq is depleting our financial, diplomatic, and material resources around the globe—whether in Afghanistan, Pakistan, Indonesia, Democratic Republic of Congo, or Algeria—and making it more difficult for us to pursue a policy agenda that does, in fact, contribute to our national security. While we are spending \$10 billion per month in Iraq, our efforts in Afghanistan are being short-changed and vital development, disaster assistance, education and health programs that are essential for building strong nations and restoring stability in post-conflict situations are underfunded. These programs can play an important role in eradicating some of the factors that contribute to extremism and terrorism.

Following the Defense Secretary's lead, last week the Chairman of the Joint Chiefs testified before the Senate Armed Services and noted that we need to do a better job of developing the capabilities and capacity in other agencies outside the Defense Department—including State and USAID. He also said we need to do a better job of deterring conflict and being prepared to “defeat foes globally by rebalancing our strategic risk.” How have we reached the point where the Defense Department is advocating more strongly for building and strengthening our civilian and diplomatic capacity than our own State Department?

In addition to my concerns about misplaced priorities, I continue to be concerned about this administration's misleading budgeting. As in previous years, the President's budget fails to account for the cost of the wars in Afghanistan and Iraq, and fails to pay for those costs, thus sticking our children and grandchildren with the bill. Passing the tab for these wars onto future generations is simply irresponsible.

APPENDIX

Responses to Additional Questions Submitted for the Record to Secretary of State Condoleezza Rice by Members of the Committee

QUESTIONS SUBMITTED BY SENATOR BIDEN

Question 1. There are at least 10 departments, 25 agencies, and a total of 60 government units engaged in foreign assistance in the U.S. government. Did the FY 2009 foreign affairs budget request result from a multi-year strategic planning process for development that is coordinated across the entire United States Government? If not, how can we hope to get a coherent, strategic funding plan if the management of foreign aid is so fragmented across the United States Government?

Answer. Central to our foreign assistance reform efforts is the goal of improving our ability to provide assistance more strategically and effectively. Since its establishment in June 2006, the Office of the Director of U.S. Foreign Assistance has developed and implemented integrated budget planning, program planning, and results monitoring tools. These tools are designed to provide senior leadership with the necessary information to assess progress and trade-offs, and improve decision-making that supports policy goals, including our goal of achieving transformational diplomacy. The FY 2009 budget is country focused with the aim of identifying what programs are needed for the unique situation of each recipient country in reaching the transformational diplomacy goal. Based on lessons learned from the FY 2008 budget process, the FY 2009 budget process was adjusted to incorporate greater input from our experts in the field. The first stage of the FY 2009 budget build relied on our embassies and USAID missions around the world to form the initial basis for each country request through Mission Strategic Plans—a joint State-USAID filed submission of budget and allocation levels by program element. Washington core teams have been replaced by Assistance Working Groups, composed of regional and functional representatives, who evaluate the field-proposed priorities and programs, recommending adjustments and addressing global and regional issues. In contrast to last year's process, the field had defined and concrete input at multiple stages, which resulted in a budget that represents both field and Washington priorities. Additionally, this budget was built in coordination with the Millennium Challenge Corporation (MCC) and the Department of Defense. In some cases, this entailed a realignment of State and USAID assistance programs to complement or reinforce MCC programs, and avoid redundancy. As a result of these changes to the budget process, the FY 2009 request represents a budget that is truly coordinated between field and headquarters, State and USAID.

We are at the beginning of true foreign assistance reform, not in the middle and not at the end. While there is not yet a multi-year strategic planning process, we are making progress in that direction. We have started developing a multi-year Global Assistance Strategy and will be piloting multi-year country assistance strategies in the coming months. Through the Development Policy Coordination Committee we are working with other U.S. Government agencies to see how we can better align our foreign assistance programs. The Development Policy Coordinating Committee has agreed to focus on intra-government coordination in a select number of countries. Lessons learned will then be adopted on a broader scale. We will better integrate the work of our non-government partners for a comprehensive development approach in each country.

There are many aspects of the foreign assistance apparatus that have to be carefully examined; for example, whether the current authorities and account structures are equipped to meet the evolving needs of a post 9-11 world. We are committed

to fully engaging with Congress in a collaborative manner regarding further steps and improvements to the foreign assistance process and our reform efforts.

Question 2. There is widespread concern about the growing role of defense strategy in setting development policy. It seems we may also run the risk of our diplomatic strategy overwhelming a sound development policy. For example, we spend 40% of our foreign aid in the 10 countries where we have key strategic interests. But we only spend 4% among the world's 10 poorest countries. Are you concerned that with the budget planning process run by the State Department, we will get a development strategy beholden to our diplomatic strategy? What are the consequences of that for our development goals? How would we avoid that?

Answer. It has become clear that the security and well-being of Americans is inextricably linked to the capacity of foreign states to govern justly and effectively. The U.S. Government can no longer draw neat, clear lines between security interests, development efforts, and democratic ideals. With proper focus and coordination, we can achieve both our development and diplomatic objectives without sacrificing the principle of long term development for shorter term objectives. In the past, there was a perception that development policy and foreign policy objectives were entirely separate and typically at odds. Poverty reduction, good governance, and capacity building for sustainable long term success are long-held development goals. Foreign policy goals also now recognize that lasting peace and prosperity cannot be achieved unless we expand opportunities for all citizens of the global community to live hopeful and prosperous lives. A driving purpose behind the establishment of the Office of the Director of U.S. Foreign Assistance was to strengthen the U.S. commitment to long term development. One of the key principles of foreign assistance reform is to ensure that State/USAID resources support shared goals, and that our planning, budgeting, management and implementation processes for foreign assistance capitalize on the respective strengths of State and USAID.

I believe that the FY 2009 budget demonstrates our commitment to long term development needs. The budget reflects increased investments aimed at expanding the community of stable, democratically-governed, and prosperous nations. This emphasis is reflected in the request for Development Assistance account, which is nearly 60% higher than the President's FY 2008 request. Funding for programs to consolidate democratic gains has been increased by 27% from FY 2008 enacted levels. Funding for programs that expand economic freedom, help countries open their markets, and spur growth has been increased by nearly \$94 million. The United States is on track to double assistance to sub-Saharan Africa between 2004 and 2010 to \$8.7 billion—the FY 2009 request reflects a 25% increase (without GHAI) compared to the FY 2008 requests. Similarly, the Western Hemisphere region saw a \$41 million increase (without the Merida Initiative and GHAI) from the FY 2008 request.

Question 3. Many responsible government leaders overseas express concern about the challenge of dealing with multiple development donors. Some recipient countries receive as many as 800 new development projects each year, host more than 1,000 donor missions, and are required to present 2,400 quarterly progress reports. Ashraf Ghani, the former Finance Minister of Afghanistan, has argued that the costs and frustrations of dealing with foreign aid donors overwhelm poor governments—and that, in fact, the costs of accepting money from rich countries often outweigh the benefits. How do we make the aid system simpler?

Answer. This is an issue that we take very seriously. As stewards of tax payers' dollars, we look to find that balance between being accountable and programming for results, ensuring that our assistance isn't diverted to terrorist entities, following all legal requirements, and being flexible and responsive to host country needs. One step that we have taken to improve aid delivery is to hire more staff in the stewardship and technical areas. The President's Fiscal Year 2009 Budget includes \$92.1 million dollars to hire 300 foreign service officers for USAID—above attrition—in Fiscal Year 2009, a 30 percent increase in our foreign service workforce. This will move USAID toward a 100 percent increase in deployable staff resources over the next three years.

The Development Leadership Initiative will address critical staffing deficiencies in the stewardship and technical areas by hiring officers in the areas of program and planning; executive management; contracting; financial management; legal; health; economic growth and trade; alliance building; education; and democracy, conflict, human rights, and governance.

We are also taking steps to improve our internal coordination as a donor. In addition to establishing joint and common planning, budgeting, and performance evaluation systems for State/USAID, for the first time, the Director of Foreign Assistance and USAID Administrator is chairing the US government's interagency policy co-

ordinating committee on Development, which is a forum for consultation and collaboration among senior policy officials representing a wide range of federal agencies involved in foreign assistance activities. As the chair of this forum, the Director of Foreign Assistance and USAID Administrator is enhancing the impact of US Government assistance by forging agreement on whole-of-government approaches at the country level and on collaboration to foster private sector-led growth in Africa; and strengthening our voice on the international stage on key assistance issues such as aid effectiveness and achievement of the Millennium Development Goals.

Outside of Washington, the USG is an engaged partner with other donors, providing leadership on practical and results oriented collaboration. This past October, USAID agreed with Denmark, Finland, Ireland, Norway, the Netherlands, Sweden, and United Kingdom, referred to as the Nordic Plus, to publicly and enthusiastically confirm our strong commitment to the Paris Declaration on Aid Effectiveness and most importantly to work in tangible ways to demonstrate this commitment. As a result, we've committed to work together in Ghana and Tanzania to enhance the impact of our aid efforts through greater coordination among donors and with host country development strategies.

Finally, within our PEPFAR program, the USG is a co-sponsor, together with the UK and UNAIDS, of the "three ones" approach, in which donors seek to work under one country strategy, one monitoring and evaluation system, and through one coordinating mechanism in-country.

We share your concern about the importance of making aid streamlined, flexible and responsive, and welcome your input and feedback on our ongoing efforts.

Question 4. We need to be able to measure the results of our development aid so that we can ensure that we are getting value for taxpayer dollars. But who gets to evaluate? Who determines what "success" is? Are we evaluating development projects for how well they deliver the results that the U.S. government wants? Or, are they measured by how well they deliver the results that poor people in developing countries want? Whose measurement tools are we using? And how can we design measurement tools that ensure our efforts are benefiting poor people?

Answer. Accountability for development results is one of the fundamental principles of the reform launched in 2006. The U.S. Government incorporates the interests of many constituents when determining the goals and outcomes of its foreign assistance programs. Certainly, we recognize that without the ownership of host country governments and the validation and support of non-governmental organizations and multilateral donor agencies our efforts stand a lesser chance of success.

Therefore, just as it is important to recognize that the results that we are striving to achieve through foreign assistance are established jointly, it is equally important to have an understanding of whether we are achieving U.S. strategic objectives and the long-term development goals of the recipient countries.

We measure the results of foreign assistance programs in several distinct but inter-related ways. First, each program that is funded must include specified results and related performance measures—indicators—that are monitored by the office overseeing the program to determine whether we are meeting our targets. These results and indicators are determined jointly, in advance of starting the project, with host country governments and beneficiaries. The Office of the Director of Foreign Assistance has also developed a set of standard performance indicators that are intended to enable the aggregation of results across countries and programs to tell us what the U.S. government achieved from foreign assistance during a fiscal year. For example, the standard indicators can tell us how many people we have inoculated, how many farmers we assisted with new crops varieties, or how many electoral systems we have strengthened. By being able to look at assistance data on a country-by-country level as well as in aggregate, we are able to measure whether we are achieving success in partnership with individual countries and stakeholders, but also at a broader level that is the core of the overarching U.S. foreign policy strategy.

To further assist our ability to measure progress, a set of 51 representative indicators were identified and utilized in the FY 2007 Foreign Assistance Annual Report, published in conjunction with the FY 2009 CBJ. Each of the short-term (annual) indicators included information on the results target set for FY 2007, whether the target was achieved and steps that will be taken to improve performance if it fell short. The process of identifying, analyzing and reporting on this indicator set pointed to needed adjustments in the process that will be incorporated into future reports.

Additionally, we also monitor the overall progress of a country or region in the sectors we are supporting by using data and information gathered by established organizations. For example, by using Freedom House indicators, we are able to determine the progress that a country or region has been making or not making to-

wards democracy and human rights. Using these second-party measurements helps us to validate that our programs are not simply achieving shorter term objectives and needs, but that they are contributing to a portfolio of efforts that are accomplishing long-term sustainable change that serve the individual countries as well as the regions where they are located.

Finally, USAID Missions and bureaus and some State Department Bureaus conduct evaluations of their major development projects and programs. Last year, USAID offices conducted over 200 evaluations which examined questions such as what were the effects of projects and programs, what problems they faced during implementation, and what lessons can be learned for the future to aid in designing programs that will achieve greater impact.

Evaluations invariably take into consideration the views and judgments of the intended beneficiaries. Evaluation teams routinely interview the real and intended beneficiaries to understand their perspectives and perceptions.

USAID Administrator and Director of U.S. Foreign Assistance Fore has stressed the importance of rigorous and objectives evaluations of all programs administered by State and USAID. Both USAID and the State Department are exploring ways to strengthen the evaluation function and to improve upon the performance management systems now in place.

Question 5. The President has requested that Congress provide twenty-five percent of PL-480 funds to purchase food aid locally in emergencies. What are the advantages of this approach? Could you identify specific cases where development or humanitarian assistance funds would have more impact if they were spent in recipient countries?

Answer. What is paramount to the Title II program is having adequate food aid available when needed to save lives. Food purchased in the U.S. normally takes up to four months to arrive at its destination. Food purchased locally, however, can reach the beneficiaries within days or weeks. The ability to use even a fraction of Title II for local and regional purchase will allow the U.S. to move with greater speed and flexibility to save lives and prevent famine. Such speed is sometimes necessary when a sudden emergency occurs (e.g., a natural disaster or an outbreak of fighting), food deliveries are unexpectedly interrupted (e.g., a pipeline break), or an unexpected and, often, short-lived cease fire allows rapid access to populations in need. We will be better equipped to deal with emergencies if our “tool-box” were to include cash that can be used to provide immediate relief until US commodities arrive, or fill in when there are pipeline breaks.

Local procurement can also save funds, allowing us to feed more people, which is especially important as the increasing commodity costs erode the purchasing power of the Title II account. Had the U.S. been able to procure commodities in Uganda for persons displaced by conflict there, we would have been able to increase our support by 31 percent. In 2006 alone, had we purchased commodities available in Uganda we would have saved over US\$3 million, which could have been used to supply Ugandan displaced persons with 6,000 tons of additional commodities.

Our U.S.-grown food will continue to play the primary role and will be the first choice in meeting global needs. We plan to use local and regional purchases judiciously.

Question 6. How can the U.S. Government improve its coordination across the different agencies that conduct international development and health work, like MCC and PEPFAR, especially given that the latter two programs are outside the direct authority of the Director of Foreign Assistance? While the Director of Foreign Assistance does have coordinating authority over those agencies, the experience over the last two years has not demonstrated that that authority is sufficient to effectively coordinate the activities and budget planning between USAID, MCC, and PEPFAR—either here in Washington or at the country level.

Answer. The establishment of a dual-hatted Director of U.S. Foreign Assistance and USAID Administrator has led to continued improvement in the interagency coordination of activities and budget planning. For FY 2008, for example, with the establishment of common objectives, a common program lexicon, and common budget and program planning processes, State (including PEPFAR) and USAID were able to improve coordination, with steps taken toward greater MCC and DOD coordination. For FY 2009, MCC and DOD were formally added as participants in State and USAID’s budget and program planning process, in addition to their coordination in the field.

The evidence of such coordination is illustrated by a number of examples: In Ghana, for instance, USAID is focusing its programming on enhancing the capacity of local government, which is responsible for implementing MCC compact activities

in economic growth. In Honduras, USAID programming focuses on trade and investment capacity building and private sector competitiveness, in order to complement MCC compact investments in infrastructure and agricultural diversification.

With respect to PEPFAR, the greater coordination achieved through the DFA helped highlight development gaps in our non-HIV/AIDS programming, including interventions in governance and economic growth that will help build host government capacity to sustain further progress on their own. Thus, in FY 2009, the budget includes \$2.1 billion for State Department and USAID programs in Africa to address development gaps and support economic opportunity and governance programs critical to the success of the investments we have made through PEPFAR.

A number of additional activities are ongoing for this year that we hope will further improve coordination. A strong interagency country strategy development process is being planned for specific pilot countries. The 3-to-5-year strategic plan will be developed by the field, under the leadership of Ambassadors, and is explicitly targeted to include full interagency, other donor, and where appropriate, host government participation. As with last year, the annual Operational Plan process will provide additional opportunities for the interagency in the field to develop comprehensive program plans, working together to ensure coordination.

Finally, to extend coherence across all U.S. Government foreign assistance, the Director of U.S. Foreign Assistance and USAID Administrator now leads the interagency Development Policy Coordination Committee. This committee is an important tool for aligning U.S. Government efforts, making joint policy decisions on critical development issues, and forging stronger collaboration to deliver greater impact from the U.S. Government's development efforts around the world. The Development Policy Coordinating Committee has agreed to focus on intra-government coordination-including the use of the DFA-established common objectives, program lexicon, and planning processes in a select number of countries. Lessons learned from this pilot will then be adopted on a broader scale.

We share your concern about the importance of such comprehensive coordination, and welcome your input and feedback on our ongoing efforts.

Question 7. Our national security strategy is built around three pillars, also known as the "Three D's": Defense, Diplomacy and Development. Each pillar is intended to be equally crucial to a balanced foreign policy strategy, yet our government's resources are overwhelming tilted towards the defense pillar. For every dollar of funding we spend on diplomacy and development, we spend \$19 on defense. Military-led development is the fastest growing form of U.S. overseas aid. Are you concerned about the consequences of this imbalance? How does this budget request address that imbalance?

Answer. President Bush's Fiscal Year 2009 Foreign Operations Budget for the Department of State, the U.S. Agency for International Development (USAID) and other foreign affairs agencies totals \$26.1 billion, an increase of 8.9 percent over the total Fiscal Year 2008 enacted to date, including emergency funding, or 14.3 percent over the FY 2008 enacted base. This increase reflects a determined effort to enhance civilian instruments of national security-including the capacity of our civilian agencies, with staff increases for the Department of State and the largest requested increase in USAID's operational budget in nearly two decades-and our development, reconstruction, and security assistance.

Development now plays a vastly elevated role in America's foreign policy. The charge I have given to our diplomatic corps is a long-term development goal-to help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty, and behave responsibly toward their people and the international system. In the 21st century, defined as it is thus far by an unprecedented and increasing interdependence, human development is both a moral end in itself and also a central pillar of our national security. Today, the idea that foreign assistance-and specifically long-term development-is a vital tool of our international statecraft is met with broad and growing support.

With respect to funding, we have continued to boost the quantity of our assistance. Since 2001, with the support and partnership of Congress, President Bush has launched the largest development agenda since the Marshall Plan. In the past six years, we have nearly tripled official development assistance worldwide and quadrupled it to Sub-Saharan Africa.

As noted above, the FY 2009 request reflects the continuation of this effort, further illustrating the emerging national consensus in support of development. The resources requested in the Fiscal Year 2009 Foreign Operations Budget demonstrate our strong commitment to fighting poverty, with a focus on strengthening democratic governance and promoting economic growth. This is reflected in our request for the Development Assistance account, which is nearly 60 percent higher than the

Fiscal Year 2008 request, and our request of \$1.7 billion for democracy promotion and governance.

I would also like to specifically mention the State Department's Civilian Stabilization Initiative (CSI) that is included in the President's budget. CSI is the product of the work of 15 agencies, including Defense, to build the full complement of U.S. government expertise necessary to respond to a stabilization crisis and to promote effective rule of law, economic stabilization and transitional governance in weak and failing states.

With the requested resources, the Department of State, USAID and other foreign affairs agencies strive to create the conditions conducive to sustained progress in governance, economic growth, and human capacity, recognizing that countries that move in this direction become our partners in global peace and prosperity.

Question 8. USAID has been systematically under-resourced, overstretched, and disempowered over the last three decades—severely affecting the United States' capacity to provide global leadership on foreign assistance. Some example of this attrition: In the 1990s, 37 percent of USAID's workforce left without being replaced. The number of direct hires working in the field dropped by 29 percent from 2002 to 2005. The average U.S. contracting officer should manage about \$10 million dollars in grants. Today, they manage more than \$50 million on average. This budget contains an impressive increase for USAID Operating Expenses. However, some observers argue this attrition has taken place because USAID has lacked the stature necessary to defend itself in the budget process. How have you addressed this issue? And, once that rebuilding is complete, what steps would we need to take to ensure that this erosion doesn't happen again in the future?

Answer. Over the last several years USAID's OE budget has remained at a virtually straight-lined level, while USAID-managed program funding has increased by approximately 40%. The National Security Strategy now recognizes the importance of foreign assistance to the achievement of the nation's foreign policy objectives. The FY 2009 budget supports this goal of reestablishing Development as the third leg of the foreign policy triad along with Diplomacy and Defense. Leadership at both the Departments of State and Defense are on record supporting these increases.

Without sufficient operating expense funds to hire permanent staff, USAID has been forced to utilize a variety of program-funded hiring mechanisms to achieve its goals. The way to ensure that the Agency is not again subject to this type of erosion to its permanent workforce is to support the requested level of operating expenses.

Question 9. The HELP Commission focused intensively on the issue of procurement and the weaknesses of our current contracting system. USAID has, in the words of General Chiarelli, become "little more than a contracting agency." More than 50% of USAID funding in Afghanistan goes to five for-profit companies who do contracting. Each USAID contracting officer should manage about \$10 million in grants. Today, according to USAID Acting Deputy Administrator James Kunder, they manage an average of \$50 million. How far will the requested increase in operating expenses go to address this problem?

Answer. The FY 2009 budget requests an increase in hiring which will include approximately 35 Foreign Service contracting officers as part of the Development Leadership Initiative (DLI). USAID's contracting officer shortage will also be addressed by increased hiring in Washington, as well as a pilot program to re-tool a limited number of qualified Foreign Service Officers into contracting officers.

It should be noted that the requested increase will also address shortages in other stewardship categories such as financial management, legal, program and budget.

Question 10. Recently, the HELP Commission issued its report on reforming U.S. foreign assistance. Among its recommendations was to dedicate the Economic Support Funds account, or ESF, for short-term economic needs, and protect the Development Assistance Account, or DA, for long-term goals. This budget request continues in the trend of funding development work through ESF. Why has the President requested funds for development through ESF? Do you think this is a wise strategy? And, if not, what are the obstacles that you feel force the USG to fund development work through ESF?

Answer. We continue to work towards having a clearer and more transparent way of allocating Economic Support Funds (ESF) and Development Assistance (DA) funds. The FY 2009 request reflects allocations in the two accounts that are consistent with the current purposes of each appropriation. Using the Foreign Assistance Framework country categories as a basis, we have funded countries/bureaus with either ESF or DA funds (with one exception, Liberia). We are following a one account—one country rule in order to clarify the use of the DA and ESF accounts and end the practice of using both accounts in a single country.

The DA request funds programs in Developing, Transforming, and Sustaining Partner countries (e.g., Bangladesh, Bolivia, Cambodia, Ethiopia, Guatemala, Indonesia, Peru, Philippines, Yemen). The ESF request funds programs in Restrictive and Rebuilding countries (e.g., Afghanistan, Burma, Haiti, Liberia, Nepal, Sudan) as well as foreign policy priorities such as Egypt and Jordan. By consolidating country programs previously funded with both ESF and DA, the Administration seeks to improve transparency and facilitate the performance monitoring of long-term development programs. Additionally, in the FY 2009 request, we have made a concerted effort to elevate the importance of development, in balance with other foreign assistance priorities. This led to a \$600 million increase in the DA account over the FY 2008 request. About one-third of the increase is due to a shift from the ESF account, while two-thirds are programmatic increases.

Question 11. The global health sector, more than any other part of foreign assistance, is perhaps the most fragmented, with two major health initiatives aimed at HIV/AIDS and malaria that are currently not linked into on-going global health programs, such as maternal and child health programs at USAID. As a result, a large majority of our global health funding is aimed at 15 countries, most of which are in sub-Saharan Africa, but only through two programs, one directed towards HIV/AIDS and one towards malaria. Many have called for a more “comprehensive” or holistic approach to global health. How does this budget request, in the short term, help coordinate its global health assistance and ensure that services on the ground cover the core components of basic health services that are maternal and child health, infectious diseases and HIV/AIDS? How do you reconcile that with a 14 percent cut in the overall Child Survival and Health Account?

Answer. This budget request will support the existing foreign assistance strategy to achieve and sustain the greatest possible reduction of maternal and child mortality and malnutrition. As the U.S. Government’s lead foreign assistance agency in the global health sector, USAID coordinates health programming to the fullest extent possible—an approach that increases the affordability and sustainability of our global efforts to tackle critical public health challenges. We coordinate global health assistance and ensure that services on the ground cover the core components of basic health services, including maternal and child health, family planning, infectious diseases and HIV/AIDS. This is done through high-level coordination with other U.S. Government and host-government partners and strategic coordination of services in context-specific approaches. This includes coordination with CDC, FDA, HHS, NIH and OGAC, both in strategy development and in-country coordination with host governments and other bilateral and multilateral donor agencies.

An example of coordination of services is the delivery of antenatal, delivery, and post-partum care. We know that good antenatal care—including the promotion of adequate nutrition and anemia prevention, detection and treatment of infections and complications, and planning for adequate care at birth—can have important positive effects on outcomes for both women and their babies. In areas where malaria is prevalent, we promote antenatal care as a key opportunity to provide anti-malarial treatment and the use of insecticide-treated nets, protecting women from anemia and illness and their unborn children from the low birth weight caused by maternal malaria infection. In areas where HIV is prevalent, antenatal care is one of the best opportunities to offer testing and counseling services and identify mothers requiring anti-retroviral treatment or prevention of mother-to-child transmission (PMTCT) of HIV. Most of our missions already support integrated maternal and child health/family planning (MCH/FP) and malaria programs and help to build broad-based health systems. These programs also strengthen drug management, supervision, community outreach and other critical systems across the board that are needed to deliver basic public health services.

Question 12. One response to the calls for greater integration between HIV/AIDS programs and other health, social, and economic needs is “wrap-around” programs. But the non-HIV/AIDS programs often have dramatically less funding or may be geographically separated from most AIDS programs. How can greater integration be achieved under these circumstances?

Answer. Even with geographic or financial disparities, greater integration can be achieved by strengthening and building upon common service delivery platforms, implementing national and district-level policies directing such integration, targeting resources, and incorporating strong monitoring and evaluation into programs. Service integration becomes formalized when outlined in cross-cutting national and district-level policies and championed by country leadership, as in Mozambique, Rwanda and other countries. Critical to this process is resource mapping at the community, primary facility, and district levels and then targeting resources.

The successful integration of programs is more than co-location of services. Although obvious benefits exist in the integration of services, program, logistic, and financial barriers can negate these benefits. HIV programming in Rwanda has shown that improved health systems performance through a Pay-for-Performance model contributes to improved management in HIV/AIDS services, as well as family planning and child health services. An evaluation is underway to elucidate the key components with perceived successful integration of HIV/AIDS and other public health programming in at least three countries (i.e., Malawi, Mozambique and Rwanda). Strong monitoring and evaluation of integration efforts are necessary for sustained program quality and coverage. Monitoring and evaluation should address donor concerns about accountability and transparency of combined resources. The monitoring and evaluation system should be able to track task shifting and give some sense of how the health system and health workers may become overburdened in an environment of limited resources but increasing expectations.

Opportunities exist where integration makes sense, building upon the strengths of the different programs. For example, in many countries antenatal visits and child immunization visits are relatively high. Extending from these strong points to the post-partum period may be an incremental approach to integration. High-quality care at delivery is one of the most critical interventions for the survival and health of mothers and newborns; it prevents or resolves life-threatening complications and provides essential immediate care to newborns. It also provides a key opportunity for the prevention of mother-to-child transmission (PMTCT) of HIV. Increasingly, we are extending care into the post-partum period, allowing for the detection and treatment of serious maternal and newborn complications and better promotion of breastfeeding and essential newborn care. This extension allows us the opportunity to conduct early infant diagnosis and start cotrimoxazole preventive therapy that has integrated benefits for HIV-exposed and HIV-infected children for prevention of death from pneumonia, TB and malaria. This post-partum period is also one of the most important opportunities to counsel women in voluntary family planning methods. Thus, in practice, our maternal, child health, and family planning programs are delivered holistically, yielding greater impact and sustainability and providing a platform for other important health programs.

Question 13. When, realistically, do you think the joint United Nations-African Union force will be fully deployed to Darfur? What is the anticipated timeline for this deployment?

Answer. Security Council Resolution 1769 authorizes a force of up to 19,555 military personnel, including 360 military observers and liaison officers, and an appropriate civilian component, including up to 3,772 police personnel and 19 formed police units of up to 140 personnel each. Currently 9,000 personnel are deployed with an additional 3,600 expected by June.

Special Envoy Williamson recently launched, on behalf of the United States and in partnership with Canada, the Friends of UNAMID. Secretary-General Ban has given his full support to this group comprising like-minded states that meets weekly in New York for the purpose of helping the UN accelerate deployment of an effective UNAMID. The Friends aim to help UNAMID meet its deployment goals of an additional 3,600 African troops by June.

We are hopeful that deployment of an additional 1,600 troops can be achieved shortly thereafter, and are pressing for the deployment of the remainder of UNAMID's troops by December 31.

Question 14. For months, the United Nations has been calling for urgently needed helicopters for the peacekeeping mission in Darfur. I've written the President on this, more than once. The Senate recently approved a resolution that Senator Lugar and I wrote calling for the President himself to personally engage on this issue with other heads of state. I don't get the sense that this is as high a priority as it should be. Can you tell me the degree of engagement you have had on this issue and with whom? How many foreign ministers have you called? With how many heads of state has President Bush raised this issue?

Answer. The United States has been at the forefront of Darfur peacekeeping support since the African Union first deployed in July of 2004. Since that time we have provided Darfur peacekeepers with more than \$400 million in assistance. We have been engaged in an intense high-level diplomatic campaign, both in public and behind the scenes, to lobby on behalf of the UN and the people of Darfur to generate and deploy tactical and utility helicopters as well as other critical mission requirements. This diplomatic campaign is starting to bear fruit: Ethiopia has offered 4 attack helicopters to the mission. Our efforts have also included high-level coordination and outreach to multiple NATO and non-NATO countries, including China. We

have worked closely with the UN to identify those countries most likely to contribute helicopters to this operation. Officials at the most senior levels of the US government have approached their counterparts in these countries' governments to urge them to provide the required support. We are also in touch with the UN on the full range of alternative options to meet these urgent requirements and to assist other countries to strengthen their capabilities to contribute.

Question 15. The need for peacekeepers in Africa is immense. Darfur, Chad, and Somalia are still in the grips of terrible conflicts. The Democratic Republic of Congo, which has seen horrendous violence in recent years, may be on the verge of a breakthrough toward genuine peace. The President's budget request, however, has significant cuts for UN peacekeeping—a cut of \$75 million for the Congo mission, a cut of \$56 million for the mission in Liberia, and a cut of \$39 million in the Cote d'Ivoire mission. What will be the impact of these budget cuts on these missions and these and other countries' efforts to ensure that gains made in peacemaking are secured?

Answer. There are eight UN peacekeeping missions in Africa that account for \$1.1 billion of our FY 2009 request. The exact requirements for UN peacekeeping funds for future years are difficult to predict, because the size and cost of UN peacekeeping missions depend on UN Security Council decisions based on conditions on the ground and UN General Assembly review of the financial implications associated with those decisions. With respect to these missions, we are hopeful for some drawdown of peacekeeping forces. In Liberia, a plan is being implemented to consolidate and draw down the mission, measured against progress in building Liberian security institutions. The UN Security Council will consider possible further reductions. In Cote d'Ivoire, progress of implementing a peace agreement should open the possibility of an eventual drawdown; and in the Congo, we expect a gradual reduction as national forces assume roles and political, reconstruction, and military benchmarks are achieved.

Question 16. What is the Administration's rationale for proposed reductions in assistance to Armenia, despite increased levels of support for several neighboring countries?

Answer. Within the FY 2009 assistance request for Eurasia, funding is prioritized to help the most reform-oriented countries in the region—Georgia, Ukraine, and Moldova—by promoting economic and energy independence, helping to diversify export markets, and improving democratic governance in the face of increasing Russian economic and political pressure. Other priorities for the region include democracy programming in Russia and elsewhere and opportunities to promote reform in Turkmenistan and the rest of Central Asia.

Excluding the funding Armenia receives as part of its \$235.65 million Millennium Challenge Corporation (MCC) Compact, the Administration's FY 2009 request for Armenia totals \$27.9 million. While funding for the Eurasia region as a whole has declined sharply over the last several fiscal years, reductions to the Armenia budget have not declined as drastically. The reduced request for FY 2009 does not detract from the critical importance of Armenia to U.S. interests nor does it signal a change in U.S. policy. Rather, the request level meets the country's development needs and is appropriate within the context of assistance priorities within the region and around the globe. Armenia has made real progress on reversing rural poverty; nevertheless, the government's commitment to reform is not as strong as others in the region and the country still struggles with rampant corruption and with weak democratic institutions, as illustrated by recent events.

Within the Caucasus, the Administration's request prioritizes funding for Georgia. Led by a Western-oriented government under increasing pressure, U.S. assistance is intended to help Georgia consolidate its democratic, economic, and social reforms, address rural poverty, encourage the peaceful resolution of its separatist conflicts, and strengthen Georgia's economy while decreasing its dependence on Russia as an export market and for energy resources. The FY 2009 request for Georgia (\$67.1 million) is a five percent increase over FY 2008 enacted levels.

Question 17. As U.S. assistance to Europe and Eurasia has declined in recent years, many nations in the region have experienced a breakdown in democracy and the rule of law. Despite this trend, the Administration's budget proposes further drastic cuts in assistance to the area. How does the Administration justify these cutbacks, particularly in view of the President's rhetoric about the importance of democracy promotion?

Answer. Within the Europe and Eurasian region, FREEDOM Support Act (FSA) and Support for East European Democracy (SEED) Act funding for FY 2009 is prioritized to:

- advance reform in countries that have faced Russian pressure (Georgia, Moldova, Ukraine);
- support democracy and rule of law in Russia and elsewhere;
- address concerns about the final status of Kosovo and its impact on the region; and
- promote needed reforms in Central Asia and linkages between Central and South Asia.

In the Europe and Eurasian region, challenges to democracy and rule of law remain most serious in countries in the former Soviet space. From 2006 to 2007, democratic reforms and freedoms improved in only two of the countries and regressed in five. Reforming governments have had difficulty consolidating the democratic breakthroughs of 2003-2005. Reflecting these challenges, the Administration's FY 2009 FSA request for the Governing Justly and Democratically (GJD) program objective remains the largest of all five program objectives at over \$137 million. While this year's request represents a decline from the FY 2008 enacted level, we believe that the Administration's FSA request for GJD programming is appropriate and reflects the needs of the region given progress made by some of the Eurasian countries in promoting reform, and increased reliance on self-sustaining NGOs and legacy grant-making institutions to support democratic reform, particularly in Russia.

As FSA resources decline, the Administration's request for FY 2009 continues to prioritize FSA-funded GJD programming, directing support to beleaguered democracy activists and advancing democratic openings where they exist. As a statement of Administration priorities, the FSA request for GJD assistance is nearly \$10 million higher than last year's request and funding for these programs is increasing as a percentage of the total FSA, up to 42 percent in FY 2009. In addition, relative to the Administration's FY 2008 request for FSA-funded GJD programming, the GJD request in FY 2009 has significantly increased support for GJD programs to support civil society and media organizations, including in Georgia and Ukraine. A strategic eight-fold increase in Central Asia regional GJD programming will help promote access to independent media in the region and a 30 percent increase in democracy assistance to Turkmenistan will help take advantage of openings to promote reform there.

For Russia, while this year's GJD request is a decrease from the FY 2008 enacted level, the Administration has requested a total of \$30.3 million for the programs in FY 2009, an increase of over \$4 million from last year's request. These funds will be used to broaden support for Russian independent media and civil society, including NGO watchdog organizations such as human rights groups, as they face increasing political pressure. Programs will also strengthen political, civil and justice sector institutions that reinforce democratic principles and the rule of law. The FY 2009 request level also takes into account the resources of the U.S.-Russia Foundation for Economic Advancement and the Rule of Law (the U.S.-Russia Investment Fund or TUSRIF legacy foundation), which will have over \$180 million at its disposal to support development in Russia, including the rule of law and the free flow of information through its grant-making and other activities.

Reflecting the important work still needed to promote democracy in the countries of South Eastern Europe, the FY 2009 SEED request for the GJD program objective remains robust at \$79 million. As a percentage of the overall SEED budget, GJD assistance declines modestly in FY 2009 compared with FY 2008 enacted levels, from 32 percent in FY 2008 to 29 percent in FY 2009. There are several factors that explain this decline:

- A decrease of slightly more than \$5 million in Kosovo GJD assistance accounts for approximately half of the decline in SEED GJD assistance from FY 2008 to FY 2009; this decrease reflects a return to a more sustainable annual level of transition assistance following a "spike" in requested resources in the FY 2007 Emergency Supplemental and the FY 2008 budget request. This "spike" was aimed at providing direct support for a successful settlement of Kosovo's status.
- The SEED request continues to give high priority to Economic Growth in order to create needed jobs, promote economic diversification, repay World Bank debt for Kosovo, and integrate the region with the world economy, decreasing EG funding in the request by 1 percent compared with the FY 2008 enacted level. Economic progress and prosperity continue to be critical factors in checking extreme nationalism, radicalism, and anti-reform sentiment in Eastern Europe.
- Progress made on democratic reforms and freedoms in the countries of South Eastern Europe over the last several years, if somewhat uneven, allows for the Administration to focus SEED funding to assist reform in sectors in which

SEED-funding recipients remain fragile and, in the case of Kosovo, to stand up new governance structures and procedures.

- To maintain robust security relationships with the countries of South Eastern Europe and assist their integration into NATO, the Administration's FY 2009 request responds to a decrease in FMF funding allocated to the region by increasing Peace and Security assistance by 5 percent over the FY 2008 enacted level; some of this assistance advances respect for the rule of law through law enforcement reform.

Regional programs also play an important role in furthering democratization. One of our key tools for the promotion of democracy, human rights, and the rule of law throughout Europe and Eurasia is the Organization for Security and Cooperation in Europe (OSCE). The OSCE enables the United States to advance these interests effectively in concert with our friend and allies, with shared costs. In addition to FSA and SEED funding, other U.S. resources are being used to support democracy in Europe and Eurasia. For example, Millennium Challenge Account (MCA) resources leverage the impact of other U.S. assistance in strengthening democracy and good governance, with three countries holding Threshold Programs (Ukraine, Moldova, and Albania) and one soon to sign a Threshold Program (Kyrgyz Republic). These programs supplement SEED and FSA assistance by helping to fight corruption, increase government transparency, and strengthen civil society watchdog capacity. U.S. resources continue to be used to leverage other donor funding and to establish legacy institutions that support civil society, the rule of law, and the transfer of knowledge about democracy throughout the region (e.g., the New Eurasia Foundation in Russia, the Eurasia Foundation of Central Asia, the Black Sea Trust for Regional Cooperation, and the Balkan Trust for Democracy).

Question 18. There are reports of growing frustration in Iraq in the ranks of former Sunni insurgents to whom we are providing monthly payments of \$300. They want to be integrated into the Iraqi government and security forces, but the central government is balking, particularly in mixed areas close to Baghdad. The situation is said to be so bad that our military has started developing plans to create a depression-era style civil job corps. ?What are the consequences of the Iraqi government failing to hire these ex-insurgents, or "Concerned Local Citizens" as they are called by our military? What are we doing to increase their hiring and integration?

Answer. The Concerned Local Citizen program represents an important element of current Iraqi and Multi-National Forces—Iraq security efforts; this program has recently been renamed the Sons of Iraq (SOI) program. Through the SOI program, members of communities, including former insurgents, work with Coalition and Iraqi forces to improve security and economic conditions at the local level. This program is estimated to currently have approximately 91,000 volunteers and enhances the ability of Iraqi and Coalition forces to interact with local residents and obtain information on insurgents and illegal militia activity, and protect key infrastructure. The GoI leadership has made public statements lauding the contribution of SOIs to improved security. The SOI effort is crucial to the counterinsurgency effort and will require continued support.

The long-term goal of the SOI program is to transition approximately 20-25% of the SOI members into the Iraqi Security Forces (ISF) as police or army personnel. The remaining members will eventually transition into other public or private sector education or employment. To date, close to 20,000 have transitioned to the ISF or civil employment. The GOI has supported the integration of more than 9,000 former SOI members into Iraqi forces in Baghdad alone. Approximately 19,000 additional members of SOI groups have expressed their desire to join the Iraqi forces and they await an expansion of the government's integration and training programs.

The Iraqi and U.S. Governments are also jointly funding multiple private employment and joint technical education programs focusing on SOI members and former detainees. For example, the Coalition is teaming with the GoI to implement a new technical training and employment program entitled the Joint Technical Education and Reintegration Program (JTERP). This program consists of vocational training, on-the-job training and job placement for Iraqis, with priority going to former SOIs and recently released detainees. JTERP is a collaboration of efforts among multiple ministries to include the Ministry of Labor and Social Affairs, Ministry of Higher Education, Ministry of Education, and Ministry of Industry and Minerals, as well as the Disarmament, Demobilization and Reintegration Committee.

Question 19. As you know, whether the recently passed de-Ba'athification law promotes healing or further division depends upon how it is implemented. According to some voices, such as Dr. Chalabi, who has been closely associated with De-Ba'athification, the law will actually lead to the expulsion of more than 7,000 indi-

viduals from key government jobs. What steps are you taking to ensure that the de-Ba'athification law has a positive, rather than a negative, impact?

Answer. Since the issuance of the De- Ba'athification Order under CPA in 2003, many Sunni Arabs have perceived the de-Ba'athification process as opaque and politicized. However, in the last few months, several key laws have been passed that together will help address Sunni Arab concerns.

In December, the Council of Representatives (CoR) passed amendments to the Unified Pension Law, which, among other things, restores pension rights to former civil servants and military officials without regard to former party affiliation. In January, the CoR passed an amnesty law, which sets provisions by which Iraqis held in detention facilities, the majority of whom are Sunni Arabs, can be released. Also in January, the CoR passed the Law on Accountability and Justice, which reforms the de-Ba'athification process by allowing some former mid-level party members back into government employment and by establishing an appeals procedure. These three laws are necessary for national reconciliation, and passage of these laws shows that Iraqis are committed to work together in building the new Iraq.

As you note, effective implementation of the Accountability and Justice Law is vital to broad Iraqi support for the de-Ba'athification process. Although the law provides basic rights to those it affects, the regulations and procedures to implement it will determine its political effect.

Before any action under the law can be taken, the GOI must create a commission, which will then establish the new de-Ba'athification process and select judges for the appeals committee. We are encouraging the GOI to create the commission as soon as possible and, in a spirit of reconciliation, show the Sunni Arab community that the government is committed to reforming the de-Ba'athification process.

Additionally, one section of particular concern requires that all former employees of Ba'ath-era security and intelligence agencies be dismissed from government employment, regardless of whether they were party members. We are encouraging the GOI to consider issuing exemptions for all those individuals who would be terminated because they worked in the former security apparatus if they have been working since the establishment of the current government, without incident, to help rebuild Iraq.

Although there is some ambiguity in the language that needs to be clarified, and on which the Presidency Council has been working, passage of the Accountability and Justice Law has shown that Iraqis are able to compromise on important legislation. The Presidency Council is also reviewing the law, and may seek amendments to further refine and clarify the legislation.

Question 20. What is the process for obtaining additional international sanctions against Iran if it continues to fail to halt its uranium enrichment and plutonium production activities? When would you anticipate a fourth UN Security Council resolution? What elements are in the third resolution? What separate sanctions will Europe consider? What understandings do you have with Russia and China?

Answer. The Council clearly expressed its intention in UN Security Council resolution 1747 to consider the adoption of further appropriate measures under Article 41 of Chapter VII of the UN Charter if the IAEA Director General's report showed that Iran had failed to comply with UN Security Council resolutions 1737 and 1747. The Director General has reported three times since the adoption of that resolution in March 2007 that Iran has failed to do so.

The Foreign Ministers of China, France, Germany, Russia, UK, and the United States (P5+1) reached agreement on the elements of a third UNSC sanctions resolution on 22 January 2008 in Berlin. France and the UK shared the draft resolution with the full Council on 5 February 2008. The Council has been engaged in negotiations on the resolution in New York for the past several weeks. We expect the Council will adopt the resolution soon.

Pursuant to the standing P5+1 strategy of incremental escalation of sanctions on Iran until it meets its Security Council obligations, the draft resolution increases the severity of existing sanctions and expands upon the previous two UNSC sanctions resolutions (UNSC Resolutions 1737 and 1747). Key provisions include a travel ban, a ban on transfers to Iran of all dual use items controlled by the Nuclear Suppliers Group, and calls for inspecting cargo, limiting export credits and monitoring activities of financial institutions. The resolution is the product of intense negotiations between the members of the P5+1 and is a clear signal to the Iranian regime that the P5+1 are united in ensuring that Iran complies with its UNSC obligations.

On next steps, the draft resolution includes a request for a report from the IAEA Director General within 90 days on whether Iran has complied with its obligations. The Council will review the report and if it shows that Iran has not complied, the Council expresses its intention to adopt further measures under Chapter VII to per-

suaire Iran to comply. UNSC sanctions are part of our dual track strategy to clarify to Iran's leaders the consequences of its continued noncompliance, while also keeping open the door to direct negotiations.

It is our understanding that the European Union is waiting for the Council to adopt the third sanctions resolution before adopting additional sanctions on Iran outside the UNSC framework. We will urge the EU both to implement the provision in the new resolution as quickly as possible and to move forward with complementary, autonomous sanctions.

Update to take into account recent developments:

On 22 February 2008, the IAEA Director General reported that Iran is continuing to fail to comply with its UN Security Council obligations and calls by the IAEA Board of Governors to suspend all proliferation sensitive nuclear activities, including enrichment-related activities, and has not undertaken full and complete transparency with the IAEA. This is particularly the case with respect to full disclosure by Iran of past nuclear weaponization-related activities described in an extensive body of Iranian-origin documentation made available to the IAEA. The IAEA has concluded that full disclosure by Iran is "critical to an assessment of a possible military dimension to Iran's nuclear program." After allowing for time to review and consider the IAEA Director General's report, the Council adopted UNSC sanctions resolution 1803 on 3 March 2008 by a vote of 14-0 with one abstention (Indonesia).

While we regret the necessity, we are very pleased that the Council acted for a third time to impose legally-binding Chapter VII sanctions on Iran for its failure to comply with the Council's demands. The Council's actions, and the high level of support for this third sanctions resolution, reflect the international community's profound concerns over Iran's nuclear program. While the international community waits for Iran to make the strategic decision to comply with its international non-proliferation obligations, we will focus our efforts and attention on the robust implementation of the provisions of 1737, 1747, and 1803.

As stated in the P5+1 Ministers Statement of March 3, the P5+1, including Russia and China, remains committed to an early negotiated solution to the Iranian nuclear issue and a dual-track approach. We have asked Dr. Javier Solana, the European Union's High Representative for Common Foreign and Security Policy, to meet with Dr. Saeed Jalili, Secretary of Iran's Supreme National Security Council, to create the conditions for negotiations. We have also reiterated our commitment to the proposals included in the generous June 2006 P5+1 incentives package, which remains on the table. The Secretary's historic offer to sit down with her Iranian counterpart, at any time and any place to discuss any issue, once Iran has fully and verifiably suspended its uranium enrichment-related and reprocessing activities—also remains on the table.

It is our understanding that the European Commission has completed draft language to implement UNSCR 1803, which will now have to make its way through the formal EU approval process prior to final adoption at a Ministerial level meeting. We hope that EU ministerial level adoption of UNSCR 1803 will take place in April. We will continue to urge the EU both to implement UNSCR 1803 as quickly as possible and to move forward with complementary, autonomous sanctions.

Question 21. How detailed of a peace treaty do you expect the Israelis and Palestinians to achieve this year? Is the aim a general framework agreement or a more detailed treaty? How quickly could such a peace treaty be implemented?

Answer. Prime Minister Olmert and President Abbas agreed at the Annapolis Conference that they would make every effort to conclude a peace agreement before the end of 2008. The nature and level of detail of that agreement depends on the parties' own intentions as well as their ability to bridge the gaps that remain on the core issues. Their negotiations are proceeding, and the fact that both parties have kept the details of these talks secret should be seen as a sign of their seriousness.

At Annapolis the leaders also agreed that implementation of a peace agreement would be subject to implementation of the Roadmap. We are encouraging more rapid progress by both parties in fulfilling their commitments under the Roadmap, and we have named LTG William Fraser III to monitor and promote progress in this area. Exactly how long it will take to implement any agreement reached is unclear and will depend on the efforts and commitment of both Israel and the Palestinians, as well as the continuing and expanded support of the international community in the areas of capacity building, reform, and economic growth. A vital element to implementing a peace agreement will be the commitment and performance of the PA fighting terrorism. We are already working with the PA to train, reform, and profes-

sionalize its security forces and we plan to continue and expand that effort, including with other donors.

Question 22. In the spring 2007 war supplemental the administration requested, and Congress provided, \$220 million in Foreign Military Financing for training and equipment for the Lebanese Armed Forces. But by the end of September, less than one percent of those funds had actually been spent. Committee staff has been told that part of the reason for the delay is that it took a long time to actually develop a request that the United States could work with. How much of the \$220 million in supplemental funds to train and equip the Lebanese Armed Forces have been spent? What steps has the United States Government taken to improve the ability of the Government of Lebanon to request training and equipment from those funds, to ensure that they can take advantage of our assistance in a timely and effective manner? What additional steps might be needed?

Answer. The Lebanese Armed Forces (LAF) has programmed the entire \$220 million in Foreign Military Financing to purchase ammunition, equipment, and training. Cases totaling \$95 million are under development, and \$11 million has been committed thus far. This pace reflects: (1) the LAF began only in late 2006 to relearn USG security assistance procedures following over a decade of Syrian occupation; (2) Embassy Beirut's Office of Defense Cooperation needed to boost staff levels to handle the enormous growth in our security assistance relationship; and (3) nearly all LAF procurements (save for emergency ammunition supplies) were interrupted by the conflict in the Nahr al-Barid refugee camp in the summer of 2007. All of these challenges have now been overcome.

Ongoing USG security assistance engagement will continue to help the LAF specify and articulate defense requirements, facilitating the processing of Foreign Military Sales cases and speeding the expenditure of funds. In early 2008, a contractor-led survey team provided an assessment of LAF needs, and, in the wake of Under Secretary of Defense Eric Edelman's February visit to Beirut, U.S. officials will meet Lebanese counterparts in the first mid-level security assistance review since 1996.

As Lebanon's political situation permits, we will continue our bilateral political-military discussions with the LAF. Our goal will remain to better gauge its needs in coming months and help the Government of Lebanon develop a national strategy to develop and professionalize its security forces to face the challenge of foreign interference in its internal affairs and lingering threats from militant groups operating within the country's borders.

Question 23. The budget for the Department requests a total of 1,543 new positions, including 448 of which would be funded by fees. Assuming that all requested funds are provided, how quickly do you expect to be able to hire for these additional positions?

Answer. If approved and funded by Congress, the Department will immediately begin the process of recruiting and hiring qualified personnel to fill the 1,543 positions requested in the FY 09 budget. This type of surge is not unprecedented. In 2002, the Department brought on more than 900 new employees, including 360 Foreign and Civil Service Officers as part of the Diplomatic Readiness Initiative, 51 IT security professionals, 12 positions devoted to Counterterrorism, 98 fee-funded Border Security positions, and 389 security personnel funded by the Worldwide Security Upgrades account. And just last year, more than 500 permanent Civil Service personnel were hired to handle the surge in passport demand. The Department rose to the task in 2002 and 2007, and we will do so again if Congress approves the much needed positions in our FY 09 budget.

The 1,543 new positions in the FY 09 budget request are split between Foreign Service positions and Civil Service positions. For the new Foreign Service positions, the Department will rely on the faster, redesigned Foreign Service intake process that was introduced in September 2007. The new online Foreign Service Officer Test will be offered three times a year, rather than just once or twice, and the time between the test and the oral assessment will be significantly reduced. Utilizing this new system, the Department can hire the approximately 820 Foreign Service positions out of the 1543 in the FY 09 request.

The approximately 720 Civil Service positions requested in the FY 09 budget will be advertised on the www.USAJobs.gov website and hired by the relevant bureaus or offices, including passport agencies across the country. Recent efforts to consolidate the Department's HR services into more efficient shared service centers should speed up the process of advertising, vetting, and hiring these new Civil Service personnel. We are confident in our ability to attract and bring on board qualified new employees.

Question 24. What has been the level of attrition for the past two fiscal years (FY 2006 and FY 2007) in the Foreign Service, by grade?

Answer. Foreign Service attrition levels for fiscal years 2006 and 2007 were as follows:

Foreign Service Attrition Levels for Fiscal Years
2006 and 2007

	FY 2006	FY 2007
CM	5	3
MC	51	57
OC	45	31
FS-1	87	103
FS-2	97	93
FS-3	58	69
FS-4	119	95
FS-5	28	18
FS-6	22	27
FS-7 and below	1	2
Total	513	498

The numbers above represent an attrition rate of 4.4 percent (2006) and 4.6 percent (2007) for Foreign Service Generalists. The attrition rates for Foreign Service Specialists were 5.3 percent (2006) and 5.0 percent (2007).Q02

Question 25. What has been the level of attrition for the past two fiscal years (FY 2006 and FY 2007) in the Civil Service?

Answer. Civil Service career full-time permanent attrition was 624 in 2006 (8%) and 637 in 2007 (8%). The Department's Civil Service attrition rate is lower than the government-wide average, but is projected to increase over the coming years as more Civil Service employees reach retirement age.

Question 26. Of the 20 new positions requested for public diplomacy, how many positions will be overseas and how many positions will be in domestic offices?

Answer. At the time we prepared the FY 2009 budget submission, we planned on using 16 of the 20 new public diplomacy positions overseas and four in Washington. Although there might be a slight change in that plan during FY 2009, depending on the situation at that time, we do not anticipate a major change.

Question 27. The CBJ indicates a more than 100 percent increase in "Presidential-Vice Presidential Travel Support between FY 2007 (\$960,000) to FY 2008 (\$2 million) (page 386 of FY 2009 CBJ). What are the reasons for such a large increase?

Answer. The Department provides funding for Presidential and Vice Presidential travel support from a number of sources, including funds provided to the Bureau of Administration. The amount allocated for Presidential-Vice Presidential Travel Support is funded from D&CP public diplomacy funds and contributes to travel expenses for personnel who deliver the US Government message abroad in connection with travel of the President and Vice President. D&CP funds allocated for White House Travel, also within the Bureau of Administration, are used to support other White House travel activities.

The FY 2008 estimates for these two activities are currently being revised to reflect the increase in travel planned for the President and Vice President in FY 2008 compared to FY 2007.

Question 28. What is the backlog of FOIA cases as of October 1, 2007? What is the average length of time a request has been pending?

Answer. The Department's backlog on October 1, 2007 was 3,430 cases. During Fiscal Year 2007, the median number of days a valid, active case had been pending was 226 days. In that same time span, the Department processed fast track cases in a median of 67 days, routine and complex requests in a median of 212 days, and expedited cases in a median of 41 days.

Question 29. The budget requests \$17.6 million to consolidate DS training at a single facility. How will a site for this facility be chosen? What are the requirements? What is the expected timeline for decision? Please provide a more detailed breakdown of the costs associated with this request.

Answer. The requirement for a dedicated Diplomatic Security (DS) consolidated training center in the D.C. area has existed for more than 10 years. DS currently trains personnel in more than 15 locations throughout Northern Virginia, Maryland, and West Virginia. DS resources are already stretched to the limits, and the mission is growing.

DS provides training in law enforcement, personal security, attack recognition, weapons of mass destruction (WMD), Anti-Terrorism Assistance, and other specialized training for Department of State employees and dependents, other U.S. government agency personnel, and our foreign partners. Specialized training, especially the “hard skills” training, such as weapons, counter-threat driving, defensive tactics, and high-threat protection, requires suitable driving tracks, firearms ranges and adequate facilities. The current Diplomatic Security Training Center (DSTC) does not accommodate the volume of students or provide the infrastructure necessary to meet these specialized requirements. Consequently, DS must currently utilize multiple sites encompassing three states.

Among the courses that DS administers is the Foreign Affairs Counter Threat (FACT) Course. This training is essential for all Foreign Service Officers and other U.S. government personnel preparing for deployment to critical and high threat posts around the world, including Iraq, Afghanistan and Pakistan. Conducting this training outside of driving range of the D.C. area is impractical due to the expensive travel and housing costs associated with the heavy volume of USG employees that require FACT training prior to deployment overseas. A consolidated facility would be capable of incorporating all of the necessary hard and soft skills training, physical fitness, classroom instruction, administrative functions and housing in to one location.

DS plans to identify acceptable property no later than the end of FY 2009. It is estimated that funding in the amount of \$17.6 million will be required to fund an architectural and engineering study and to make the initial land procurement. In furtherance of these efforts, the Bureau of Diplomatic Security, in conjunction with the State Department’s Office of Real Property Management and GSA, intends to conduct a requirements analysis and search for property that would accommodate all DS tactical and technical training needs. The base requirement is for rural property, within a 100-mile radius of Washington, where firearms, explosives, and high-speed driving training can occur without the threat of encroachment.

In the interim, and to meet current requirements while the search for a consolidated facility continues, DS has established a temporary training facility at Summit Point, West Virginia.

Question 30. Why is funding for Blair House renovation divided between Protocol and the Bureau of Administration?

Answer. The Blair House serves multiple functions and relies on resources from several accounts that have the authority to provide funds for those activities. These include:

- Diplomatic and Consular Programs (D&CP) Bureau of Administration (A): Lease payments, operations and maintenance, utilities and minor facility renovations and repairs.
- D&CP Office of the Chief of Protocol (CPR): Household expenses, operations and maintenance related to official visitors.
- Emergencies in the Diplomatic & Consular Service (K Fund): Representational expenses
- General Services Administration (GSA): Capital improvements—structural repairs and stabilization
- Blair House Restoration Fund: Décor

Question 31. What has been the amount expended to date for the SMART initiative (State Messaging and Archive Retrieval Toolset)? The CBJ indicates that in FY 2008, deployment to 12 pilot posts and selected domestic bureaus will be initiated. How many domestic bureaus? Has deployment begun and is it on schedule?

Answer. The planned budget to date is \$51.2 million. SMART is currently within budget, with actual spending of \$49.6 million.

Funds Expended to Date for the State Messaging and Archive
Retrieval Toolset (SMART)

(in U.S. dollars)

	Planned	Actual	Remaining
FY 07	\$38,234,520	\$38,234,520	\$0
FY 08	\$53,692,883	\$11,368,281	\$42,324,602
FY 09	\$36,329,000	\$0	\$36,329,000

SMART will be piloted in three domestic bureaus: one functional bureau, one regional bureau, and the IRM bureau itself.

Deployment of Instant Messaging was completed April 2007, on schedule. Deployment of SharePoint (MOSS 2007), a centrally-hosted collaboration tool, is underway. Pilot I for SMART Messaging (integrating cables, e-mails, and memos)—conducted in Belgrade, Stockholm, and Muscat—was successfully completed January 2008, on schedule.

Pilots II and III, beginning, respectively, in September and December 2008, will constitute the first wave of deployment, as SMART will permanently replace legacy messaging systems at the 12 pilot posts and 3 domestic bureaus. The initiation of worldwide deployment of SMART Messaging will be delayed by six months to satisfy all requirements and ensure system integrity. However, if the pace of the roll out is accelerated, deployment could be completed by September 2009, on schedule.

Question 32. The CBJ indicates that the “network of passport facilities will be expanded to accommodate” new hires. Yet the request of \$40.4 million is \$23.7 million below the FY 2008 estimate. Why is there such a sizable reduction in the request?

Answer. We made reductions to our facilities budget estimates for FY 2008 because of the following:

- Actual costs for renovations to existing spaces, and build-outs for new ones, were 52 percent less than previous estimates;
- Acquisition of leases on new office space for field offices was deferred to FY 2009; and
- Telecommunications costs attributable to the acquisition of new office space were also deferred to FY 2009. Senator Joseph Biden, Jr. (#33)

Question. Two years ago, on January 18, 2006, in your speech on Transformational Diplomacy, you described a repositioning of officers, stating that “over the next few years the United States will begin to shift several hundred of our diplomatic positions to new critical posts for the 21st century. We will begin this year with a down payment of moving 100 positions from Europe and, yes, from here in Washington, D.C., to countries like China and India and Nigeria and Lebanon, where additional staffing will make an essential difference.” Since that speech, through FY 2007, how many positions have been shifted, by region?

Answer. I initiated the Global Repositioning (GRP) process in autumn 2005 as part of my Transformational Diplomacy initiative. Over three rounds of GRP, we have approved the realignment or creation of 201 Foreign Service positions overseas, among six regional areas, by reallocating positions and implementing other management reforms. The Foreign Service Officers who fill these positions conduct transformational diplomacy through public outreach, increased cooperation with military combatant commands, and by establishing a U.S. presence in population centers outside of capitol cities. The regions of East Asia & Pacific (EAP), South Central Asia (SCA), and Near East & Northern Africa (NEA) have been allotted the most new positions, with our missions in India and China receiving the largest staffing increases. We have effectively repositioned one-tenth of all of our political, economic and public diplomacy officers overseas through the GRP process.

The chart below reflects the distribution of all 201 positions as well as the number of overseas positions in each region which were used to offset the creation of the GRP positions.

Distribution of Positions Used to Offset Creation of GRP Positions

Region	Created	Reprogrammed	Net Total
AF	24	6	18
EAP	50	19	31
EUR	21	59	-38
IO	0	2	-2
NEA	32	3	29
SCA	47	5	42
WHA	27	16	11
Subtotal	201	110	91

Question 34. In comparing FY 2006 data to the request in FY 2009 (in the D & CP budget only), the transformation in the geographic bureaus has been relatively modest in all of them except EUR (lost 120 positions) and SCA (gained 133 positions). The shift in other bureaus has been minor or nonexistent (e.g., WHA lost one position in this period, while EAP gained one position). Do you believe the transformation is accomplishing its purpose, and if so, why?

Answer. Global Repositioning (GRP) has been very successful in supporting the Secretary's transformational agenda through the wholesale reprogramming of resources to missions overseas facing high priority policy challenges. Over two years, three phases of GRP have resulted in the effective redistribution of 10 percent of the Department's collective overseas base of Political, Economic, and Public Diplomacy positions. Our missions in China and India were greatly strengthened to manage the pressing transformational problems which we faced in those countries. Beyond that, a significant number of mid and smaller sized missions in virtually all areas of the world, including Indonesia, UAE, Nigeria, and Venezuela, among others, received increases in Foreign Service staffing to address specific transformational challenges that have arisen in the last several years. This was largely accomplished by the reprogramming of resources principally from Washington, DC, as well as from our embassies in Europe.

The FY 2009 budget reflects the implementation of the first two phases of Global Diplomatic Repositioning, as decisions on the third phase were made after the FY 2009 budget went to press. Within the bureau totals there are also shifts between domestic and overseas positions. In addition, the comparison between FY 2009 and FY 2006 reflects the transfer of five posts (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan) from EUR to SCA as part of a regional bureau reorganization.

Question 35. In a press release issued on January 28, 2008, the President objected to Section 1222 of the FY 2008 National Defense Authorization Act (P.L. 110-181), which prohibits the obligation or expenditure of funds to establish "any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Iraq" or to "exercise United States control of the oil resources of Iraq."

This is the first time the President has raised a constitutional objection to the provision, despite the fact that the same provision is found in two prior laws: Section 9012 of the FY 2007 Defense Appropriations Act (P.L. 108-289) and Section 1519 of the FY 2007 Defense Authorization Act (P.L. 109-364).

The basis of the President's objection to Section 1222 is unclear from the statement, which refers to four different provisions in the law to which the President says he has constitutional objections (sections 841, 846, 1079, and 1222). In a Statement of Administration Policy issued in relation to an earlier Senate version of the FY 2008 Defense Authorization Act (S.1547) that included this same provision, a constitutional concern was raised with respect to the provision, but only with regard to the second paragraph, which prohibits the obligation or expenditure of funds to "exercise United States control of the oil resources of Iraq." No objection was raised with respect to the first paragraph, which prohibits the obligation or expenditure of funds to establish "any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Iraq."

Please clarify whether the objection raised with respect to Section 1222 of the 2008 Defense Authorization Act by the President in his statement of January 28,

2008, is related only to Section 1222(2), or if the objection is relevant to Section 1222(1). In addition, please explain in detail the Executive Branch's constitutional concern with respect to either or both paragraphs of Section 1222, as appropriate.

Answer. The United States is not seeking to establish or maintain permanent bases in Iraq. With respect to your specific question, the objection in question was addressed to Section 1222(2). As Attorney General Mukasey explained in a November 13, 2007 letter to Chairman Levin concerning the House and Senate versions of the National Defense Authorization Act for Fiscal Year 2008, section 1222(2) of the Act raises a constitutional concern to the extent that it purports to prohibit U.S. control over oil resources in Iraq in connection with U.S. combat operations. More specifically, the provision "may impermissibly interfere with the President's constitutional authority as Commander in Chief to conduct and direct military operations in Iraq, because in combat operations, taking temporary control over a particular oil resource might be a tactical necessity."

QUESTIONS SUBMITTED BY SENATOR LUGAR

Question 1. I note that the Department's vacancy rate for its positions exceeds 18% for our missions overseas and exceeds 11% for positions in Washington. How far will your request, assuming it is filled in total this year, go towards correcting such a situation? How many of these positions will be security personnel for Baghdad to address the recent difficulties with contract security firms? If none, where will those positions, and how many, be funded from?

Answer. NOTE: In the question above, the Department's domestic and overseas vacancy rates have been reversed. As of January 2008, the Department's overseas vacancy rate is around 11 percent and domestic vacancy rate is around 18 percent for a total of 13 percent overall.

If approved and fully funded by Congress, the Department's FY 2009 request for 1543 new positions (1095 from State Operations Appropriations and 448 fee funded positions under the Border Security Program) would significantly reduce the Department's overall vacancy rate. With the 300 new positions requested for language training, for example, the Department's overseas vacancy rate could be cut in half to approximately 6 percent. The overseas vacancies are the most important positions for the Department to fill at this time.

The 300 language training positions would allow us to backfill overseas and domestic positions that are currently left vacant while Foreign Service officers take needed foreign language training. A March 2007 study of the Department's training and personnel needs conducted by the State Department's Office of Resource Management and Analysis (HR/RMA) showed that around 240 new positions were required at that time to cover the number of personnel allocated to foreign language training slots without creating vacancies elsewhere. Since the 2007 study, the number of language designated positions has increased even further, including positions requiring "superhard" languages, such as Arabic and Chinese, which generally require two years of training to reach a level of general professional proficiency.

Many of the other new position requests in the FY 2009 budget would support important Department initiatives, such as the Civilian Stabilization Initiative, but would not reduce the current vacancy rate. These requests include 351 positions for the Civilian Stabilization Initiative, 20 new Public Diplomacy positions, 75 positions to increase the number of State personnel who can attend military training institutions, 75 positions to support increased interagency exchanges and details, 200 positions for Worldwide Security Protection, 50 new positions to serve as Political Advisors to military commands, 19 positions for Educational and Cultural Affairs program increases, and five positions for Embassy Security, Construction and Maintenance. The 448 fee-funded positions under the Border Security Program will meet increasing requirements for visa and passport adjudicators and fraud investigations.

The Department authorized a permanent increase in Baghdad staffing consistent with the staffing recommendations of the Secretary of State's Panel on Personal Protective Services in Iraq. This increased staffing includes 88 Special Agents and 13 contract positions overseas to implement both the Panel's recommendations and the December 2007 MOA with the Department of Defense. The additional personnel will provide staffing for contract oversight, a joint DoS/DoD investigative response unit, and other administrative positions.

Unbudgeted Costs of the Falling Dollar

Question 2. The falling value of the dollar continues to put enormous pressure on the Department's budget, much of which must be paid in foreign currencies including the Pound, Euro and Yen. This resulted in costs of some \$38 million in FY 08, money that was paid out of its overall budget.

Was any funding budgeted in FY 2009 to cover such likely costs given the continued devaluation of the dollar?

What figure is the Department using for FY 2009 for anticipated exchange rate losses?

Answer. Our FY 2009 budget request incorporates exchange rate assumptions as of December 2007. It does not factor in exchange rate losses that will be incurred if the dollar continues to weaken over the coming year. Aside from the uncertainty of predicting exchange rates 12-18 months in advance, releasing such a prediction could be misinterpreted by some observers as an official U.S. government forecast or policy.

We are aware that some independent economic forecasters predict that the dollar's six-year slide is likely to continue. For example, according to the Global Insight forecasting firm, the dollar may decline another 8% vs. the euro over the next 12 months.

Exchange rate losses cost the Department nearly \$83 million in FY 07 purchasing power and perhaps may cost twice that amount in FY 08. Such losses would overwhelm our limited tools to absorb exchange rate fluctuations. Prior to FY 2004, exchange rate losses were offset by the Buying Power Maintenance Account (BPMA), at the account had over \$16 million at the beginning of FY 2003. During FY 2003 and FY 2004, exchange rate fluctuations resulted in the total depletion of the account. In the absence of appropriated funding to replenish the BPMA, the Department is seeking legislation that would allow the Department to utilize expired funds to more quickly replenish this fund. Greater flexibility to sweep unobligated expired balances from D&CP and related accounts could significantly enhance our ability to replenish the BPMA up to its \$100 million ceiling.

PEPFAR

Question 3. (a) This Congress worked hard to increase funding core health programs, especially in the areas of maternal and child health in FY 08. I was dismayed to see that the FY 09 budget request for the Child Survival and Health Fund faced a decrease of 14 percent from the FY 08 enacted level and a decrease of 9 percent from the FY 07 enacted level.

(b) Can you explain where the cuts occurred and why?

Answer. (a) The President's Child Survival and Health (CSH) budget request for FY 2009 is \$1.58 billion, a slight increase from the FY 2008 request of \$1.56 billion. It represents a 14 percent reduction from the FY 2008 estimated level of \$1.83 billion.

Within a constrained budget, the CSH level still represents about 30 percent of all program funds appropriated to USAID—making it USAID's largest single sectoral program. The USG clearly remains the largest donor for health assistance and retains its leadership status in this sector.

(b) The requested levels for FY 2009 were equal to or higher than the requested levels in FY 2008 for all CSH elements except Avian Influenza and Malaria. A lower request for Avian Influenza (AI) funding in FY 2009 was enabled by building stockpiles of commodities to combat AI. Funds requested for Malaria in FY 2009 are above the FY 2008 estimate (by \$28 million) to restore funding to the level requested in FY 2008 and ensure meeting the goals of the Presidential Malaria Initiative.

Severe funding constraints led to difficult choices on how to address health assistance. The FY 2009 request is less than the FY 2008 estimate for Family Planning and Reproductive Health (by \$90 million), Maternal and Child Health (by \$77 million), Avian Influenza (by \$65 million), Tuberculosis (by \$57 million), HIV/AIDS (by \$5 million), and Vulnerable Children (by \$5 million).

Question 4. The FY 09 budget request for the Global HIV/AIDS Initiative account includes a line item request for "partnership compacts."

Can you elaborate further on what this assistance will be used for? Are you planning on moving towards the compact approach for FY 09?

Answer. We plan to move forward on Partnership Compacts in FY 09. Reflecting the paradigm shift from a 'donor-recipient' relationship to one of partnership embodied by PEPFAR, the U.S. Government will work with host governments to de-

velop Partnership Compacts based on mutual trust and respect with obligations and responsibilities for all partners. Compacts will be pursued with countries with significant HIV/AIDS burdens in which the U.S. Government has a well established on-the-ground presence and where U.S. Government resources would play a substantial role and have a comparative advantage in the fight against HIV/AIDS.

A country's progress on financial or policy parameters will not be a pre-condition for developing a Compact, and continued efforts in countries currently receiving resources will not be conditioned on Compacts. Rather, Compacts will serve as a framework for moving forward together to save as many lives as possible with the resources that are available. Compacts will be structured to promote deeper integration of HIV/AIDS services into health systems, seeking to promote sustainability by ensuring that HIV/AIDS programs build capacity and benefit health systems overall.

Additional PEPFAR resources under Compacts will not necessarily be provided through governments, but will be provided in support of multi-sectoral national HIV/AIDS plans. Compacts must be tailored to local circumstances, so their development will be led by U.S. Government personnel in-country, who have relationships with key government counterparts. Compacts are anticipated in both PEPFAR's current focus countries and in additional countries, and will link new U.S. Government resources to host country commitments in two key areas:

1. Financial commitment

Resources differ dramatically from country to country, based on each nation's level of development. Almost every nation severely affected by HIV/AIDS can do more. For example, in the 2005 Abuja Declaration, African governments committed themselves to devote at least 15% of their budgets to health; only a few have reached this level. Several current focus countries have significant resource allocations to HIV/AIDS, yet nearly all can do more. In some countries, "more" can be measured in hundreds of thousands of dollars, in others millions, tens of millions or more. It is important that resources for HIV/AIDS do not offset other health or development areas, and this will be reflected in the Compacts.

2. Policy commitment

Policy changes can create an environment conducive to an effective health and HIV/AIDS response, ensuring that available resources are optimally used to save as many lives as possible. While agreements would vary from one country to another, key issues addressed might include:

- Workforce: Regulations and policies that allow effective task-shifting for health care workers.
- Gender: Regulations and policies to limit gender-based violence and discrimination, prevent transgenerational sex, and protect women's inheritance rights.
- Orphans: Regulations and policies to protect the inheritance rights of children.
- HIV-specific: Regulations and policies that promote opt-out counseling and testing, pediatric diagnosis, rapid, tariff-free regulatory procedures for drugs and commodities, and full inclusion of people living with HIV/AIDS in a multi-sectoral national response.

Question 5. The FY 09 Budget requests \$30 billion for PEPFAR over the next five years. There are many legislators and interested parties advocating for the US commitment to increase to \$50-60 Billion over the five years.

What affect would that large of an increase have on existing development assistance allocations?

Answer. On May 30, 2007, President Bush announced his intention to work with U.S. Congress to reauthorize the Emergency Plan. He proposed a five-year, \$30 billion extension that would double the United States' initial \$15 billion commitment. Under the proposal, PEPFAR would support treatment for 2.5 million people, prevention of 12 million new infections, and care for 12 million people infected and affected by HIV/AIDS, including 5 million orphans and vulnerable children.

As you note, some members of Congress have advocated that the reauthorizing legislation for PEPFAR commit \$50-60 billion in funding in the next phase. We are sympathetic to the generous intentions behind such commitments, but are cautious that the proposals must encompass a comprehensive view of U.S. development assistance that would not require either an unrealistic increase in foreign assistance funding or significant cuts to other valuable programs. We look forward to working with the appropriators to further analyze the authorization and verify program need.

Energy

Question 6. On December 19, 2007, President Bush signed into law the Energy Independence and Security Act. This law contained several international energy provisions affecting U.S. foreign policy, State Department organization, and requires reporting on U.S. international energy diplomatic activities.

What is the State Department's plan for implementing the International Energy Coordinator position? How much funding is required for the office? How much staff support is to be allocated to the Coordinator?

Answer. We expect to announce the International Energy Coordinator in the very near future. The position will be staffed and funded via restructuring/reallocation of existing resources. This is a high priority for the Department of State and will result in increased attention to energy issues.

Note: On March 11, 2008, Under Secretary for Economic, Energy and Agricultural Affairs, Ruben Jeffery III, was designated by Secretary Rice Coordinator for International Energy Affairs.

Question 7. Secretary Rice testified to the Senate Foreign Relations Committee on February 13, 2008, that a special envoy for energy security for the Caspian region and East-West Corridor initiative would be appointed. What is the timeline for such a person to be appointed? To whom will the envoy report?

Answer. We intend to appoint, and we are looking for, a special energy coordinator, who could especially spend time on the Central Asian and Caspian region. This effort is ongoing. We anticipate that the envoy most likely will report to the Secretary through the Coordinator for International Energy. We also have a strong team of senior and mid-level officers who give special emphasis to energy issues in Central Asia and the Caspian region, as well as to broader European energy security issues.

Question 8. What progress has been made on formulating policies to advance energy cooperation with the Government of Chile? Are there specific sectoral areas of interest? (Biofuels, hydraulic, cellulosic, gas, nuclear, solar, etc).

Answer. We have created a four-tiered action plan to deepen our bilateral engagement with Chile on energy. The four main categories of our cooperation are:

1. Renewable Energy: Biofuels, Geothermal, Wind, and Solar
2. Nuclear Power for Electricity Generation
3. Energy Policy
4. Energy Efficiency

Last year, working with the Department of Energy's and business and science organizations, the U.S. Trade and Development Agency sponsored a visit of Chileans to study geothermal energy in the United States. From September 30 to October 6, 2007, a dozen Chilean government, private sector, and academic experts met with U.S. industry and government experts to explore the potential for cooperation on geothermal energy development.

From April 7-11, a team of eight Chilean government officials who play important roles in determining Chile's national policies on energy issues, including those related to nuclear power and national security, will visit U.S. nuclear facilities and regulators as part of the Voluntary Visitors program organized by the Department of State. The costs of this program will be shared by the USG and the Government of Chile and the delegation will be led by the Chilean Minister of Energy Marcelo Tokman. The group will have meetings with senior officials at the Department of State, Department of Energy, NRC, EPA, FEMA, the U.S. Congress, and representatives of the private sector and of non-governmental organizations active on nuclear energy issues. There are also plans for the group to visit a nuclear reactor and to explore emergency management issues at the local level.

In addition, U.S. Ambassador to Chile Paul Simons and Chilean Ambassador to the U.S. Mariano Fernandez traveled to California on February 14 and 15, 2008. They identified partnership opportunities with the California Energy Commission, California Air Resources Board, University of California at Davis, and private sector organizations. The Economics, Energy and Business Bureau has also sent a science fellow to Embassy Santiago who will further energy cooperation with Chile.

Using U.S. funds at the Organization of American States, the OAS will organize a Southern Cone renewable energy conference to be held this spring in Santiago, which will bring policy and technology experts to provide specific energy recommendations to accelerate the deployment of renewable energy technologies.

The Department of State is also assisting with implementing and funding an extensive new academic exchange program with Chile that will enable Chilean students to pursue advanced graduate study in the United States, and some of these grantees are expected to be enrolled in Ph.D. programs concentrating on energy issues.

Question 9. What, if any, steps are being taken to increase communication on international energy policy formulation and coordination in implementing international energy diplomatic activities with the Department of Energy and other executive agencies?

Answer. The Department of State continues to coordinate broadly with the Department of Energy and other departments on energy policy. State and DOE work closely together in bilateral dialogues with key energy producers. These include the Energy Working Group with Saudi Arabia, the Energy Consultative Mechanism with Canada, and the North America Energy Working Group, part of the Security and Prosperity Partnership with Mexico and Canada. The State Department works very closely with DOE in our extensive energy engagement with China and India.

We exchange information and coordinate with DOE on Caspian energy developments. Leaders from both Departments have traveled together to key Caspian countries to promote our energy security goals of diversification of sources of supply and transportation routes for oil and gas. Furthermore, a regular interagency mechanism has been launched involving NSC and State leadership to coordinate interagency work on Eurasian energy topics.

We coordinate closely with DOE in multilateral fora, including the Five Party Energy Ministerial (China, India, Japan, South Korea, USA), APEC, and the G8. Both the Department of State and DOE are on the Board of the International Energy Agency (IEA) and jointly develop U.S. Government positions in the IEA.

The Department of State has asked the Department of Energy to be part of the Management Committee of the U.S.-Brazil Memorandum of Understanding on Biofuels Cooperation. The Department of State and the Department of Energy are also working closely together on the Global Critical Energy Infrastructure Security strategy.

Question 10. (a) How much funding is required to implement the Global Critical Energy Infrastructure Security Program?

(b) How much staff support is allocated to this project?

Answer. (a) Global Critical Energy Infrastructure Protection is a key U.S. priority, and the Department has been working both bilaterally and multilaterally on efforts to address it. With our G-8 partners, in APEC, and in the OAS, the U.S. is leading initiatives to promote greater recognition of the threat and propose programs to address it. Similarly, with U.S. encouragement, NATO is considering an initiative to monitor and assess energy developments that are linked to regional instabilities or terrorist threats.

The U.S. is also working aggressively to address Critical Global Energy Infrastructure protection on a bilateral basis. The Department is working with experts from across the interagency to help key partners improve security measures at key installations and improve their own internal capabilities to protect these facilities. While the U.S. is aiding these efforts by providing expertise, no State Department funds have been requested specifically for this initiative. Most of the countries with whom we are dealing have their own assets, and we anticipate that they will be both able and willing to cover the full costs of developing and implementing recommended security improvements.

(b) At the moment, two individuals have been assigned to work full time on this project in the Office of the Coordinator for Counterterrorism. As has been the case previously in this initiative, however, the Department has identified individuals in other agencies and other bureaus of the Department with subject matter expertise and utilized their skills in this project on an "as needed" basis.

Question 11. Funding for the Multilateral Donor's Fund for the Extractive Industries Transparency Initiative was authorized in legislation signed by the President in December 2007. What is the State Department's policy on contributing to the Fund?

Answer. We support EITI, participate actively on the EITI board and assist with EITI implementation directly through our embassies. Our financial support to date has been:

- FY 06—\$990,000 in total funds (\$1 million before rescissions) to support civil society participation in EITI implementation, administered by USAID

- Peru—\$445,000 for catalyzing EITI planning and stronger civil society participation in EITI
- Nigeria—\$445,000 to expand civil society oversight of EITI
- Democratic Republic of Congo (DRC)—\$100,000 to expand civil society and private sector engagement in EITI
- FY 07—\$1 million to support civil society participation in EITI implementation. USAID is currently determining the recipient countries.
- FY 08—The FY 08 funding estimate is \$3 million. The Foreign Operations Conference Report directs that no less than this amount be provided to the EITI multi-donor trust fund at the World Bank; however, the final determinations on the amount and destination of the money are subject to 653(a) negotiations on FY 08 allocations.

Clean Technology Fund

Question 12. What other mechanisms are available to the U.S. to fund clean technology? For example, what is available through the International Finance Corporation, the Global Environment Facility, OPIC, Ex-Im Bank, USAID, Environmental Protection Agency, the Energy Department, the Trade and Development Agency, etc.?

Answer. The Multilateral Development Banks (MDBs) are all active in financing clean technology projects in developing countries and are expanding their support for low carbon investments. For example, the World Bank Group provided \$1.4 billion in financing for low carbon energy projects in 2007. In addition, the Global Environment Facility has played an important role in leveraging MDB funds to help developing countries remove policy, institutional, and other barriers to the uptake of cleaner energy technologies.

The Clean Technology Fund would focus on scaling up the deployment of existing commercially available technologies in a smaller number of developing countries with significant emissions that are committed to mitigating greenhouse gas emissions. The CTF would help to finance the cost difference between more expensive clean technologies and cheaper dirty technologies. The CTF would leverage the existing capital of the multilateral development banks to substantially increase the level of their funding of clean technology-related activities. The CTF would also leverage substantial private sector investment in clean technologies through the private sector arms of the MDBs.

Bilateral agencies, such as OPIC and Ex-Im Bank are expanding their support for clean technology, in particular renewable energy projects, and could be co-financiers in CTF investments.

Question 13. In December 2007, President Bush signed into law creation of a Clean Energy Foundation with similar purposes to the Clean Technology Fund. What is the justification for two new programs with essentially the same goals? How would their work be complementary?

Answer. The CTF would be a multilateral fund targeted at transforming key sectors of major emitting developing countries to lower carbon trajectories by deploying clean technologies on a large scale and rewarding appropriate policy reform in recipient countries. By pooling resources from countries such as the UK and Japan, and drawing upon the existing MDB capital base, the MDBs' ongoing policy dialogue with developing countries and the technical expertise of these institutions, the CTF will develop the scale needed to positively affect policy reform and public and private investment decisions.

The Clean Energy Foundation would promote the deployment of U.S. clean technology overseas. We expect that both activities, if funded, could provide synergies to achieve a common goal of lowering greenhouse gas emissions.

Question 14. How will the Clean Technology Fund work? Who will provide staff? Will they be seconded or will their salaries be paid out of the Fund? Where will the Fund be housed? How much will be charged for overhead? How will funding decisions be made? Will there be a matching grant component so that recipient countries contribute some portion of the grant as well?

Answer. The CTF would be a multilateral trust fund administered by the World Bank, as Trustee, but controlled by a trust fund committee composed of donors with the participation of recipient countries. The fund would provide grants and concessional financing to support national policies and efforts to create better market conditions for the uptake of clean technologies, and to help finance the cost difference between clean and dirty technologies in select developing countries. The public and private sector windows of the World Bank and regional development

banks would submit requests for CTF funding to the trust fund committee. The MDBs and their staff would work with public and private investors to finance individual projects. By working through the MDBs, including their private sector-lending windows, the CTF would be able to leverage significant existing public and private sector financing to scale up deployment of clean technologies in major developing countries.

The CTF's trust fund committee would review and approve country programs and projects generated through a cooperative process between the MDBs and the recipient countries based on these countries' low carbon economic development strategies. Once CTF funding is approved, the MDB implementing the project would follow its normal project approval, implementation and safeguard procedures, and provide periodic reporting on the status of use of Fund resources back to the World Bank for consolidation into reports for the trust fund committee.

The World Bank would charge the CTF for the actual costs of administering the Fund, and there will not be a fixed administrative fee. A small administrative unit would be created in the World Bank to coordinate the functions of the CTF, organize meetings and prepare needed reports. The costs of the unit as well as other administrative functions provided by the World Bank (e.g. accounting/audit) would be charged to the Fund. The CTF would not have its own staff for project development because MDB staff would develop projects for CTF support as part of their normal project development process. To receive funding, we think that recipient countries should take a variety of actions to demonstrate their national commitment to reducing greenhouse gas emissions, and co-financing is one of those possible actions.

Question 15. How will the Clean Technology Fund work in conjunction with the Asia-Pacific Partnership?

Answer. Many of the countries and sectors being supported through the APP are also priorities for the CTF. Projects developed for the CTF would benefit from sectoral and project development work of APP subgroups and project financing and technical assistance relationships, such as those with the Asian Development Bank.

Question 16. Is establishment of the Clean Technology Fund an act in fulfillment of the United States' obligations under the United Nations Framework Convention on Climate Change?

Answer. There is no U.S. obligation under the UNFCCC to set up the kind of fund, or level of funding, that we have proposed. Having said that, the Clean Technology Fund is one of a number of mechanisms that will serve to implement general obligations under the UNFCCC to promote technology transfer. By assisting major developing countries in implementing low carbon growth strategies, the CTF will contribute to the achievement of the ultimate objective of the UNFCCC to stabilize atmospheric concentrations of greenhouse gases.

Question 17. Why is the Administration proposing to start a new Clean Technology Fund rather than clear U.S. arrears (unfulfilled commitments) to the Global Environment Facility for \$170.6 million and to the International Development Association for \$377.9 million?

Answer. Energy security and climate change are important priorities for the Administration. Therefore, in September 2007, President Bush proposed a major multilateral initiative to create a new international clean technology fund to help developing countries harness the power of clean energy technologies and address the growing problem of accelerating greenhouse gas emissions in major developing countries. The Administration is working with donors and developing countries to create a fund, to be launched in 2008, that will catalyze resources of the multilateral development banks and the private sector to create innovative financing instruments to spur clean technology investments in the major emitting developing countries.

The Administration has tried to keep its FY 2009 budget request to a responsible, prudent level consistent with the President's overall emphasis on budget discipline. Unfortunately, the Congress did not fund our request for arrears last year—in fact, arrears increased overall—and we hope this year's request is more in line with Congress's expectations and funding intentions. That said, it is even more imperative that Congress fully fund the FY 2009 request of \$1.671 billion for the multilateral development banks so as not to further increase our arrears and worsen our credibility in the institutions and among fellow donors.

Question 18. What is the reasoning for the size of the Clean Technology Fund request at \$400 million?

Answer. The World Bank estimates that there is a \$30 billion annual gap between the cost of deploying clean technology versus dirtier technology in the power sector alone in developing countries. This fund would help leverage public and private cap-

ital to reduce the cost of investing in cleaner technology or energy efficiency in power, transport, and other sectors so that developing countries are able to close that gap. The goal is for the CTF to have a meaningful impact in incentivizing key high emissions developing countries to substantially reduce their emissions trajectories.

The Administration is seeking authorization for a \$2 billion contribution to a multilateral effort that would total up to \$10 billion. \$400 million is the proposed first year amount of a three year contribution.

Question 19. Does the Administration intend to send authorizing or other legislation for Clean Technology Fund activities for Congressional consideration? If so, when will that legislation be sent to Congress?

Answer. Yes. The Administration intends to send to Congress authorizing legislation for the Clean Technology Fund in March.

Question 20. What type of reporting will the Administration provide on the activities of the Clean Technology Fund?

Answer. The World Bank, as trustee for the multilateral CTF, would generate reports on the activities of the Fund, and the finances of the Fund will be audited in conjunction with the World Bank annual financial audit. These reports would follow World Bank standards and procedures and be made publicly available.

Question 21. Will the Treasury Inspector General have investigation authorities over the Clean Technology Fund? If not, what part of the U.S. Government will have the authority to investigate any fraud and misuse of the Clean Technology Fund?

Answer. The Treasury IG does not audit U.S. contributions to the World Bank. The MDBs' internal and external personnel and auditors would conduct oversight of funds contributed to the Clean Technology Fund, and investigate any alleged fraud or misuse. The GAO could conduct reviews relating to specific issues of concern as they do on other MDB issues.

Question 22. If the Clean Technology Fund is housed at the World Bank, would it be legal and appropriate to allow Fund proceeds to be given to China given that the U.S. is legislatively mandated not to support World Bank loans to China due to military audit and human rights concerns?

Answer. The United States would participate in the CTF in a manner consistent with U.S. law. Currently, under certain legislative mandates, the United States does not vote in favor of loans or other assistance to China in the MDBs unless the loans or assistance support basic human needs.

Treasury plans to continue to consult closely with Members and staff on how to address the existing legislative restrictions that relate to U.S. support for clean technology projects in certain countries. The United States has a strong interest in promoting the adoption of clean technology and reducing green house gas emissions from developing countries, including China, in an environmentally effective and economically efficient manner, given the direct global benefits of such an outcome and the fact that the poor are disproportionately vulnerable to the negative effects of global climate change and environmental degradation.

Question 23. How do we explain to constituents who might argue that China has enough funds of its own, as demonstrated by their Sovereign Wealth Fund, to fund clean technology investments in their own country. What is your response to this assertion?

Answer. This fund is aimed at the broader issue of rapid growth in greenhouse gas emissions by developing countries. Its purpose is to create positive incentives to put in place legal and regulatory frameworks to encourage the deployment of low carbon technologies and to help reduce the risk to public and private investors of committing to new clean technology projects.

By 2030, global demand for energy will increase by 55%, of which 74% will come from developing countries. Meeting developing country energy needs will require an estimated \$10 trillion of investment in energy supply infrastructure over the next two decades. Using old, dirty technologies to meet these needs would massively increase global greenhouse gas emissions and offset reductions made in the United States and other developed countries. It is in the U.S. interest to encourage major developing countries to act now to begin reducing their emissions growth.

No country would have a guarantee of funding from the CTF. The CTF would have selection criteria where interested countries will have to demonstrate a strong commitment to national action to reduce greenhouse gas emissions. China would only be eligible for funding if it were to meet the fund's eligibility requirements. In

addition, the CTF would have a limit on the share of CTF financing that any one country may receive. Donors are currently considering a country limit of 15-20 percent.

Given China's capacity to finance its own development and the scale of its needs, we expect that the Chinese Government and Chinese private sector would bear the preponderant share of financing costs and obligations needed for energy investments. Any CTF funding in China would play a catalytic role and seek to leverage these and other funds.

Multilateral Development Banks (MDBs)

Question 24. Why did the administration only request \$42 million to clear the U.S. arrears to the international financial institutions when the total of U.S. arrears to the institutions is \$872.3 million as of end-FY2008?

Answer. The Treasury Department tried to keep their request to a responsible, prudent level consistent with the President's overall emphasis on budget discipline. Unfortunately, the Congress did not fund the request for arrears last year—in fact arrears increased overall—and we hope this year's request is more in line with Congress' expectations and funding intentions. That said, it is even more imperative that Congress fully fund the FY 2009 request of \$1.671 billion for the MDBs so as not to further increase our arrears and worsen our credibility in the institutions and among fellow donors.

Question 25. How do continued U.S. arrears impact U.S. influence at the multilateral development banks?

Answer. Rising arrears jeopardize U.S. credibility and underscore the growing international perception that the United States does not fulfill its international commitments. Our arrears to the International Development Association (IDA), the World Bank's concessional window, threaten our ability to meet U.S. debt relief commitments to the World Bank. Arrears also undermine our ability to advance key reforms on which the United States is the most forceful advocate—continued progress on the anti-corruption agenda, improved results of assistance programs, and increased transparency and accountability of World Bank operations. Finally, our arrears demonstrate a lack of commitment to the capital base of the institutions, which is leading to our shares being auctioned off to other countries.

Civilian Stability Initiative

Question 26. Explain the interagency process that took place in developing the Civilian Stabilization Initiative. Provide a breakdown of the individual agencies and their equities in this coordinated effort to respond to the demand for civilian skills in the field.

Answer. The Civilian Stabilization Initiative (CSI) is the culmination of two years of work by more than 15 agencies, including State, DOD and USAID, with extraordinary additional support from the academic community and members of Congress, to determine the full civilian capacity needs of the U.S. Government to respond to the stabilization challenges that we face and will continue to face over the next decade. Out of this interagency collaboration, the Interagency Management System (IMS) for Reconstruction and Stabilization was developed and approved by the Administration.

With agreement of the CSI and IMS in place, S/CRS joined with USAID, multiple State Department offices, and the Departments of Justice, Commerce, Agriculture, Treasury, HHS, and DHS, to form an Interagency Task Force to finalize the design of the Active, Standby and Civilian Reserve components. All eight agencies involved in the taskforce will develop Active Response Corps members and field Standby Response Corps members. Each of the agencies will also act as "proponents" for categories of Civilian Reserve Corps members according to the agencies' specialization, for example: USAID is the proponent for specific governance, public administration, and infrastructure positions, while Treasury is the proponent for the fiscal, monetary, and tax policy and banking systems positions.

Question 27. If such coordination was available in 2001, what impact might it have had on U.S. forces deployment and effectiveness? Do you have any estimates of the potential savings such civilian preparation might afford the U.S. government?

Answer. The Civilian Stabilization Initiative is designed to provide trained and equipped civilians with the right skill sets to deploy quickly in a stabilization operation. The Interagency Management System, the command and control structure for civilian operations, will improve greatly the efficiency of these operations and should save lives and money.

That said, it is difficult to estimate the potential savings that civilian capability might afford the U.S. Government because it has not yet been implemented on a broad scale. However, in testimony before the House Armed Services Committee in January, Carlos Pascual of the Brookings Institute estimated that if we had a civilian capacity in Iraq that allowed us to withdraw one division one month early, we would have saved \$1.2 billion.

Question 28. What are the key first steps that such a civilian response capacity would have to take to make the best use of the critical first days of a crisis?

Answer. S/CRS would convene a CRSG (Country Reconstruction and Stabilization Group) with the NSC, the State Department geographic bureau, and with policy levels at USAID, DOD and other federal agencies likely to be involved in a response to determine an initial course of action and to task immediate information collection and response assessment. A CRSG secretariat would be established to join up civilian and military planning, consult with the U.S. embassy in country (if any), dispatch a coordination group, or Integrated Planning Cell (IPC), to the relevant military combatant command, and deploy an Advanced Civilian Team (ACT) of highly trained experts to the country in crisis.

S/CRS and the CRSG secretariat would be responsible for calling up the civilian response from all the agencies participating in the CSI. The first responders would, for the most part, come from the inter-agency Active Response Corps (ARC). S/CRS would also activate the interagency Stand-by Response Corps (SRC) and thereby identify and make available a wider pool of government employees with relevant skills.

The Civilian Reserve Corps (CRC) Home Office, a part of S/CRS, would review critical civilian skills needed to support the request and begin identifying possible CRC members to alert for federal activation.

The initial ARC teams could be on the ground at the site of an overseas crisis 48 hours after the decision to deploy them, and begin the response effort in coordination with the existing U.S. mission in country (if any) and any other crisis response teams (such as USAID's DART) that might be there. This civilian response would partner, as necessary and advisable, with any U.S. military assets deployed to the crisis (for instance, a Joint Task Force), and/or with partners or international organizations that might also be part of a broader international response.

Question 29. Describe the Coordinator's role and position with respect to his ability to coordinate among the most senior officials at fellow agencies? How will you support the Coordinator in this responsibility?

Answer. Under National Security Presidential Directive 44, the Secretary of State is charged with leading and coordinating integrated United States Government efforts to prepare, plan for, and conduct stabilization and reconstruction activities. I have instructed the Coordinator for Reconstruction and Stabilization, Ambassador John Herbst, to act on my behalf in fulfilling this directive.

The role of the State Department in this context is one of leadership and coordination, not directive authority. However, the Coordinator has very effectively led an interagency effort to prepare and plan for such activities. The Coordinator reports directly to me and has my full support in this effort.

Question 30. Please describe the Defense Authorization Section 1207 funding. How would you and the Coordinator utilize such funding? How would you be able to prevent its premature use for other purposes as was apparently the case when State sought funding to respond to the Lebanon crisis in 2006 and only some \$17 million remained from the original \$100 million authorized? Please provide a breakdown of the amounts and uses of Section 1207 funding by year since its inception.

Answer. Section 1207 of the FY 06 National Defense Authorization Act authorized the Secretary of Defense to transfer to the Department of State up to \$100 million in both FY 06 and FY 07 to improve U.S. capacity and interagency coordination for immediate reconstruction, security or stabilization assistance to a foreign country. Section 1210 of the FY 08 National Defense Authorization Act extended the authorization for \$100 million through FY 08.

S/CRS used FY 06 and FY 07 funds for projects in eight countries where security, stabilization and reconstruction issues overlap. The first one of these projects, and the only expenditure under 1207 in FY 06, was \$10 million for assistance to Lebanon in August 2006. The Lebanese Internal Security forces received \$5 million and \$5 million was used for demining activities. Because this project also occurred at the end of the fiscal year, there was not sufficient time to use all available 1207 funding for 2006.

In FY 07, an interagency Technical Working Group (TWG) composed of S/CRS, the Office of the Secretary of Defense, the Joint Chiefs of Staff, and the Office of

the Director of U.S. Foreign Assistance (F) was formed to ensure a more cohesive decision-making process and to evaluate and fund projects throughout the year.

In FY 07, a total of \$99.7 million, or virtually the entire amount of the authority, was funded for activities in Haiti (\$20m), Somalia (\$25m), Nepal (\$10m), Colombia (\$4m), Yemen (\$8.845m), the Trans Sahara Counterterrorism Program (\$15m for Mauritania, Mali and Niger), and the East Asia Tri-Border Initiative (\$16.9m for Malaysia, Indonesia and the Philippines). These funds are being used for activities ranging from police training to public diplomacy, civil society support and employment generation.

AFRICOM

Political Advisors

Question 31. The FY 2009 budget request includes 50 additional FTE positions for "Political Advisors." State has indicated that these are intended to meet the demand for new Combatant Command positions.

a. To whom will they belong organizationally and through what chain of command will they be responsible? Who will pay their salaries when attached to a COCOM?

Answer. Foreign Policy Advisors (POLADs) are State Department officers detailed to the command in which they are serving. Their salaries will be paid by the Department of State. The command pays for travel expenses associated with their duties at the command.

Question b. Will these State Department and other civilian agency personnel be responsive to their respective Congressional Committees of Oversight?

Answer. Yes

Question c. Will the State Department and USAID IG offices participate in review of the COCOM activities insofar as they fall within U.S. foreign policy parameters such as humanitarian or development assistance, security cooperation etc.?

Answer. The Department of State Office of Inspector General (OIG) regularly reviews coordination between Chiefs of Mission and the respective combatant commands (COCOM) when inspecting U.S. embassies. OIG will solicit input from DOS Political Advisors (POLADs) who are assigned to COCOMs on areas such as the adequacy of political or economic advocacy and reporting in specific missions, and extent and effectiveness of COM coordination with all DoD elements with programs or interests in the country. OIG considers entering into, as circumstances and resources allow, joint reviews with other OIGs, e.g., USAID OIG and DoD OIG, on implementation of humanitarian and development assistance, security cooperation, etc.

Question d. What authority will these personnel have to use or direct the use of State Department or USAID funding?

Answer. None.

Question e. What specific training with these personnel receive that differs from other State Department personnel?

Answer. POLADs attend an Orientation course organized by the Bureau of Political-Military Affairs at the Foreign Service Institute as they assume their assignments. They are also encouraged to take the Foreign Service Institute's Political-Military Course. Other training is available based on the officer's experience and the position they will take.

Question f. AFRICOM stand-up personnel have briefed staff that their intent is to seek 150 or more non-DoD civilian personnel? How many have they requested to date from State and USAID? How many have been provided from State and USAID or are intended to be provided by State and USAID? Please provide a list of the position or roles that will be filled at the COCOM.

Answer. Our discussions with the Department of Defense over a period of months have focused on different numbers of State Department and/or USAID detailees to AFRICOM. Currently, State and USAID have filled or are planning to fill six positions at AFRICOM. The State Department has detailed personnel for the positions of Deputy to the Commander for Civil-Military Activities and of Foreign Policy to the Commander (POLAD), and a USAID employee is in the Senior Development Advisor position. In addition, USAID plans to detail one of its personnel to serve as the Chief of

Humanitarian Assistance at AFRICOM, and State and USAID anticipate making nominations for two more positions in the near future: Chief of Outreach and Director of Programs. We have not received any additional requests from DoD to fill posi-

tions at AFRICOM. We are prepared to consider any future requests, taking into account our own staffing requirements and available funding.

Question g. Are any other agencies making similar personnel requests for the purpose of manning the new model of COCOM? Is the Department of Energy providing personnel?

Answer. We suggest that you may wish to contact the Department of Defense on this point. According to what we have heard from DoD, the Environmental Protection Agency and the Departments of Energy, Treasury, Education, and Homeland Security have provided nominees for the positions of either the Chief of Outreach and/or the Director or Programs. We understand that a Department of Commerce nominee has been selected for the position of Deputy Director for Resources.

Budget

The DoD budget request for FY 2009 includes \$389 million "to establish a new command" known as AFRICOM.

Question 32a. What if any funding is requested for FY 2009 in the 150 or 050 account for the planning, preparation or construction of a military headquarters in Africa in FY 2009 or thereafter?

Answer. The State Department has not requested any funds for AFRICOM from the 150 account for the planning, preparation or construction of a military headquarters in Africa. We understand from the Department of Defense that there are no funds in its FY 2009 050 budget request for the construction of a military headquarters. We suggest, however, that you may wish to contact DoD directly on this point.

Question 32b. What is the budget of the State Department/USAID personnel contingent for AFRICOM in FY 2009 and are the funds from the 050 or 150 account resources?

Answer. With the exception of the Foreign Policy Advisor to the Commander (POLAD), all direct hire State Department/USAID positions at the Command are reimbursable by the Department of Defense and therefore do not have specific implications for the 150 account. The POLAD position is funded from the State Operations budget. A contractor position to be filled by the Office of Disaster Assistance (OFDA) will be funded from International Disaster Famine Assistance (IDFA) resources.

Question 32c. Has there been any coordination on planning for an African continent-based AFRICOM headquarters?

Answer. No specific plans or decisions have been made regarding an AFRICOM Headquarters on the African continent. We expect the headquarters to remain in Stuttgart for the immediate future.

Question 32d. What is the extent of such planning and what countries does it involve?

Answer. No plans have been made regarding an AFRICOM headquarters on the African continent.

Question 32e. Has Liberia formally or informally requested that the AFRICOM headquarters be based in that country?

Answer. President Johnson Sirleaf has publicly expressed Liberia's interest in hosting an AFRICOM presence.

Question 32f. What is State Department's position on Liberia as the location of AFRICOM?

Answer. Liberia is the only country that has publicly expressed an interest in hosting an AFRICOM presence. Selection of any location for an AFRICOM presence would depend foremost on host nation willingness. Additional factors would likely include other foreign policy considerations, security, infrastructure, and logistical supportability. No decisions have been made regarding the structure or location of an AFRICOM headquarters on the continent. However, President Bush said during his recent trip to Africa that he would strongly consider Liberia's offer to host AFRICOM.

Question 32g. Would you provide any review that has been made of options for physical location or locations of AFRICOM?

Answer. The Office of the Secretary of Defense (OSD) led a technical mission to visit a small number of African countries in November 2007. The site visits were intended to support U.S. decision-making processes. A representative of the Bureau

of African Affairs participated in the site visits. We suggest you may want to contact OSD for the trip report.

Democracy and Governance

Question 33. Describe the planned U.S. democracy and governance programming for FY 2008 and FY 2009 in Ethiopia, Nigeria, Kenya and Pakistan.

What lessons have been learned and what changes in such programming are being incorporated in the wake of disappointing progress in these four instances?

Answer. In Ethiopia, the USG adapted to the flawed 2005 elections with a strategy to work outside the national government while also recognizing the potential for future democratic progress. To exploit potential openings, the USG is promoting constructive dialogue on key issues, legislation, and policies; expanding conflict management and reconciliation work at the national and local levels; and supporting multi-party capacity building in the legislature. Working outside the government, the USG started new programs to strengthen independent human rights monitoring. These programs complement efforts to improve respect for human rights in the judiciary and police. Support is also being provided to assist the Gambella and Somali Regional State and Municipal Governments to improve governance through better service delivery. The USG has reduced its plans to contribute to long-term multilateral support for the national and regional state parliaments and the National Elections Board (NEB) due to significant cuts in FY 2008 funding and a lack of demonstrated openness on the part of the Government of Ethiopia to consultative reform. The USG is currently soliciting new proposals for Ethiopia to provide legal assistance to journalists; build the capacity of independent media outlets; build the capacity of the judiciary; and improve the capacity of civil society to effectively monitor and report on human rights.

In Nigeria, the primary democracy and governance problem is that political power, both formal and informal, lies almost exclusively in the hands of non-accountable political elites. This problem existed before last year's flawed elections, and it still exists today. Consequently, the USG strategy in Nigeria is to address the elite control of political power at the national level and the crippling dysfunctions it creates at the sub-national level. USG assistance will support the creation of more responsive governance structures and help build the capacity of civil society organizations. U.S. assistance will also work to improve the capacity and credibility of the electoral commission and promote civil society input into electoral and constitutional reform dialogue in advance of the 2011 elections. We hope to start a new rule of law program in FY 2009.

In Kenya, the USG is working to develop a new strategy in response to the current political crisis. It is clear that Constitutional and electoral reforms will be essential to address the issues that have arisen since December. Parliament and civil society will both be critical to the success of reform efforts. USG programs will work with the Parliament, local government, and political parties to improve the system of checks and balances and to facilitate necessary anti-corruption reforms. U.S. assistance will also promote civil society efforts to advocate for further governance reforms, provide citizen input to influence government policy, and monitor the government's progress. In addition, the U.S. is providing funds to assist civil society in promoting national dialogue and discussion on a political solution to the current crisis. The USG will also support longer-term constitutional, land, and electoral reforms as part of the recent peace and reconciliation accord following the flawed general elections of December 27, 2007.

In Pakistan, in the aftermath of the February 18 Parliamentary and Provincial elections, the USG will continue to support the strengthening of political processes to support the Government of Pakistan to establish truly democratic institutions with significant involvement by Pakistani civil society groups and NGOs. The USG strategy includes supporting the empowerment of women and youth to take active roles in civil society, promoting rule of law, strengthening political party development, promoting electoral reform, and expanding independent media. The USG will also help Pakistan strengthen its legal institutions and support reform of the judicial systems to protect human rights and promote the rule of law.

Our experience in these four countries indicates the importance of an independent electoral commission and a proper election adjudication system to ensure open and fair electoral processes that instill legitimacy in newly-elected governments. These countries also illustrate the need for civil society to expand its base beyond politically motivated individuals engaged in episodic political events and address broader constituency demands in order for democratic institution building to take root over the long term.

Afghanistan

Question 34. Describe the planned U.S. programming for FY 2008 and FY 2009 with regard to building judicial capacity in Afghanistan.

Answer. The primary U.S. agencies involved in building Afghanistan's justice sector are the Department of State's Bureau for International Narcotics and Law Enforcement Affairs (INL), the United States Agency for International Development (USAID), and the Department of Justice (DOJ). The Department of Defense (DOD) is also expanding its rule of law programming, focusing on Eastern Afghanistan and on police-prosecutor overlaps. Over the past year these agencies have played a central role in improving the justice sector, including the judiciary (Supreme Court), the Ministry of Justice, the Attorney General's office, and various governmental and non-governmental entities that are key to establishing the rule of law. They have been implementing the goals of a U.S. strategy approved by the National Security Council in August 2006 to (a) accelerate U.S. Government justice programs at the central level, (b) encourage increased donor contributions, and (c) expand justice to the provinces. We have made significant progress in all areas.

At the central level, we have roughly doubled the scope of our assistance to the three primary justice institutions since early 2007, launching organizational reforms, rolling out a new court administration program, revising legislation that governs the administration of justice, establishing new training and mentoring programs, and providing infrastructure and equipment support. At the same time, we have played a leading role in Kabul and with other capitals in increasing the focus on the justice system. Our strong encouragement was a major factor in the Government of Italy's decision to host the July 2007 Rome Conference on the Rule of Law in Afghanistan, co-hosted by the Italian Prime Minister, Afghan President Hamid Karzai, and the United Nations Secretary General. The conference garnered \$98 million in new contributions to the justice sector over four years, on top of existing commitments. We also have pushed the expansion of justice assistance into the provinces, which have received comparatively little support to date, by expanding our own bilateral programs and developing the Provincial Justice Coordination Mechanism, which is presently deploying rule of law coordinators across the country to work with Afghan and international actors.

Meanwhile, the Government of the Islamic Republic of Afghanistan (GIRoA) is finalizing the National Justice Sector Strategy of the Afghanistan National Development Strategy (ANDS), which sets development goals to be met by 2013. To implement these, the GIRoA and international community are finalizing the National Justice Program (NJP) which will use a combination of Afghan and donor programs (both bilateral and multilateral) to develop and reform the justice system. The World Bank is establishing a justice program that will support the NJP, using pooled donor funding to reduce the number of small-scale implementers.

With the National Justice Program providing a new strategic framework for the justice sector, the U.S. Government is developing its own strategy to support the NJP that is coordinated through the U.S. Embassy and incorporates U.S. military efforts. This new strategy, currently under development, will ensure the NJP priorities are implemented. These priority areas include: accelerating institutional reform; building provincial infrastructure and capacities; bolstering counter-narcotics and anti-corruption prosecutions; investing in the corrections system; improving linkages between police and prosecutors; and focusing on public awareness and legal aid to improve public confidence and access to justice. These efforts support the overall U.S. Government push to project governance to the provincial and district levels, which in turn will build nationwide confidence in the central Government's ability to provide security and services.

Building Afghanistan's capacities to manage its own system is fundamental to success in Afghanistan. U.S. Government efforts also recognize that building justice sector capacities and public demand for justice alone will do little without high-level political will on the part of the GIRoA to tackle corruption, from the top down. To that end, the U.S. strategy emphasizes using diplomatic, political, and law enforcement tools to strengthen the Afghan political will to institute true reforms and tackle corruption within their government. We have seen several positive signs, including the recent passage of the Advocates Law (establishing a national bar and legal defense service). The GIRoA recently became a signatory to the United Nations Convention Against Corruption (UNCAC), an important step in the right direction.

Question 34a. What are the levels of U.S. assistance and in what areas has U.S. assistance been used to reform the judicial system, with the exception of police training?

Answer. U.S. Government assistance to the justice sector has gradually grown over the years, with an FY 07 budget of \$67.35 million (\$55 million in INCLC funding and \$12.35 million in USAID funding). For FY 08, the projected INCLC funding level for justice is \$68 million, while USAID is projected at \$4 million. This makes the U.S. Government the largest donor in the justice sector.

As noted above, there are four US agencies primarily involved in building Afghanistan's justice system: INL, USAID, DOJ, and DOD. These agencies and their programs are coordinated through the US Embassy Special Committee on the Rule of Law, chaired by the U.S. Rule of Law Coordinator. Below is an overview of each agency's activities.

Department of State—International Narcotics and Law Enforcement Affairs

The INL Afghanistan Administration of Justice program is primary concerned with building and reforming the criminal justice and corrections systems. Two major assistance platforms support this program: the Justice Sector Support Program (JSSP) and the Corrections System Support Program (CSSP), described in greater detail below. Both programs are implemented by Pacific Architects and Engineers (PAE) Government Services and have been in place since mid 2005 and early 2006, respectively.

In addition to these two primary programs, INL also supports several smaller initiatives, including: (1) a grant with the University of Washington—Seattle which brings Afghan law professors to the U.S. to earn certificate and Master's of Law (LLM) degrees; (2) a grant with the International Association of Women Judges (IAWJ) to support women in the legal profession; (3) an agreement with the United States Institute of Peace (USIP) to focus on specific policy and reform issues; (4) contributions to two multilateral trust funds to address disproportionately low salaries for judges, prosecutors and corrections personnel; and (5) funding to support three field offices of the Provincial Justice Coordination Mechanism mentioned above. INL also funds the Department of Justice (DOJ) Senior Federal Prosecutors Program in Afghanistan.

The JSSP supports 30 U.S. justice advisors (prosecutors, judges, defense attorneys, and criminal justice systems experts) and 30 Afghan legal advisors, and has permanent teams based in Kabul, Herat, Balkh, Konduz, and Nangarhar provinces to build Afghanistan's criminal justice system. JSSP provincial teams as well as DOJ prosecutors are conducting police-prosecutor training and mentoring, and will soon establish a new training program to improve justice capacities at the district level, working closely with the police program's Focused District Development initiative. To date, DOJ and the JSSP have trained more than 1,000 Afghan lawyers. The Kabul JSSP team is split into three sections. The first section consists of 16 U.S. and Afghan advisors who are reorganizing the Attorney General's Office, providing training and mentoring, and advising the Afghan Attorney General on key matters. The second section supports the Ministry of Justice and its key directorates with three U.S. and 11 Afghan advisors, including the recently established (entirely Afghan staffed) Policy and Strategy Unit which provides policy and organizational reform advice to the Minister. The third JSSP section focuses on improving access to justice, which includes mentoring and capacity building for private legal defense organizations, legal education and training, and organizing provincial justice conferences. The JSSP also has a gender justice advisor who is developing linkages between police Family Response Units and the prosecution services; as well as a military liaison to coordinate joint police-justice efforts.

The CSSP supports over 30 U.S. corrections advisors in Kabul, Herat, Balkh, Nangarhar and Paktia provinces and is focused on four areas: training, capacity-building, infrastructure support, and operations and maintenance for a new facility in Kabul. The provincial teams have trained over 1,300 corrections officers to date in a basic 8-week course and a "train the trainers" course. The training program, which is based on international and United Nations human rights standards and was developed specifically for (and with) the Afghan Government, and is launching numerous advanced and specialized courses this year. The CSSP also supports a capacity-building program which is advising the Ministry of Justice's Central Prison Directorate (CPD) on prison policies, prison management, establishing a prisoner tracking system and organizational reforms. The third CSSP component is the infrastructure team, which has refurbished the national corrections training center, completed numerous small-scale renovations of prisons, provided a new annex for the CPD headquarters for staff, and established an Afghan Engineering Office within the CPD. Together with Afghan architects and engineers, the CSSP has developed a "hybrid" prison design that incorporates international human rights standards with Afghan realities and cost-effectiveness to create a sustainable, humane, and secure prison design. In addition to constructing two prisons over the coming year, the

CSSP is also advising other donors to ensure that their designs and construction of prisons implement this Afghan-approved sustainable model. Lastly, the CSSP will support the operations and maintenance of the Counter-Narcotics Justice Center (CNJC) in Kabul, a secure facility built by the Army Corps of Engineers that will house the Counter-Narcotics Criminal Justice Task Force (CJTF) and Central Narcotics Tribunal (CNT) as well as a detention center.

Finally, INL entered into an agreement with the United States Institute of Peace in mid 2007 to work with Afghan and international actors to develop policies and possible linkages with the non-state system of dispute resolution. While the focus of U.S. assistance must be on building the central government's reach through the formal justice institutions, there may be linkages with the informal system for certain civil (but not criminal) disputes that could maximize efficiency and utilize the legitimacy that many customary systems enjoy, so long as human rights and gender rights are respected and enforced.

United States Agency for International Development

The USAID-funded Afghanistan Rule of Law Project assists in the development of a democratic Afghan government, which has broad citizen participation and a vigorous economic sector, by improving the country's legal infrastructure.

Working with the Ministry of Justice and the Supreme Court, as well as with faculties of law and Sharia in five provincial universities, the project works to: improve the formal court system; strengthen institutional capacity for lawmaking, and increase citizens' awareness of their legal rights and how the judicial system operates.

The project is divided into seven components:

- Court administration. Simplifies and standardizes court administration procedures to improve access to court information
- Judicial Training and Professional Development. Creates opportunities for improving judicial professionalism, knowledge and skills
- Commercial Dispute Resolution. Lays a foundation for the effective resolution of commercial disputes
- Legal Education. Strengthens the formal legal education system
- Legislative Process Reform. Improves the legislative process and access to legal information
- Women's Rights Under Islam. Increases knowledge of women's rights under Islam
- Access to Justice and Building Links to the Informal Justice Sector. Ensures that the appropriate sector for resolving disputes is recognized

USAID is also working to assist the Afghan government in fighting corruption. Judicial corruption remains endemic in Afghanistan. Since his appointment to the Supreme Court in August 2006, Chief Justice Abdul Salam Azimi has made cleaning up the courts his top priority. He has instituted an aggressive, two-pronged approach to reduce the level of corruption in the courts and to raise the level of public trust and confidence in the judiciary. The strategy includes instituting a new code of conduct for judges and raising judges' salaries so they are more immune to bribery.

The New Regulation of Judicial Conduct. The first part of the Supreme Court strategy focused on developing a modern code of judicial conduct that establishes ethical standards for how all of Afghanistan's judges are to conduct their affairs. On June 19, 2007, that code, entitled the Regulation of Judicial Conduct for the Judges of the Islamic Republic of Afghanistan, was adopted. Each of Afghanistan's 1,280 judges will receive training on the Regulation's meaning and importance by the end of September 2008.

Improving Judicial Salaries and Working Conditions. The second part of the strategy focuses on securing funds from the international community to increase judges' wages and improve their working conditions so that they are less inclined to accept bribes. Donor money for judges' salaries was incorporated as one of the court's highest funding priorities this past July, when the Supreme Court presented its Afghanistan National Development Strategy (ANDS) to international donors at the Rome Conference on the Rule of Law in Afghanistan, July 2-3, 2007.

Starting in 2007, the Supreme Court also began sending its justices on inspection tours of provincial courts to ensure they are in compliance with judicial regulations. The inspections are followed by three-day conferences, where the visiting Supreme Court justice will discuss the inspection results, recent or coming changes in court policy and operations. Judges participating in these conferences, which are sup-

ported by the Afghanistan Rule of Law Project (ARoLP), also receive training in the Regulation of Judicial Conduct and the recently adopted Afghan Court Administration System (ACAS) for streamlining the courts' case-management processes.

Department of Justice

Since 2005, the Department of Justice DOJ has assigned up to four senior Assistant United States Attorneys as Senior Legal Advisors and three senior experienced criminal investigators to Kabul to assist in law reform and training and mentoring of the Criminal Justice Task Force (CJTF) and the Central Narcotics Tribunal (CNT), a special task force of Afghan judges, prosecutors, and police investigators responsible for cases against mid- and high-level drug traffickers. DOJ's Senior Federal Prosecutor Program also provides criminal law advice to the Embassy and Afghan leadership and U.S. law enforcement, upon request. The prosecutors have succeeded in 1) drafting and enacting a comprehensive counternarcotics law that also provides for the use of modern investigative techniques (e.g., electronic surveillance, and the use of informants and undercover officers); 2) establishing a specialized narcotics court with nationwide exclusive jurisdiction for cases against mid- and high-level traffickers; 3) achieving the first-ever extraditions (of major drug traffickers) from Afghanistan to the U.S., and 4) working with our U.S. and international partners to establish, train, and mentor the CJTF and CNT.

More specifically, DOJ's prosecutors have:

1. Drafted (in consultation with Afghan legal advisors, DOJ's Criminal Division, and the international community) and had signed into law a Comprehensive Counter-Narcotics Law that builds upon former Afghan law to criminalize all narcotics and narcotics-related offenses, sets controls on processing chemicals, authorizes the use of modern investigative techniques, and confirms the use of the 1988 U.N. Convention against Narcotics and Psychotropic Substances in extradition;
2. Drafted and had signed into law the Presidential Decree establishing the Central Narcotics Tribunal with exclusive nationwide authority for the trial of all mid- and high-level narcotics trafficking cases;
3. Refined and had signed into law the Military Courts Legislation and Military Courts Penal and Procedural Law that established a separate court and its law and attendant procedures for the Afghan National Army that meet international standards;
4. Drafted counter-terrorism and extradition laws now under review by the Afghan legislative unit at the Ministry of Justice;
5. Prepared a legal analysis of Afghanistan's former, interim, and proposed criminal procedure codes, highlighting areas for reform;
6. Deployed a DOJ expert team to Kabul to assess current capacities and make recommendations for assisting the Afghan Attorney General and the CJTF with an anti-corruption initiative. As a result, DOJ has now assigned one of the federal prosecutors full-time to the Attorney General's Office and will be establishing a sub-unit within the CJTF dedicated to investigating and prosecuting narcotics-related corruption cases upon country clearance approval from the Department of State for additional DOJ attorneys;
7. Provided and continues to provide prosecutorial advice to the Embassy leadership, Afghan officials, and U.S. law enforcement (DEA and FBI) and prosecutors in the development of criminal investigations for prosecution in Afghanistan, the U.S., or elsewhere;
8. Prepared an in-depth training regime and conducted training for the CJTF and CNT focused on the new Afghan Counternarcotics Law and proactive investigations. In addition, the DOJ attorneys provide in-depth special topics seminars for the CJTF, CNT, and provincial prosecutors on regular basis to improve understanding of fundamental concepts and the implementation of investigative modern techniques;
9. Advised on the design of Afghanistan's Counter-Narcotics Justice Center in Kabul that is under construction and will soon house the CJTF and CNT;
10. Assisted in the development of an adjunct project by the U.S. Marshals Service that has been deployed to train a protective corps drawn from the Afghan National Police to provide court security at the CNT and protection to CNT judges and CJTF prosecutors; and
11. Coordinated with Department of Defense/Combined Joint Task Force-82 (CJTF-82) authorities regarding counternarcotics and counterinsurgency operations in Afghanistan.

Department of Defense

The Department of Defense has increased its activities in providing rule of law assistance over the past year in two main areas: improving linkages between the justice and police sectors, and expanding rule of law programming by the Judge Advocate General Corps in eastern Afghanistan.

On police-justice integration, Combined Security Transition Command—Afghanistan (CSTC-A) has played an important role in furthering joint initiatives to support the justice sector and CSTC-A's primary mission, building the Afghan National Police and the Ministry of Interior (MOI). In this capacity, CSTC-A has advised the MOI Legal Advisor's Office on key legislation and procedures that govern law enforcement, and is working closely with other US agency efforts and the international community on advancing overall justice sector development and reform.

In addition, Combined Joint Task Force—82 (CJTF-82) is implementing rule of law initiatives in its area of operations under NATO's International Security Assistance Force (ISAF) in Eastern Afghanistan. CJTF-82 has worked with the US Embassy and programs listed above on legal training, distribution of legal texts, and infrastructure support to improve provincial and district level justice systems.

Question 34b. What assistance has the international community provided to date and in what areas of the country has it been applied, with the exception of police training?

Answer. The international community has been a key partner in the justice sector. Unfortunately, the enormous gaps in the justice system overwhelm the capacity of any single donor; as a result, there is a proliferation of small-scale donor assistance programs. The National Justice Program and its subordinate multilateral implementation mechanisms will likely reduce the number of bilateral programs at the central level over the coming years, as donors' small contributions are pooled. This will also reduce the number of actors involved in institutional reform over the next several years. The primary donors at present include Canada, the United Kingdom, the United States, Germany, Italy, and the European Commission. Key implementers include direct-hire international officials (such as prosecutors), various United Nations agencies, NGO's, and government contractors.

The focus of the international community to date has been on building and reforming the Kabul institutions, though progress has been slow. Major accomplishments include advancing reforms in the Ministry of Justice, progress on reforming and amending the legislative framework for governance, improving detention conditions for women and juveniles, training for prosecutors and judges, and construction of justice facilities and prisons. The United Kingdom has been a key partner in the area of corrections and counter-narcotics justice. The Italian Government completed the National Legal Training Center in 2007, with support from the U.S., which is currently home to a judicial training program.

Some donors have launched provincial justice programs, including the U.K. in Helmand, Canada in Kandahar, and Germany in Balkh and Konduz. Others, such as Italy, have launched provincial assistance programs based out of Kabul, but have not established provincial advisor teams. Thus, the U.S. is the only donor that has deployed advisor teams across the nation. The hope is that with additional commitments from the Rome Conference and the establishment of the Provincial Justice Coordination Program, the number of donor programs outside of Kabul will increase.

Question 34c. What is the State Department assessment of the status of the Afghan judicial system from the district to national level? How many narcotics cases have been brought to trial in 2007 by region? How many have been sentenced?

Answer. The GIRoA has made strides in drafting and consolidating the National Justice Sector Strategy (NJSS). However, disproportionately low salaries, widespread corruption, poor infrastructure, inefficient organizational structures, untrained professionals, and a lack of equipment and supplies plague the system.

To ensure the integrity of legal reform, the justice sector must be built out from the center to ensure standardized training and application of laws. At the same time, we must build the 34 provincial justice systems, which at present remain very weak and have limited capacities to administer justice effectively. Many districts don't have courthouses or prosecutors due to infrastructure gaps, and to the fact that judges and prosecutors with jurisdiction over the districts often reside in the provincial capital. Detention centers and prisons can be found in most districts and provinces, though many are rented houses and are unacceptable in terms of living conditions. Furthermore, Afghans frequently turn to the informal justice system to resolve their disputes, which do not always adhere to the constitutional rights of citizens, particularly women.

On a positive note, the central justice institutions have competent leaders willing to work with the international community. Several key laws have been passed or are being revised that will lay the foundation for the justice sector, and the institutions are generally being supportive of organizational restructuring and civil service reform.

In addition, the GIRoA is advancing narcotics prosecutions under the Central Narcotics Tribunal (CNT) and Criminal Justice Task Force (CJTF) in Kabul. Since March 2005, when the CJTF was set up, it has investigated and prosecuted over 1200 cases involving 1600 defendants from 33 provinces for narcotics-related crimes. Of these, 1450 defendants were convicted. Convictions include the high-level narcotics traffickers Misri Khan, Bahram Kahn, and Noor Ullah who are currently serving their sentence in Afghanistan. Other Afghan high-level narcotics traffickers have been sent to the United States for prosecution and are awaiting trial, sentencing, or are serving their sentence. They include Haji Bushehr Noorzai, Haji Baz Mohammad, Mohammad Essa, and Khan Mohammad. The President of the United States had designated two high-level traffickers—Noorzai and Baz Mohammad—as foreign narcotics kingpins under the Foreign Narcotics Kingpin Designation Act.

To effectively move the justice sector forward, the GIRoA and international community must carefully build and balance the central, provincial and district levels in a coordinated manner. At the central level, our programs and Embassy are working closely with the Afghan Government and international community, and are making progress. At the provincial level, our programs are leading the way, but the needs far exceed available donor resources and programs at present. At the district level, there are few justice systems in the first place, but we are launching a plan to train district-level personnel at the provincial level starting in the summer of 2008. In summary, we are making notable progress and have carefully prioritized our U.S. Government assistance programs, though the overall needs of the justice sector and demands placed on it outpace available international resources.

MEPI

Question 35. Please describe the scope of intended Middle East Partnership Initiative (MEPI) programming. Have there been any substantive or organizational changes to MEPI?

Answer. MEPI programs seek to redress the deficits in the region associated with unaccountable governments, weak educational systems, inadequate government services, lack of political and economic opportunities for women, poor governance, and economies that provide insufficient job opportunities for young people.

There have been no substantive or organizational changes to the Middle East Partnership Initiative. MEPI programs are still focused on four primary areas:

1. To promote democratic reform by providing technical assistance for parliamentary and municipal elections; supporting and training political parties and candidates; aiding democratic reformers and activists; assisting local NGOs with voter education, reform advocacy, and popular mobilization behind the reform agenda; and expanding independent media, civil society, and rule of law programming.
2. To advance women's empowerment by promoting women's political and economic rights, providing increased professional development opportunities and political training, helping secure women's equal rights under the law, and building public-private partnerships that champion women's issues.
3. To enhance the existing business environment and encourage private sector-led economic growth by assisting political, judicial, regulatory, and commercial leaders in making improvements to their policies, laws, and organizational structures.
4. To revitalize education systems to improve curriculum content and delivery, increase students' awareness of civic rights and responsibilities, and develop their leadership and critical thinking skills.

Merida Initiative

According to U.S. Director of National Intelligence Michael McConnell, Venezuela is undermining counterdrug efforts in neighboring countries by serving as an increasingly frequent transit zone for Colombian cocaine. In 2005, the Government of Venezuela ended its long-standing cooperative relationship with the US Drug Enforcement Agency, claiming DEA agents were nothing but American spies. Since that year, President Bush has continually designated Venezuela as having "failed demonstrably" in certification for his annual report on the major drug producing and/or transit countries.

Question 36. How have actions undertaken by the Government of Venezuela undermined success in U.S. counternarcotics assistance to Colombia (Plan Colombia)?

What are the potential implications for the Merida Initiative and Central American Security Assistance (CASA) programs?

Answer. The Government of Venezuela's unwillingness to cooperate creates opportunities for drug trafficking organizations to resist and evade U.S.-supported counternarcotics efforts in Colombia and the region as a whole. The Venezuelan government has not systematically policed the 1,400-mile Venezuelan-Colombian border to prevent the movement of groups of armed terrorists or to meaningfully interdict the flow of arms and illicit narcotics. Particularly damaging has been President Chavez' ideological and political tolerance of the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) terrorist organizations which finance their activities through the proceeds of drug-running. As a result, Venezuela has failed to prevent its territory from being used as a safe haven by the FARC and the ELN, effectively flouting UN Security Council Resolutions 1373 and 1540. FARC and ELN units often cross into Venezuelan territory to rest and regroup with relative impunity. It remains unclear to what extent the Venezuelan government provides material support to Colombian terrorists. Limited amounts of weapons and ammunition—some from official Venezuelan stocks and facilities—have turned up in the hands of Colombian terrorist organizations. Regardless, it is clear that a conscientious partner in Venezuela would increase the effectiveness of U.S. counternarcotics assistance to Colombia.

Because Venezuela is not fully cooperating in the fight against narcotics traffickers, there is a gap in our regional line of defense. That line should run in a semi-circle around the Caribbean, giving drug runners no space to ply their trade. The break in the line of defense puts everyone more at risk and complicates our approach at every turn. The evidence is clear.

As for the second question, while the Venezuelan government's unwillingness to cooperate may assist the narcotics traffickers, the Merida Initiative demonstrates the commitment of the United States and our partners in Mexico and Central America to work together to confront the criminal organizations that plague the region and spill over into the United States. By focusing our efforts in Mexico and Central America, we can deny these groups the bulk of the territory they currently use to transit narcotics and other contraband, regardless of the Venezuelan government's unwillingness to cooperate.

Question 37. You have a 19% vacancy rate across NEA, which some would suggest is a key region in the war on terror. Can you explain the trendline on this? In Iraq, you have made extensive use of temporary hires to fill State Department positions. Many of these individuals are very impressive. Nevertheless, with recruiting, training and especially overtime pay, this is tremendously costly. Have you put a cost figure to the savings that replacing temporary personnel with Foreign Service officers will bring you over a year?

Answer. The Department has done its best to staff Foreign Service positions at overseas posts, particularly those deemed as high priority to meet our policy goals. The overall overseas vacancy rate of 13 percent demonstrates the deficit of midlevel Foreign Service personnel due to hiring shortages in the 1990s. The 19 percent vacancy rate in Near East Asia (NEA)—while appearing slightly higher than the overall overseas rate—does not take into consideration the more than 60 Foreign Service generalists and specialists who have volunteered to serve in Iraq and been sent on long or short-term temporary duty (TDY) assignments from other overseas posts or from Washington. These TDY Foreign Service employees are filling high priority jobs in Iraq and other posts—though that means the positions they left behind in other overseas posts or in Washington remain empty, as there are not enough Foreign Service personnel to backfill.

The 19 percent vacancy rate referred to above was derived from a calculation that considered only the status of permanent Foreign Service positions at Near East Asia (NEA) posts. Positions designated for employees of and within the Iraq Transition Support Office (ITAO), a 5 U.S.C. § 3161 temporary organization, or positions staffed by other federal agencies were not counted. We have not used ITAO employees to fill vacant Foreign Service positions.

The cost of filling Iraq positions with Foreign Service officers on temporary duty is not significantly higher than assigning them to Iraq on a permanent basis. Because these employees are recruited from within the existing Foreign Service corps, there are no additional recruiting costs. The costs associated with training and overtime are the same for employees on permanent assignment or TDY. All Foreign Service personnel going to Baghdad on permanent assignment or TDY are required to take training courses to prepare them for their responsibilities in Iraq and its security environment. Whether on TDY or permanently assigned, untenured Foreign Service officers and specialists are eligible for overtime pay for hours worked beyond

the normal 40 hours work week and tenured Foreign Service personnel, who are not entitled to overtime, may be eligible for a special differential. The main differences in the cost of permanent assignment versus TDY relate to the eligibility for locality pay or Involuntary Separate Maintenance Allowance and not to recruiting, training, or overtime.

Question 38. A Washington Post article critical of the SIGIR operations noted the extensive overtime pay claimed and paid to its temporary employees. Do State Department temporary employees earn the same pays? How many hours on average does a 3161 employee claim in a week?

How many 3161 hires are working on Iraq for the Department of State—both in country and elsewhere? What is the annual cost of the average 3161 hire—including overtime, care and feeding, travel expenses and other compensations?

Can you describe how you recruit 3161 hires with specialties suitable for Iraq missions? What advertising do you do and where?

Do State Department temporary employees earn the same pay?

Answer. Compensation paid to employees hired under 3161 appointments is based on the grade of the position. Grades are determined according to OPM classification standards and pay rates are equivalent to General Service (GS) employees with similar levels of responsibilities. 3161's receive the same benefits as GS employees. Our 3161 employees are paid overtime based on hours submitted, although the hourly pay for overtime is straight time and not time and a half.

Question 39. How many hours on average does a 3161 employee claim in a week?

Answer. Taking a sample of two pay periods, the average overtime hours per pay period was 34 hours for 145 Baghdad employees and 4 hours for 14 DC employees.

Question 40. How many 3161 hires are working on Iraq for the Department of State—both in country and elsewhere?

Answer. As of February 2008, there are currently 156 3161 hires working in Iraq and an additional 25 3161 hire in Washington, DC.

Question 41. What is the annual cost of the average 3161 hire—including overtime, care and feeding, travel expenses and other compensation?

Answer. These positions run from the equivalent of a GS-9 to that of a Senior Executive Service position (there are only 5 such positions). The average salary is \$107,800 (taking the total salary of all 3161's and dividing it by the number of such employees)—related costs are as follows:

Salary and Related Costs of 3161 Employees

(in U.S. dollars)

	Employees located in DC	Employees located in Iraq
Base pay	\$107,800	\$107,800
Overtime for Baghdad Employees		\$45,814
Overtime for DC Employees		\$5,389
Post differential (35% of pay)		\$37,730
Danger pay (35% of pay)		\$37,730
Costs for food and lodging in Iraq		\$60,000
Initial deployment travel and miscellaneous costs		\$4,600
Initial training costs		\$3,500
Annual cost of travel for rest/consultation breaks		\$8,300
Return travel at end of appointment		\$2,200
Unaccompanied Air Baggage		\$2,200
Total	\$113,189.00	\$309,874.00

Question 42. Can you describe how you recruit 3161 hires with specialties suitable for Iraq missions? What advertising do you do and where?

Answer. Our main source of recruiting is USAJobs, the OPM website. However, we have also advertised on other on-line job banks such as Monster, CareerBuilder, and engineeringjobs.net. As needed, we also meet with officials and advertise on

websites connected with professional organizations such as the Government Finance Officer Association, the Foreign Policy Association, and American Banker's Association.

Question 43. In Irbil, there has been a plan to move the RRT (Regional Reconstruction Team) to the Korean base. What are the advantages to this? Some have expressed concern that this will further isolate the team from interaction with Iraqis, NGO's and other visitors.

Answer. RRT Erbil is a Coalition unit. The operation in the city of Erbil was always intended to be temporary. The plan was to get the team up and running while the site at the Korean base, about 10-20 minutes away from the current location, is being prepared. The current offices in the city are too small to house all the elements of the RRT. In addition, following the massive truck bombing in Erbil, the RSO determined that the site in the city of Erbil where the team works and lives is too vulnerable. The work to prepare the new site at the Korean Camp is now underway and with completion scheduled for August, after which employees will be housed on the base. The former site in the city of Erbil has been retained as an office and meeting site in order to facilitate frequent and convenient interactions with Iraqi counterparts, but the USG personnel will live in safer conditions at the Korean base. While some have voiced concern that Iraqis will not be as likely to visit the Korean site, our experience in REOs Al-Hillah and Basra tell us that this is not the case. Both sites host frequent meetings with Iraqi counterparts and are in areas are much less hospitable than the Korean base.

Question 44. This morning the Parliament passed the 2008 Budget, the Amnesty Law and the Provincial Powers law. This is a tremendous accomplishment for the Iraqi Parliament. Do you see any hope for the Hydrocarbon Laws with the Minister of Oil and the Kurds taking such strong and potentially poisonous stances?

It appears that the Iraqis are coming to practical pragmatic accommodations to work through major legislative and political issues, and perhaps the Council of Representatives is finding its feet and working through the building blocks that will "bring Iraqis together as Iraqis." At the top, they are using almost 3+1 collaborative government whereby Prime Minister Maliki, President Talabani, and the two Deputy Prime Ministers (Hashimi and Abdel Mahdi) come to a consensus before moving forward. Can you comment on how this is viewed within the Iraqi body politic? Is this sustainable?

Answer. Political reconciliation is an essential component of a peaceful, stable, and democratic Iraq. Iraqi leaders are working to reach a political accommodation among the various parties in Baghdad, and as importantly, in the provinces. Iraqis still struggle with fundamental questions about how to share power, accept their differences and overcome their past. Most Iraqis genuinely accept Iraq as a multi-ethnic, multi-sectarian society.

The Executive Council (which embodies the process formerly known as the 3+1 power sharing agreement), made up of the Prime Minister, the President, and the two Vice Presidents, met for the first time in January 2008. They have since established a secretariat and are meeting regularly. These events show that Iraq's leaders recognize that to achieve national reconciliation and political progress, they must cooperate across sectarian, party, and institutional lines. Iraqis prefer to see their political leaders work together toward common goals; effective power sharing is one area in which Iraq's leaders can meet the expectations of their citizens.

The United States Government is engaging with leaders from both sides at a high level to encourage them to address the unresolved oil law issues, which relate to authority to approve contracts and how revenue will be shared. Despite the disagreements by both sides this past year, we believe a settlement is still possible, because until a national law is ratified, all parties face enormous legal obstacles to developing the hydrocarbon industry and the KRG cannot export any crude oil. The United States Government continues to discourage the KRG from signing deals until a national law is ratified.

We will continue our efforts to assist Iraqis in the pursuit of national reconciliation, while recognizing that progress on this front may come in many forms and must ultimately be achieved by Iraqis themselves.

UNAMI

Question 45. I am pleased at the news that UNAMI has taken on work to help resolve the Article 140 issues in Iraq. Increased UN activity in Iraq can only be good, and they have a long hill to climb to overcome the scars from the Canal Hotel bombing and the Oil For Food scandal. What can we do to help them with their

transportation needs—specifically airlift? We have been informed that DoD cannot provide a dedicated aircraft to support their needs.

Answer. The U.S. welcomes the increased UN involvement in Iraq since the adoption of their expanded mandate in UNSCR 1770. Staffan de Mistura, the new Special Representative of the Secretary General (SRSG), and his staff are to be commended for the work they are undertaking in difficult circumstances. Plans to increase UN staffing in Baghdad and in Erbil are further positive steps.

The Department of Defense (DOD) has supported UNAMI's transportation requests over the past seven months. At the same time UNAMI is signing logistical support contracts with international corporations and securing the lease of an aircraft. DOD will continue to provide the maximum possible support to UNAMI's mission while the UN works to get a contract carrier in place. The SRSG appreciates the transportation being provided by the U.S.

The U.S. will continue to support UNAMI. We will also urge other member states to maintain and expand their assistance to ensure the success of the UN mission in Iraq, and to respond favorably to SRSG de Mistura's appeals for logistical and other assistance.

Regional Support

Question 46. I noted your announcement that the Kuwaitis would be hosting another Neighbors' Summit. This is encouraging; nevertheless, short of hosting refugees, we have seen no additional reports of concrete activities taken by Iraq's neighbors (the sending of ambassadors, assistance, calling of regional working groups, etc.) What headway are the Iraqis making in getting along with their Arab neighbors?

Answer. The Government of Iraq is making considerable headway in getting along with its neighbors, but admittedly, there is still room for improvement. Over the last year, the Expanded Neighbors of Iraq process has emerged as a forum in which Iraq's neighbors, and others in the international community, can address the political and security challenges facing Iraq. As you note, the next Ministerial is scheduled to take place in Kuwait in April, with working groups hosted by Jordan, Syria and Turkey convening sometime in March.

Arab states need to do more to increase support for the Government of Iraq. We continue to urge them to openly demonstrate their support on a bilateral basis by opening diplomatic missions and sending ambassadors. We are starting to see some progress in this area; during a January 15, 2008 press conference in Riyadh, Saudi FM Prince Saud al Faisal reiterated his government's commitment to re-open a diplomatic mission in Baghdad and post a resident ambassador. The Saudis have since sent a delegation to Baghdad to discuss possible embassy sites. This is welcome progress, and we are actively encouraging other countries to take similar steps.

The launching of the International Compact with Iraq (ICI) represented a major step forward in Iraq's economic integration into the international community and its neighbors played a significant role in this process. Kuwait, the United Arab Emirates and Saudi Arabia were members of the Preparatory Group that drafted the ICI. The UAE hosted the conference where the broad outlines of the ICI were agreed, and Kuwait hosted the conference in October 2006 where the final text of the ICI was adopted. Egypt hosted the launching of the ICI with more than 70 countries and international organizations in attendance.

Iraq's neighbors have also been helpful in other ways when it comes to assistance. Kuwait and Iraq recently signed a memorandum of understanding providing \$160 million of Kuwaiti economic assistance to Iraq, and Saudi-Iraqi negotiations on debt forgiveness continue.

Saudi and Iraqi officials have met to discuss security issues, and the Saudis are working to stop the flow of foreign fighters to Iraq. We continue to urge them to intensify their efforts.

Question 47. I was pleased to hear that this morning the legislature passed the 2008 Iraqi budget, which reports estimate at 60 trillion Dinar, or about \$50 billion. Charts that the Committee has received indicate that oil revenues have steadily increased from \$31.3 billion in 2006 to \$41 billion in 2007. January 2008 figures show \$5.21 billion generated in 2008 already, with exports expected to rise. Can you provide further detail on Iraq's budget situation, cash on hand, etc, including prior years unexpended funds? How much do they retain in cash reserves? Please include all provincial and ministerial allocations and disbursements.

Answer. On account of high oil prices and increased export levels in the second half of the year, the Government of Iraq (GOI) earned significantly more in 2007

than projected. Early estimates indicate that the GOI received over \$37 billion in oil revenues, compared to \$31 billion projected in the 2007 budget.

With higher-than-expected revenue, the Ministry of Finance has accumulated cash balances at the Development Fund for Iraq (DFI). According to the International Monetary Fund (IMF), the DFI balance is currently estimated at \$12.5 billion. The money in the DFI represents the funds on which the Iraqi Government can draw to pay for its expenditures.

The GOI will use part of these funds to cover projected 2008 deficits, which are estimated to be \$6 billion. The GOI needs to maintain a reserves cushion in the DFI going forward because of the volatility of the oil sector, which contributes 90 percent of budget revenue.

In separate accounts, the foreign currency reserves at the Central Bank of Iraq (CBI) have reached \$27 billion. These funds are controlled by the CBI, which is an independent institution. CBI reserves support monetary policy, not GOI expenditure. The current IMF Stand-By Agreement sets a floor of approximately \$21 billion on net international reserves for the CBI. The Central Bank Law prohibits CBI lending to the Ministry of Finance for budget purposes or to other government entities. These reserves will also be used for Iraq to finance large external debt service payments beginning in 2011. Debt service to the Paris Club will exceed \$3 billion in 2011, and required debt repayments will increase in later years as non-Paris Club and commercial debt repayments come due.

The 2008 GOI Budget, which was passed by the Council of Representatives on February 13, projects \$42.5 billion in revenues and allocates \$48.4 billion for expenditures. The GOI is increasingly allocating its revenues for security and capital investment. The 2008 budget allocates \$9 billion to security ministries and \$13 billion for capital projects and reconstruction. This represents a 23 percent increase and a 29 percent increase, respectively, over 2007 allocations in these areas. Oil revenues in the 2008 budget are based on oil prices of \$57 per barrel and oil exports of 1.7 million barrels per day. If oil prices remain high, it is likely that the budget deficit for 2008 will be less than the projected \$6 billion.

Regarding prior year unexpended funds, complete GOI expenditure data for 2007 is not yet available; expenditure data in Iraq as elsewhere takes time to consolidate. However, a recent unofficial Ministry of Finance (MoF) special report on capital expenditures indicates that, through October 31, 2007, the Iraqis had contributed over \$6 billion of their own money to capital projects and reconstruction at the national, regional, and provincial levels in 2007. This includes central government ministries expending 37 percent of their 2007 capital budgets, the Kurdistan Regional Government expending 89 percent of its 2007 capital budget, and provincial governments expending over 57 percent of their combined 2006 and 2007 capital budgets, through October 31, 2007.

While the ability of the GOI to spend its own resources improved substantially in 2007, the two year old government still suffers from maturing budgetary processes, leaving it unable to execute its entire 2007 capital budget. Residual funds can be used in 2008 or revert to the DFI. The serious challenges to capital budget execution continue to include the security environment, corruption, fear of corruption charges, lack of clarity on budget execution rules and responsibilities and, in many cases, a lack of technical expertise. U.S. Embassy officials and Provincial Reconstruction Teams continue to work with central government and provincial officials to improve this picture through building technical capacity on budgeting and budget execution.

Question 48. Reports received by the Committee suggest that on average, Iraqi ministries are ineffective, they lack management skills, budgetary controls, executive capacity, they fail to cooperate with each other, management is not empowered, and much worse they continue to fail in delivery of basic services. This is dire news. Do the Iraqis recognize this? Roughly how much has the United States spent to improve ministerial capacity over the past five years? How much is left in the current contract? What do you estimate to be the most effective programs?

Answer. Iraqi Government ministries have made progress, in some cases very significant progress, over the two years of their existence. The maturing institutions are improving their capacity to deliver essential services to the Iraqi people. These ministries are making progress both at the national level, and in their regional offices, which are helping improve delivery of services in the provinces. There is no question that the record of achievement is mixed, with some ministries performing better than others, and all the ministries continue to face significant challenges. Over the past two years, security has posed a challenge for USAID contractors working with some of these ministries. Also during this period several ministries objected to working with the USG. With the improvement of security on the ground,

and changes in some ministers, we have largely been able to overcome these difficulties.

Despite these constraints, the Embassy and USAID have identified a number of alternative and creative approaches to deliver assistance. The National Capacity Development Program (NCDP) involves engagement on the part of the Embassy and USAID with the leadership and working-level civil servants at the Iraqi ministries. The Iraq Transition Assistance Office (ITAO) oversees several short-term projects organized to enable rapid response to immediate priorities. These projects, the program administered by USAID (Tatweer) and the Embassy's Rule of Law program are designed to assist Iraq's transition to self-sufficiency by enabling the government to provide security, to ensure the rule of law, to deliver essential services to the Iraqi people, and to develop a market-driven economy through democratic processes.

USAID's Tatweer program is designed to meet this goal by developing the skills and qualifications of public servants through public management and administration training. In addition to working with key ministries to improve their ability to carry out core functions, such as strategic planning and policy development, budgeting, training, and managing a personnel system, CD programs are also being implemented in the Prime Minister's and Deputy Prime Minister's offices as well as the Council of Ministers' Secretariat. Tatweer is a three-year program with an award ceiling of \$209.5 million. To date, USAID has received \$205,000,000 to support ministerial capacity development programs.

In January 2008 the Embassy's Ministerial Engagement Team concluded an informal assessment of the 11 civilian ministries participating in USAID's Tatweer program and ITAO's short-term national capacity development programs. This informal assessment covered the period of January 2006 through December 2007. Across the board, improvement was noted in the areas of budget execution, contracting and procurement. These findings are confirmed by the increased national spending rates. The January ministerial assessment revealed that in the areas of technology development, strategic planning, and human resource and workforce management, weaknesses exist. We are working with our implementers, international partners and the Government of Iraq to address shortcomings.

Our capacity development programs do not stop at the national level. Our Provincial Reconstruction Teams (PRTs) are instrumental in strengthening provincial government capacity to transparently allocate and spend their capital budgets through direct US technical assistance and training and by fostering working relations with national ministries. In 2006 and 2007 the central government channeled over \$3 billion to the provinces, of which over \$2 billion has been spent. Acting as a driver of political reconciliation, the budget has drawn different partners to work together to improve the lives of Iraqi citizens. Another important outcome of PRT efforts has been to generate domestic, bottom-up pressure for improved ministerial performance. However, insurgents hurt the ability of the provincial governments to perform. Provinces with the lowest level of attacks in 2007 executed the highest portion of their budgets.

The Provincial Reconstruction Development Council (PRDC) program and the Local Governance Program (LGP) are just two examples of ongoing provincial level capacity building programs implemented via the PRTs. The PRDC program helps develop local and provincial capabilities to plan and execute small-scale infrastructure projects using USG and Iraqi resources. USAID's Local Governance Program (LGP) builds the capacity of local political institutions at the governorate, district, sub-district, and neighborhood levels. Congress has allocated approximately \$790 million for PRDC and \$245 million for LGP in the 2006 and 2007 supplementals.

Refugees

Question 49. Can you provide an update on Iraq's \$25 million pledge to Syria and Jordan to help support its citizens who are being hosted by those governments? Are more contributions expected?

Please describe US, Iraqi efforts to resettle families who wish to return. Are international organizations actively involved on the ground? Are the Iraqis willing to fund this further?

The Administration has increased sanctions against Syria against reports that the Syrian government has been helpful to the Iraqis who have sought refuge there. How many refugees have been interviewed for processing by US teams in Syria? Do you expect the Syrians to reciprocate? What provisions have been made to ensure our DHS and State Department teams who have been working to process Iraqi refugees are not limited by new sanctions?

Answer. The Government of Iraq pledged to provide \$25 million in refugee assistance to Syria, Jordan, and Lebanon. The Iraqi government has delivered \$15 million directly to the Syrian government and \$2 million to the Lebanese government. The \$8 million allocated by Iraq for assistance to refugees in Jordan has not yet been disbursed. The Iraqi and Jordanian governments are still engaged in discussions about the mechanism through which these funds will be disbursed to support Iraqi refugees in Jordan. Senior GoI officials agreed with Under Secretary for Democracy and Global Affairs Paula Dobriansky during her visit to Baghdad on February 7, 2008, that the Iraqi government needs to do more for its vulnerable citizens displaced abroad.

Recent reports from international humanitarian organizations caution that conditions for Iraqis displaced inside Iraq and in the region continue to deteriorate. These reports, along with the short-lived spike in repatriation in late 2007, have focused GOI, USG, and international humanitarian community attention on the need to prepare for returns.

The Iraqi Government has launched a number of initiatives to address displacement and repatriation. In the spring of 2007, the GOI announced that it would make one-time payments of one million Iraqi dinars, approximately USD 800, to displaced families who returned to their homes in Baghdad. Several thousand families received payments under this program before it was temporarily suspended. In late November, when there was a sudden surge in returns of both refugees and IDPs, the GOI, in coordination with the UN, launched the Joint Rapid Response Plan. This Plan is a pilot project to target assistance to the most vulnerable returnees.

UNHCR provided funding of more than \$10 million to assist returnees to Baghdad at that time.

The USG, UN, and other international humanitarian organizations are also working closely with the Iraqi government to plan for returns. Embassy and MNF-I staff meet regularly with senior GOI and UN officials to urge the GOI to take a more pro-active role in preparing for large scale IDP and refugee returns, including the creation of a broad national policy, the identification of resources, and the creation of governmental coordination structures to manage returns. The USG has established an inter-agency working group in Washington, DC that focuses on planning for Iraqi returns and repatriation.

The international humanitarian community is increasing its engagement as well. UN High Commissioner for Refugees Antonio Guterres announced during his visit to Baghdad on February 16 that UNHCR would increase its international staff in Baghdad from two to six people, including the senior-level Resident Representative. Commissioner Guterres also announced that UNHCR had proposed to join the GOI in assessing conditions for large-scale return of displaced Iraqis. UNHCR and the GOI are now discussing Terms of Reference for the proposed mission. A conference is also being planned to include the Iraqi Ministry of Migration (MoM), the UN, PRTs, USAID, the International Organization for Migration, and the U.S. Embassy. The goals of the conference are to further refine GoI policy on internally displaced Iraqis and to coordinate technical assistance to the MoM from the USG, its implementing partners, and the UN.

Regarding Syria, we recognize that the Syrian government plays an important humanitarian role in hosting almost half of all refugees displaced in the region. The State Department has engaged the Syrians on this important humanitarian issue. Former Assistant Secretary for the Bureau of Population, Refugees and Migration Ellen Sauerbrey visited Damascus in March 2007 to discuss humanitarian and refugee issues. Ambassador James Foley, the Secretary's Senior Coordinator for Iraqi Refugee Affairs, traveled to Damascus in October 2007, where he reiterated our commitment to providing assistance to Iraqis living in Syria through the United Nations and our international partners, as well as our commitment to resettling particularly vulnerable refugees in the United States. Due to A/S Sauerbrey's and Ambassador Foley's efforts, we have an agreed framework with the Syrian Government and the UNHCR for carrying out U.S. refugee admissions processing in Syria.

As of February 13, UNHCR had referred 6,451 Iraqi refugees in Syria to the U.S. Refugee Admissions Program, of which 2,483 individuals had been interviewed by the Department of Homeland Security. The remainder will be interviewed by DHS between March and July of this year.

We would like the Syrians to do more; refugee processing in Syria is contingent upon the ability of DHS and State Department officials to continue to receive visas to enter the country, and we have asked the SARG to provide those visas as needed. We have also asked the SARG to allow our implementing partner in refugee processing, the International Organization for Migration (IOM), to bring in added staff necessary for training and processing. While the DHS visas have generally been granted, we have not had success with visas for IOM staff.

U.S.-Brazil MOU

Question 50. What progress has been made on implementing the biofuels investment feasibility studies envisioned under the U.S.-Brazil Memorandum of Understanding?

Answer. We have identified nearly 30 possible feasibility studies and technical assistance projects across our four target countries: El Salvador, Haiti, the Dominican Republic, and St. Kitts and Nevis. Working with the target country governments and our consultants (Winrock International and Getulio Vargas Foundation), we identified eight priority opportunities, which involve feasibility studies and/or technical assistance in each of the target countries and have begun committing funds for each. The United States, Brazil, and our donor partners will support as many projects as possible in the coming months. Our consultants will continue to develop funding proposals for the remaining projects.

Question 51. How much funding is required to implement the MOU?

Answer. The eight current projects are budgeted at \$2.5 million. The United States is collaborating with donors including the Organization of American States (OAS), Inter-American Development Bank (IDB), and United Nations Foundation that have expressed their willingness to contribute a total of \$11 million. We are pleased with our commitments to date and do not foresee the need for additional funding.

Question 52. Has the Brazilian government met their obligations under the MOU?

Answer. Yes, the GOB has met its obligations, both in management and implementation of the agreement as evidenced by the strong progress across all three prongs of the MOU.

To advance the bilateral R&D cooperation, the GOB sent a team of Brazilian scientists to the United States in September 2007 to visit U.S. Departments of Energy and Agriculture renewable energy labs and offered to receive a team of U.S. scientists for a reciprocal visit in the Spring or Summer 2008. We expect joint agreement on areas of cooperation and an implementation roadmap shortly after. Additionally, the U.S. Department of Energy and the Brazilian government (Ministry of Foreign Relations/Ministry of Science and Technology) initiated a bilateral project on the impact on greenhouse gases (GHG) from the expansion of ethanol production in the two countries. The National Renewable Energy Laboratory (NREL) and the State University of Campinas (UNICAMP, Brazil) are implementing this project.

To advance regional cooperation, the GOB hired technical consultants from the Fundacao Getulio Vargas to assist target country governments in their long-term planning for biofuels development. The GOB has joined the United States in engaging diplomatically in the target countries and meetings with target country officials in the United States.

To advance multilateral cooperation on standards and codes, the GOB established the International Biofuels Forum (IBF) in the fall of 2006. In addition to Brazil and the U.S., the IBF includes India, China, the European Commission (EC), and South Africa. The United States, GOB, and EC have advanced work on standards and codes through our respective standards bodies (NIST in the case of the United States). The results of the collaboration are summarized in the United States, Brazil, and the European Union Release Report on Biofuels Standards http://www.nist.gov/public_affairs/biofuels_report_fact_sheet.pdf and the white paper is available at http://www.nist.gov/public_affairs/biofuels_report.pdf.

Question 53. Is the State Department planning to send the Congress proposed legislation for the U.S.-Brazil led biofuels initiative? Would authorizing legislation be useful in maintaining momentum for the initiative past January 2007?

Answer. The Department currently has no plans to propose legislation to the Congress on this initiative. Given the broad support for the partnership, we do not anticipate barriers to continuing work beyond January 2009.

QUESTIONS SUBMITTED BY SENATOR BOXER

Question 1. In 2005, when you were Secretary of State, then attorney general Alberto Gonzales reportedly approved two secret memos specifically authorizing waterboarding, head slapping, and frigid temperatures. NBC News reported that you were aware of these secret memos. Were you aware of these memos? If so, did you agree with the decision to authorize waterboarding?

Is waterboarding ever permitted under the U.N. Convention Against Torture?

Answer. Although I would not comment on the accuracy that report, I was aware that the Department of Justice prepared legal opinions in 2005 relating to the CIA interrogation program.

As to the question whether waterboarding would be lawful, I would emphasize that there have been a number of changes in the law applicable to interrogation techniques, including enactment of the Detainee Treatment Act of 2005 and the Military Commissions Act of 2006, and the promulgation of the President's Executive Order of July 2007, which implement the Supreme Court's decision in *Hamdan v. Rumsfeld* (2006) that Common Article 3 of the 1949 Geneva Conventions applies to the armed conflict with al Qaeda. These provisions make clear that any techniques within the CIA program must comply with the legal prohibitions on torture, cruel, inhuman and degrading treatment, and the humane treatment requirements of Common Article 3. Were any U.S. agency or person to propose the use of waterboarding in the future, it would be necessary to consider the lawfulness of the technique under all applicable domestic and international law. Furthermore, the President would have to determine whether to authorize its use.

Question 2. I remain very concerned about Iran's failure to suspend its nuclear enrichment program as required by the UN Security Council. What are the prospects for a tough UN Security Council resolution that has the support of the international community?

Answer. The Council clearly expressed its intention in UN Security Council resolution 1747 to consider the adoption of further appropriate measures under Article 41 of Chapter VII of the UN Charter if the IAEA Director General's report showed that Iran had failed to comply with UN Security Council resolutions 1737 and 1747. The Director General has reported three times since the adoption of that resolution in March 2007 that Iran has failed to do so.

The Foreign Ministers of China, France, Germany, Russia, UK, and the United States (P5+1) reached agreement on the elements of a third UNSC sanctions resolution on 22 January 2008 in Berlin. The EU3 shared the draft resolution with the full Council on 5 February 2008. The Council has been engaged in negotiations on the resolution in New York for the past several weeks. We expect the Council will adopt the resolution soon.

Pursuant to standing P5+1 strategy of incremental increases on sanctions on Iran until it meets its Security Council obligations, the draft resolution increases the severity of existing sanctions and expands upon the previous two UNSC sanctions resolutions (UNSC Resolutions 1737 and 1747). The resolution is the product of intense negotiations between the members of the P5+1 and is a clear signal to the Iranian regime that the P5+1 are united in ensuring that Iran complies with its UNSC obligations. These obligations include providing the IAEA with the all of the information and access it needs to verify that Iran has permanently ceased all weapons-related work.

Until Iran meets its UNSC obligations, as clearly outlined in UNSCRs 1696, 1737, and 1747, and the calls of the IAEA Board of Governors and has fully disclosed any weapons-related activities to the IAEA, the international community can have no confidence in the exclusively peaceful nature of Iran's nuclear program. UNSC sanctions are part of our dual track strategy to clarify to Iran's leaders the consequences of its continued noncompliance, while also keeping open the door to direct negotiations.

Update to take into account recent developments:

On 22 February 2008 the IAEA Director General reported that Iran is continuing to fail to comply with its UN Security Council obligations and calls by the IAEA Board of Governors to suspend all proliferation sensitive nuclear activities, including enrichment-related activities, and has not undertaken full and complete transparency with the IAEA. After allowing for time to review and consider the IAEA Director General's report, the Council adopted UNSC sanctions resolution 1803 on 3 March 2008 by a vote of 14-0 with one abstention (Indonesia). This is now the third time that the Council has imposed Chapter VII sanctions on Iran.

Question 3. Please describe the progress made, if any, by the Philippine Government in implementing the recommendations of the United Nations Special Rapporteur on Extrajudicial, Summary or Arbitrary Executions.

Answer. United Nations Special Rapporteur on Extrajudicial, Summary or Arbitrary Executions Philip Alston visited the Philippines in February 2007. In his final report, which was released in November 2007, the Special Rapporteur made numerous recommendations aimed at eliminating extrajudicial killings (EJKs) from counterinsurgency operations, achieving convictions in EJK cases, reforming the witness

protection program, and bolstering human rights enforcement throughout the government's civilian, military and security agencies.

The Philippine government has taken significant measures to address the problem of EJKs. To begin, President Arroyo has been clear in directing members of the Armed Forces to adhere strictly to human rights principles. The military leadership issued a directive outlining command responsibility as a basis for criminal liability.

The Philippine government has underway a number of investigations and prosecutions into EJKs and forced disappearances. As of December 2007, the Philippine Department of Justice State Prosecutor Task Force was investigating 23 cases. Between January and November 2007, the Commission on Human Rights (CHR) investigated 30 cases of politically motivated killings involving 38 victims. The Philippine National Police Task Force Usig reports that it has filed 59 cases in court, archived 49 as "cold" (no developments or progress in one year), and dropped one.

The Philippine Department of Justice reports that one police officer and eight civilians have been convicted for extrajudicial killings. According to the Philippine Supreme Court, 45 cases of extrajudicial killings are currently pending in the regional trial courts. To streamline the prosecution of these and other EJK cases, President Arroyo has mandated cooperation and coordination between prosecutors and police from the outset of a political or media killing until the termination of cases in court.

Further, the Philippine Department of Justice has implemented several reforms to the Witness Protection Program. According to the Philippine government, admission requirements for witness protection coverage have been liberalized. Regional prosecutors have also been authorized to grant provisional coverage to high-risk witnesses under threat pending confirmation of their admission to the Program. The economic benefits and social services for witnesses under the Program have also been enhanced.

In October 2007, the Philippine Supreme Court issued new rules regarding the "writ of *amparo*," a remedy available to human rights advocates and families of victims of human rights abuses by government agencies. Under the new rules, any aggrieved person or family member may file a petition against any public official or agency. The judge may then issue a writ of *amparo* mandating that the respondent within five days produce the missing person, provide information on the person's whereabouts, or demonstrate that the government agency is taking affirmative action to locate the missing person. The judge may also issue inspection orders to search particular locations. Human rights lawyers have filed at least 15 writs of *amparo* against the military. Seven cases were resolved and eight are pending hearings. Of the seven resolved cases, four resulted in the release of the accused from military custody.

In 2007, there was a significant decline in EJKs. According to Task Force Usig, there were seven EJKs in 2007, down from 41 in 2006. Similarly, the Commission on Human Rights reported 38 victims through November 2007, down from 159 during the equivalent time frame in 2006. The NGO Karapatan reported 68 victims in 2007, down from 209 in 2006. The numbers vary because each organization differs in its definition of EJK; however, there is an unmistakable downward trend in each report. The decline in extrajudicial killings was most likely due to the measures noted above, along with heightened international attention to the issue.

While we welcome the government's steps and last year's apparent decline in EJKs, we remain concerned about the problem of EJKs and continue to press the Philippine authorities to pursue these investigations and seek convictions, as well as to further strengthen institutional efforts to combat EJKs.

Question 4. Please describe the progress made, if any, by the Philippine Government in implementing a policy of promoting military personnel who demonstrate professionalism and respect for human rights, and investigating and prosecuting military personnel and others who have been credibly alleged to have committed extrajudicial executions or other violations of human rights.

Answer. It is the Department's understanding that professionalism and respect for human rights are among the factors considered by the Armed Forces of the Philippines (AFP) in making promotion decisions. The Human Rights Office of the AFP, which was created in January 2007, organizes continuing human rights education programs and investigates formal complaints on alleged violations of human rights. We remain concerned about the problem of EJKs and continue to press the Armed Forces of the Philippines to pursue investigations and seek convictions, as well as to further strengthen institutional efforts to combat EJKs.

Question 5. Is the Philippine military engaging in acts of intimidation or violence against members of legal organizations who advocate for human rights?

Answer. Concerns that members of the security forces are involved in extrajudicial killings persist. U.S. military assistance programs continue to encourage respect for due process, combat corruption, and strengthen the professionalism, commitment to human rights, discipline, and technical expertise of the Philippine military. Hence, significant numbers of Philippine soldiers each year receive some form of human rights training, which is embedded in training exercises, by U.S. military personnel. U.S. support for the Philippine Defense Reform program remains crucial for building the command and control necessary to end practices such as extrajudicial killings and ensure widespread respect for human rights.

Question 6. Japan is the only G-7 industrialized country which is not a party to the Hague Convention on the Civil Aspects of International Child Abduction. Please describe the State Department's efforts to resolve active cases of international parental child abduction involving Japan.

Answer. The Office of Children's Issues currently maintains more than forty open cases of international parental child abduction to Japan involving more than fifty children. That number increases steadily because children abducted to Japan are seldom returned. The Department is aware of only three cases of abduction to Japan that have resolved favorably. In two of those cases, the couple reconciled. In a third, a sixteen-year-old boy surreptitiously left the taking parent's home with the aid of the left-behind parent. The consulate issued the boy an emergency U.S. passport and assisted him as appropriate with his return to the United States.

Through our Office of Children's Issues, the Department provides a point of contact and a resource for left-behind parents whose children have been taken to Japan. We tailor our efforts to the individual situation and work diligently to be responsive to the requests of our left-behind parents while balancing the realities of the tragic situation. The Office of Children's Issues works individually with the parents to advise them regarding options in domestic courts, with local law enforcement and the FBI, and in the courts in Japan. We advise them to move expediently to seek custody of their children in U.S. courts. We assist them in communicating the gravity of the situation to local law enforcement and the FBI and identifying federal statutes that may be applicable. We consult with attorneys, many of whom are dealing with an international abduction situation for the first time. We inform left-behind parents of patterns observed in the behavior of taking parents in Japan and the difficulty facing American parents in Japanese courts. The Department also seeks to designate non-U.S. citizen abductors and those who assist them as ineligible for U.S. visas. Measures such as pursuing criminal charges, seeking Interpol notices, and designating abductors ineligible for U.S. visas restrict taking parents' ability to travel and put pressure on them to negotiate a resolution.

Where it is appropriate, we work to build communication between the parties. By so doing, in other EAP countries, we are occasionally able to help negotiate informal solutions or compromises whereby a left-behind parent can gain occasional access to their child. While these compromises fall short of a full resolution of the situation, most parents consider occasional access preferable to being completely cut off from their child as frequently happens in Japan.

Our ability to help the left-behind parent is crucial, but the highest priority of the Department is safeguarding the welfare of U.S. citizen children. To protect our most vulnerable citizens, the victims of parental child abduction, we work through our embassy in Tokyo and consulates to conduct welfare and whereabouts visits with abducted children; we raise abuse and neglect concerns with the Japanese government; and we pursue all lawful and appropriate means to return abducted children to their custodial parents.

Welfare visits often require assistance from the host government, as taking parents may not provide information about their whereabouts to the left behind parents. Citing privacy laws and legal and cultural differences, and noting that the children in question are often Japanese citizens as well, the Government of Japan has long declined to assist with welfare and whereabouts visits. In one notable example, a diplomatic note requesting assistance in gaining consular access to an abducted child has gone unanswered for more than a year. However, in a recent break with that policy, the Ministry of Foreign Affairs responded quickly to a subsequent diplomatic note in a separate case and contacted the attorney of a taking parent to underscore our request for a welfare and whereabouts visit. Although the taking parent continued her refusal and no visit has occurred, this direct action by the Government of Japan was the first of its kind.

In Japan, our ability to assist on individual cases has proven consistently to be sharply limited. Consequently, the Department focuses significant effort on the bilateral relationship between the United States and Japan to enable us to provide better assistance to left-behind parents in the United States. When the Hague Con-

vention on the Civil Aspects of International Child Abduction applies, the Office of Children's Issues, which is the Central Authority for the Convention, assists parents in filing an application with foreign central authorities for return of, or access to, the child. Japan is not a partner in the Hague Abduction Convention. Consequently, our strategy with respect to international parental abduction cases to Japan is to raise the issue with the Government of Japan at every appropriate opportunity.

When Ambassador Maura Harty, then the Assistant Secretary of the Bureau of Consular Affairs, traveled to Tokyo in December 2005, she initiated a high-level State Department dialogue with the Japanese Government on issues involving international parental child abduction. On September 6, 2006, U.S. and Japanese representatives met again in Tokyo to discuss international parental abduction. The Department once again urged Japan to accede to the Hague Abduction Convention, which we have been doing since the early 1990's. In March 2008, the Department participated in a Canadian-sponsored symposium in Japan to once again press the issue. In conjunction with her participation in the symposium, the Deputy Director of the Office of Children's Issues met with Ministry of Foreign Affairs officials to stress the importance of the issue to the U.S. Government. However, the Japanese Government's reception to these requests to join the Hague Convention has been consistently unfavorable.

Other efforts appear to be yielding incremental, but significant, gains. In parallel with their efforts to gain Japan's agreement to join the Hague Convention, State Department officials in Washington have pressed the Japanese Embassy at a high level on the abduction issue. The Department has encouraged the U.S. Embassy in Tokyo to identify and push for alternative ways the Japanese Government can address the concerns of the left behind parents. These meetings, coupled with the senior-official discussions held in Japan, appear to have increased Japanese Government awareness of the agonizing separation forced upon the left-behind parents and encouraged a willingness in the central government to consider how they could promote greater readiness at the local level in Japan to assist in such cases. At the conclusion of the Canadian-sponsored symposium, Japanese officials delivered a long-awaited "handbook" to guide left-behind parents whose children are in Japan and those seeking to assist them. The U.S. Embassy in Tokyo is working to translate the document to analyze how this will affect the Department's assistance to left-behind parents.

Given the difficulties in resolving the situation after a child has been taken to Japan, it is infinitely preferable if the child does not become a victim in the first place. Consequently, we work to prevent abductions. The Prevention Unit of the Bureau's Office of Children's Issues educates parents on the dangers of international abduction and works with them to protect children in the United States from this threat. Prevention tools on the Bureau of Consular Affairs website (www.travel.state.gov) include information on precautions for parents, the importance of custody orders, passport requirements for minor children including parental consent regulations, and the Children's Passport Issuance Alert Program (CPIAP). This important program enables Children's Issues to notify a parent or court-ordered legal guardian before issuing a U.S. passport to his or her minor child. To enter a child's name in the program, parents or guardians need to submit a written request to Children's Issues.

We also endeavor to interrupt abductions in progress. Our abduction and prevention officers often act as points of contact as a parent works to marshal legal remedies to try to prevent a potential abductor from leaving the United States. By working with a parent's legal representative, local law enforcement, and the FBI, we are sometimes able to utilize the Department of Homeland Security's Prevent Departure program to keep a potential abductor from leaving the United States.

Question 7. On January 25, 2008, I sent a letter with my colleague, Sen. Dianne Feinstein, to the Prime Minister of Vietnam, Mr. Nguyen Tan Dung regarding Mr. Nguyen Quoc Quan, an American citizen and California resident. According to available news reports, Mr. Nguyen Quoc Quan was arrested in Vietnam on November 17, 2007 for peacefully distributing pro-democracy leaflets. Our letter called for Mr. Nguyen Quoc Quan's release and the release of all political prisoners detained for the peaceful advocacy of democracy. Will you continue to work for the release of Mr. Nguyen Quoc Quan? What more can be done to encourage Vietnam to improve its human rights record?

Answer. We have expressed our concern over the arrest of American citizen Dr. Nguyen Quoc Quan to senior Vietnamese officials in Hanoi and to the Vietnamese Ambassador in Washington. We have made clear that the United States opposes the arrest of anyone for the peaceful expression of his or her views, and that anyone

detailed on that basis should be released immediately. We will continue to raise at high levels our concerns with the Vietnamese government.

We continue to press Vietnam to improve its human rights record. We are urging Vietnam to release all remaining political prisoners, and end the use of catch-all “national security” provisions like Article 88 of the criminal code, which outlaws “propaganda against the State” and is used to suppress political opposition. The next round of our bilateral Human Rights Dialogue is planned for May this year. We have made clear to the Vietnamese that the Dialogue must lead to concrete action to improve the human rights situation. More broadly, we have underscored that expanding our relationship will depend on progress in all areas, including greater respect for human rights and more freedom for the people of Vietnam.

QUESTIONS SUBMITTED BY SENATOR COLEMAN

Hmong Human Rights

Question 1. What are we doing in conjunction with the Thai government to protect the lives of Hmong refugees and ensure that they are not deported back to Laos?

Answer. We have repeatedly urged the Thai government to evaluate all Hmong claims to refugee status individually before a decision is made on deportation. We understand that the Thai government has established a vetting process to evaluate Hmong asylum-seekers’ cases and has consistently assured us that Hmong asylum-seekers with a legitimate fear of persecution will not be repatriated to Laos. Nevertheless, Thai authorities did deport several groups of Hmong asylum-seekers without screening in 2006 and 2007. We have registered strong concerns about those repatriations at senior levels of the Thai government.

The Department of State, through the Bureau of Population, Refugees, and Migration, in late 2007 contributed approximately \$500,000 to support basic humanitarian assistance at the Hmong settlement at Petchaboon, Thailand through a contribution to the United Nations Children’s Fund (UNICEF). UNICEF works with the sole non-governmental organization present at the settlement, Medecins Sans Frontieres (MSF), to provide food, cooking fuel, blankets and other basic assistance to residents. MSF has provided basic health care for the Hmong at Petchaboon for over two years. UNICEF will continue to monitor living conditions there during regular visits to the settlement.

With respect to the issue of potential return of any Hmong not found to be refugees, we have urged the Lao government to allow international monitors access to areas where Hmong have been repatriated and permit humanitarian organizations based outside of Laos to assist with reintegration. That system was in place in the 1990s when Thailand repatriated to Laos the last of approximately 29,000 ethnic Hmong and others deemed economic migrants, and UNHCR was permitted to monitor their return and reintegration. It should be noted that UNHCR assessed that these returnees were not mistreated by the Lao government, and UNHCR closed its office in Laos in 2001. U.S. officials will also continue to seek expanded international access to Hmong areas in general.

Question. What other efforts are being made to improve the human rights situation in Laos?

Answer. Senior U.S. officials, including Deputy Assistant Secretary for Southeast Asia Scot Marciel during his visit to Laos in January 2008 and Ambassador Ravic Huso on several recent occasions, have had productive discussions with Lao officials on improving the status of the Hmong ethnic minority. We have actively raised a range of Hmong-related issues, including: Hmong asylum-seekers in Thailand, treatment of those in hiding in remote areas of Laos, and the Lao government’s overall relations with this ethnic minority group. In general, the Lao response to our concerns in recent months has been cautious but slightly more encouraging than in the past. Nonetheless, we will continue to urge the Lao government to permit international humanitarian access to and monitoring of the Hmong in remote areas.

Bahrain

Question 3. I am concerned about reports of abuses in Bahraini prisons, particularly of individuals whose imprisonment may have been politically motivated. Does the State Department believe Bahrain holds political prisoners? What is the Department’s view about allegations of mistreatment of individuals detained in Bahrain? Can you tell me the Department’s position on the jailing and reported abuse of activist Mohamed Al-Singace?

Answer. In December 2007, Bahraini officials arrested many individuals in connection with protest-related violence and the beating of one police officer. Fifteen men are being held on an array of offenses including arson, attempted murder of a police officer, theft of a weapon, and illegal possession of a firearm. On February 24, the detainees appeared in court to hear the charges against them. Human rights observers, family members, and the defendant's legal representatives were present at the hearing. The Bahraini government has refused to allow a few of the detainees access to legal counsel or family members. Two men received temporary release from jail in order to complete education and family obligations.

The Department of State views the allegations of abuse relating to Mr. Mohamed Al-Singace quite seriously and although we are satisfied with the review of his case thus far, we continue to discuss this matter with appropriate Bahraini officials and human rights activists in an effort to ensure that Mr. Al-Singace receives a transparent and fair review of his case.

Question 4. As a board member of the National Endowment for Democracy, I'm concerned about the fact that the National Democratic Institute was expelled from Bahrain. Can you please tell me how the Department responded to that expulsion, and what the U.S. is doing to promote democratic reform in Bahrain?

Answer. In July 2007, NDI resumed activities in Bahrain in cooperation with the Bahrain Institute for Political Development. USG dialogue with the government of Bahrain, led by our Embassy in Manama and by the State Department, was instrumental in NDI's successful return to Bahrain. Since reaching agreement, NDI has successfully completed two parliamentary training programs and has received Bahraini permission to carry out additional programs in March and April 2008.

In May 2006, the Government of Bahrain declined to renew a residency permit for the Middle East Partnership Initiative (MEPI) funded Country Director of the National Democratic Institute (NDI), effectively closing down NDI's operations in Bahrain. While USG programs on democratic development (many of them implemented by NDI) were paralyzed for a period of time, NDI and the Government of Bahrain began a dialogue about proposed Bahraini-NDI cooperation a short while later. During these discussions senior USG officials strongly urged the Bahraini government to support NDI activities. The Department recognizes that increased and sustained Bahraini support for NDI activities is critical to continued democratic reform in Bahrain.

Bahrain is a friend and ally to the United States; human rights and democratic development continue to progress despite some setbacks and challenges. We continue to promote these issues in Bahrain through frank and constructive dialogue with Bahraini government officials and activists. Additionally, our Embassy in Manama has at its disposal an array of public diplomacy tools to support democratic development as well as effective programs funded by the Middle East Partnership Initiative to increase respect for human rights and the rule of law in Bahrain.

Question 5. Some have suggested that Bahraini elections are a sham because elected leaders wield little real power. Do you agree or disagree with this viewpoint? What is the Department doing to strengthen Bahraini elected institutions?

Answer. The November 2006 parliamentary and municipal elections in Bahrain have largely been viewed as a success. The elections were Bahrain's second since democratic reforms were instituted in 1999. In contrast to its decision to boycott the 2002 parliamentary elections, the Shia oppositionist group Al-Wifaq chose to participate during the 2006 elections and now holds 18 of 40 seats in the elected Council of Representative (COR), making it the COR's largest block. Al-Wifaq has used its new position of influence to seek positive, tangible reforms to benefit Bahrain's Shia community. However, Al-Wifaq's increasingly prominent role in the Bahraini political process is a positive example of democratic participation in Bahrain. Strong Bahraini institutions are important to Bahrain's ongoing democratic development, and despite some powers such as the ability to propose legislation and question ministers, more needs to be done to support COR authority. NDI has held two successful training sessions to empower and educate Bahraini parliamentarians, and two additional sessions are scheduled to take place in spring 2008. Embassy Manama continues to work diligently to strengthen democratic institutions by encouraging broad participation in Bahrain's political process and by participating in meetings and dialogue with Bahraini officials and activists.

Question 6. During President Bush's recent visit to Bahrain, I understand a petition with more than 83,000 signatures was delivered to the U.S. Embassy to express concern about a lack of democracy in Bahrain. Can you tell me how this petition was received and what is the U.S. response to it?

Answer. On January 8, Embassy Manama made special accommodations to receive the petition you mention, delivered by Mr. Abduljalil Singace. Despite a holiday-related closure, the Embassy opened its doors to Mr. Singace and made special accommodations to facilitate his entry onto the Embassy compound. Mr. Singace requested to personally deliver the petition to President Bush. Embassy staff could not accommodate this request, but did deliver the petition to appropriate White House staff during President Bush's January 12-13 visit to Bahrain. Embassy Manama did not confirm the number of signatures on the petition before delivering it to White House staff. The petition remains under review by White House staff.

Question 7. Does the U.S. Embassy in Bahrain or State Department in Washington meet with Bahraini political dissidents and democracy activists?

Answer. U.S. officials in Bahrain and Washington regularly meet with those Bahraini activists who responsibly express their opposition and do not advocate violence or extremism. Senior U.S. officials also regularly meet with such activists and NGO leaders. For example, during a February 25-26 visit to Bahrain, Deputy Assistant Secretary of State for Near Eastern Affairs Kent Patton hosted separate roundtable discussions with Bahraini oppositionists and NGO leaders. In July 2007, the Bureau of Democracy Human Rights and Labor Affairs sponsored a roundtable discussion in Washington among then U.S. Ambassador-designate to Bahrain Adam Ereli, NGO representatives, and Bahraini activists. Ambassador Ereli has pledged to engage the Bahraini government in a dialogue about human rights and hopes ongoing discussion will continue to highlight the importance of NGO groups as an asset in promoting respect for democratic reform and human rights in Bahrain.

Philippines

Question 8. Could you please describe the efforts of how the State Department is working with the Philippine government to monitor and ensure that "command responsibility" is being properly implemented in the Philippine military, and that current and former military officers credibly alleged to be responsible for extrajudicial executions and disappearances are prosecuted?

Answer. Senior USG officials, both in Washington and Manila, repeatedly raise concerns about allegations of extrajudicial killings (EJKs) and urge the Philippine authorities to investigate cases and prosecute cases, if credible evidence is discovered. State Department officers also communicate with international and local NGOs and activists to receive updates on human rights conditions in the Philippines, including extrajudicial killings, forced disappearances, and implementation of command responsibility.

In May 2007, as part of its ongoing efforts to help the Philippine government promote and protect human rights and rule of law, the U.S. Embassy held a seven-day seminar that included a significant component on command responsibility. This seminar was taught by a U.S. Attorney's Office expert and focused on the investigation and prosecution of extrajudicial killings. It was attended by 31 Philippine investigators, 10 Philippine Department of Justice prosecutors who specialize in the prosecution of these cases, and four Philippine Commission on Human Rights regional directors.

Ongoing U.S. military assistance programs enhance professionalism, encourage respect for human rights, and strengthen the concept of command responsibility among members of the Philippine Armed Forces. Each year, thousands of soldiers receive some form of human rights training, which is embedded in training exercises conducted by U.S. military personnel.

Question 9. What role is the State Department playing in helping the Philippine government with the reform of the newly enacted anti-terror law, the Human Security Act, so that the law provides basic procedural guarantees and are in accordance with international human rights standards?

Answer. The Philippine Human Security Act of 2007, signed into law on March 6, 2007, expanded the tools available to the Philippine government to investigate and prosecute acts of terrorism. The United States supported the passage of this legislation since the lack of a prior legal framework for counterterrorism efforts by law enforcement agencies had contributed to the Philippines becoming a haven safe for al Qaida-linked groups, such as the Abu Sayyaf Group and Jemaah Islamiya. The Human Security Act should enable prosecutors to use new investigative tools, including electronic surveillance, which will help bolster their cases against terrorists in court.

The legislation has been criticized by some non-government organizations concerned about potential government abuse of the Act's provisions. Accordingly, the Philippine Senate added safeguards to ensure the Act was not misused by targeting

government critics and opposition politicians. These safeguard provisions are considered highly protective of civil liberties; some Philippine Congressmen have since expressed concerns that these provisions are exceedingly strong, so much so that the Act itself may be difficult to implement. Philippine President Gloria Macapagal Arroyo publicly promised that “law abiding Filipinos have nothing to fear for it is a weapon that shall be wielded against bombers and not protesters.” To further allay public concerns, President Arroyo delayed implementation of the Act until two months after the May 2007 mid-term elections.

The U.S. Embassy worked closely with Philippine legislators and officials to improve and strengthen the counterterrorism legislation prior to its passage, while strongly advocating for the inclusion of built-in protections of the rights of Philippine citizens. After the act was signed, the Embassy also issued a statement congratulating the Philippine government and Congress for taking a positive step in countering and preventing terrorism in the Philippines by providing needed legal tools while ensuring protection of civil liberties and human rights.

Since the passage of the Act, we continue to work with the Philippine government as it implements the law. The Embassy provides training and assistance to officials from the military, police, and the Philippines National Intelligence Coordinating Agency, who implement the Human Security Act. U.S.-sponsored training, whether for the military, intelligence, or law enforcement community, includes a human rights component. We will continue to encourage the Philippine government to use its new counterterrorism tools so as to ensure that the rights of Philippine citizens are protected in accordance with international human rights standards.

In December 2007, the U.S. Department of Justice conducted a training program with the National Intelligence Coordinating Agency and representatives of the Philippine Anti-Terrorism Council that addressed the Act and compared it with U.S. law. The focus was on use of electronic surveillance for presentation in court and, among other things, discussed the procedural safeguards contained in U.S. law as a basis for implementation of the act’s provisions. The conference also addressed the current restrictions of the act and the need for accountability of law enforcement through the public criminal justice system.

Question 10. Prior to providing military assistance to the Philippine military, how is the State Department monitoring and identifying those military units whose members have been credibly alleged to have committed human rights violations, as required by the Leahy Law?

Answer. We conduct intensive vetting of all Philippine members of law enforcement or military units who are candidates for U.S.-funded training, including civilians attached or assigned to security force units. The three-part vetting process includes 1) internal vetting by relevant USG law enforcement agencies at post, including the Drug Enforcement Administration, the Department of Homeland Security, and the Regional Security Office; 2) host country vetting by the Philippine National Bureau of Investigation and the Philippine Commission on Human Rights; and 3) vetting with the State Department’s Bureau for Democracy, Human Rights, and Labor; Bureau of East Asian and Pacific Affairs; Bureau of Intelligence and Research; and Bureau of Political-Military Affairs. If there is no credible information of gross violations of human rights by the candidate at all three levels, the individual and/or unit are permitted to attend the scheduled training. Candidates for whom questionable or identified derogatory information is available have been and will continue to be excluded from receiving U.S. assistance, as required by the Leahy Amendment. All derogatory information received on vetted individuals and units is maintained for review and consultation in future vetting processes.

In 2007, we vetted 2,235 law enforcement and armed forces training candidates and identified derogatory information on 196 candidates. Upon further investigation, we excluded 39 individuals and one entire unit for various human rights violations.

Question 11. Is the State Department working with the Philippine National Police and the Armed Forces of the Philippines to ensure that all writs of *amparo* and other summonses issued by Philippine courts and the Philippine Commission on Human Rights are fully and completely enforced and responded to by the PNP and AFP?

Answer. In October 2007, the Philippine Supreme Court promulgated new rules regarding the writ of *amparo*, a remedy available to victims of human rights abuses, particularly extrajudicial killings and enforced disappearances. The writ may be filed in any of the 800 Regional Trial Courts against any agency, public official, or private individual and gives the respondent five working days to provide all relevant information regarding the case, including steps taken to investigate the fate or

whereabouts of the victim. Since the rules came into effect in October 2007, human rights lawyers have filed 17 writ of *amparo* petitions against the military. Six petitions have resulted in the release of six persons from military custody.

The USG supported the development and application of the writ of *amparo* through programs implemented by the U.S. Agency for International Development (USAID). In July 2007, USAID co-sponsored the Supreme Court's National Consultative Summit on Extra-judicial Killings and Enforced Disappearances, which identified measures to address human rights violations in the country, including the urgent need for the writ of *amparo*. After the Supreme Court issued the writ of *amparo* in October 2007, USAID supported a series of events designed to foster greater understanding of the writ and to encourage its appropriate use, including a USAID-supported one-day Supreme Court event with 20 human rights organizations to discuss guidelines for their accreditation as private protection providers (the writ of *amparo* stipulates that private organizations can provide witness protection in human rights cases).

In November 2007, USAID support enabled 247 judges and clerks of court from the regions of Luzon, Visayas, and Mindanao to participate in a conference to clarify provisions of the new rule and to discuss how petitions should be handled. This February, USAID supported a case conference attended by networks of human rights organizations to discuss specific actions needed to support the filing of petitions for writ of *amparo* in connection with ten cases of enforced disappearances. USAID is currently working with the Supreme Court to develop information materials that will easily convey, through storytelling and illustrations, the legal procedures involved in securing a writ of *amparo*.

In 2007, the Department of Justice/International Criminal Investigative Training Assistance Program (DOJ/ICITAP) provided training to approximately 1,500 police officers. While all training includes a human rights component, approximately 500 of these officers were specifically trained in Police Ethics or Human Rights. We are on course to train another 250 by the end of March. Finally, our ICITAP program is collaborating with the Philippine National Police Human Rights Affairs Office to help support them with the delivery of their own in-house human rights training throughout the country.

QUESTIONS SUBMITTED BY SENATOR MENENDEZ

Question 1. The Administration requested \$550 million in the 2008 supplemental and now another \$550 million in the 2009 budget for a counterdrug package in Mexico. In light of this increase, please justify the \$37 million overall cut in the 2009 request from DA, ESF, and CSH accounts compared to the 2008 levels in Latin America.

Answer. A key priority in building the FY 2009 foreign assistance request was reinvigorating our investment in the Western Hemisphere. While the Mérida security initiative to combat drug trafficking, transnational crime, and terrorism in the region is an important focus of this year's request, the FY 2009 budget also prioritizes funding for development objectives in the Western Hemisphere such as advancing democracy and free trade. Excluding funding for the Mérida initiative, the FY 2009 request for the region represents \$31.5 million (2.1 percent) increase over FY 2008 enacted levels.

The FY 2009 budget acknowledges criticism of last year's request by increasing development assistance (DA/ESF) funding for the region. Combined, these two accounts increase \$77.3 million (13.8 percent) from last year's request, with significant investments for Bolivia, Ecuador, and Central America to promote democratic governance and economic opportunity, as well as support for the implementation of the Central American and Dominican Republic Free Trade Agreement (CAFTA-DR). Funding is also targeted to expand democracy, poverty reduction, and environment programs in Haiti.

We appreciate Congress' strong support for programs funded from the Child Survival and Health (CSH) account, reflected by an FY 2008 enacted level for the region of \$134 million, a 24 percent increase over the Administration's FY 2008 request. CSH programs are a top priority for this Administration as we continue to balance assistance across all sectors to support sustainable development practices. As a result, the FY 2009 request for the CSH in the Western Hemisphere is essentially straight lined from last year's request level.

Staffing at USAID

I believe that the strength of U.S. development assistance efforts depends on the strength and morale of the people who make up its workforce. I also believe, that one good way to ensure impact of our programs is ensure that we have the most capable, dedicated, and diverse workforce on the ground. Over the last few decades, there has been a stark erosion of the technical and managerial capacity at USAID. As a result, many of USAID's staff have left to pursue better opportunities.

I recently sent a letter along with Sen. Biden asking USAID Administrator Fore to come to Congress with a comprehensive plan to staff up the Agency, rather than the stop-gap measure they have proposed to increase the number of Foreign Service officers. While I believe that getting more people is important, but it won't solve the problem—getting the right people and retaining the best people is the only way that USAID is going to re-establish itself as the heavy-weight in the U.S. Government's foreign assistance. In your budget request, the Administration has asked for an 18 percent increase of Overhead Expenses (OE) or \$117 million dollars. While more resources are part of this equation, they are only a small part.

Question 2. What are you doing to make sure that USAID is able to attract and retain the most qualified workforce?

Answer. Recognizing the development landscape has changed over the past two decades with levels in trade, foreign direct investment and remittances overtaking official, development assistance, I have instituted an aggressive outreach program that will target candidates with the skills needed for a 21st Century USAID workforce. Demonstrating a commitment to enriching the application pool, senior USAID leadership will be participating in recruitment events that will identify quality candidates to be considered for upcoming Foreign Service Officer positions.

Question 3. Do you plan to make a sincere gesture to build the capacity of the staff at USAID, instead of just increasing the number of Foreign Service Officers?

Answer. New initiatives have been undertaken focusing on strengthening the skills of the entire workforce. The USAID training budget was doubled for FY 2007 and maintained at this level in FY 2008 even under significant budget constraints. I have directed the staff to look at the content and how we deliver training, including bringing a greater number of more relevant courses to the desk tops of our staff through e-learning. In addition, USAID is moving to greatly expand our foreign language training beyond French, Spanish, Portuguese and Russian to include Arabic, the languages of South and East Asia and some of the more common African languages.

Question 4. What percentage of Personal Services Contractors and Institutional Contractors, respectively, represent in the current USAID workforce?

Answer. The total U.S. workforce is 3,308. Of this total, Personal Services Contractor and institutional contractor staff amount to 628 and 280, respectively. The percentage of the USAID U.S. workforce for Personal Services Contractors is 15% and for institutional contractor staff it is 19%.

Question 5. How will these individuals be integrated into the staffing at USAID?

Answer. As I have mentioned in the past, USAID cannot double the size of the Foreign Service workforce by solely bringing in entry-level hires. The workforce gap analysis is identifying areas of mid-level shortfalls taking into account the organizational needs and on-board staff. USAID will then competitively recruit to fill these gaps. It is anticipated that qualified Personal Services Contractors that apply would rise to the top of the list. There will also be a continued need for a very small number of Personal Services Contractor staff to fill short-term targeted needs.

Question 6. In November, Defense Secretary Gates stated in a speech at Kansas State University that there is a "need for a dramatic increase in spending on the civilian instruments of national security—diplomacy, strategic communications, foreign assistance, civic action, and economic reconstruction and development." Do you agree with this? If so, can you elaborate?

Please comment specifically on why the key elements of our development assistance efforts—basic education health care for example, or fighting disease and improving health care—are particularly effective instruments of national security today, and will be even more so in the months and years to come?

Answer. I absolutely agree with Secretary Gate's statement. President Bush's Fiscal Year 2009 Foreign Operations Budget for the Department of State, the U.S. Agency for International Development (USAID) and other foreign affairs agencies totals \$26.1 billion, an increase of 8.9 percent over the total Fiscal Year 2008 enacted to date, including emergency funding, or 14.3 percent over the FY 2008 en-

acted base. This increase reflects a determined effort to enhance civilian instruments of national security—including the capacity of our civilian agencies, with staff increases for the Department of State and the largest requested increase in USAID’s operational budget in nearly two decades—and our development, reconstruction, and security assistance.

Development now plays a vastly elevated role in America’s foreign policy. The charge I have given to our diplomatic corps is a long-term development goal—to help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty, and behave responsibly toward their people and the international system. In the 21st century, defined as it is thus far by an unprecedented and increasing interdependence, human development is both a moral end in itself and also a central pillar of our national security.

Today, the idea that foreign assistance—and specifically long-term development—is a vital tool of our international statecraft meets with broad and growing support. The closer collaboration of State and USAID enacted under the establishment of a dual-hatted Director of U.S. Foreign Assistance and USAID Administrator has aided that effort, providing our development professionals the opportunity—indeed the mandate—to more fully participate at all levels of budget and program planning, providing their insight, perspective, and superior development expertise across the range of our programs and accounts, not just those appropriated to USAID, and to the tough choices that need to be made across our global budget.

With respect to funding, we have continued to boost the quantity of our assistance. Since 2001, with the support and partnership of Congress, President Bush has launched the largest development agenda since the Marshall Plan. In the past six years, we have nearly tripled official development assistance worldwide and quadrupled it to Sub-Saharan Africa.

As noted above, the FY 2009 request reflects the continuation of this effort, further illustrating the emerging national consensus in support of development. The resources requested in the Fiscal Year 2009 Foreign Operations Budget demonstrate our strong commitment to fighting poverty, with a focus on strengthening democratic governance and promoting economic growth. This is reflected in our request for the Development Assistance account, which is nearly 60 percent higher than the Fiscal Year 2008 request, and our request of \$1.7 billion for democracy promotion and governance.

I would also like to specifically mention the State Department’s Civilian Stabilization Initiative (CSI) that is included in the President’s budget. CSI is the product of the work of 15 agencies, including Defense, to build the full complement of U.S. government expertise necessary to respond to a stabilization crisis and to promote effective rule of law, economic stabilization and transitional governance in weak and failing states.

With the requested resources, the Department of State, USAID and other foreign affairs agencies strive to create the conditions conducive to sustained progress in governance, economic growth, and human capacity, recognizing that countries that move in this direction become our partners in global peace and prosperity.

Question 7. How can the U.S. Government improve its coordination across the different agencies conducting international development and health work, like MCC and PEPFAR, especially given that the latter two programs are outside the direct authority of the Director of Foreign Assistance? While the Director of Foreign Assistance does have coordinating authority over those agencies, the experience over the last two years has not demonstrated that that authority is sufficient to effectively coordinate the activities and budget planning between USAID, MCC, and PEPFAR—either here in Washington or at the country level.

Answer. The establishment of a dual-hatted Director of U.S. Foreign Assistance and USAID Administrator has led to continued improvement in the interagency coordination of activities and budget planning. For FY 2008, for example, with the establishment of common objectives, a common program lexicon, and common budget and program planning processes, State (including PEPFAR) and USAID were able to improve coordination, with steps taken toward greater MCC and DOD coordination. For FY 2009, MCC and DOD were formally added as participants in State and USAID’s budget and program planning process, in addition to their coordination in the field.

The evidence of such coordination is illustrated by a number of examples: In Ghana, for instance, USAID is focusing its programming on enhancing the capacity of local government, which is responsible for implementing MCC compact activities in economic growth. In Honduras, USAID programming focuses on trade and investment capacity building and private sector competitiveness, in order to complement MCC compact investments in infrastructure and agricultural diversification.

With respect to PEPFAR, the greater coordination achieved through the DFA helped highlight development gaps in our non-HIV/AIDS programming, including interventions in governance and economic growth that will help build host government capacity to sustain further progress on their own. Thus, in FY 2009, the budget includes \$2.1 billion for State Department and USAID programs in Africa to address development gaps and support economic opportunity and governance programs critical to the success of the investments we have made through PEPFAR.

A number of additional activities are ongoing for this year that we hope will further improve coordination. A strong interagency country strategy development process is being planned for specific pilot countries. The 3-to-5-year strategic plan will be developed by the field, under the leadership of Ambassadors, and is explicitly targeted to include full interagency, other donor, and where appropriate, host government participation. As with last year, the annual Operational Plan process will provide additional opportunities for the interagency in the field to develop comprehensive program plans, working together to ensure coordination.

Finally, to extend coherence across all U.S. Government foreign assistance, the Director of U.S. Foreign Assistance and USAID Administrator now leads the interagency Development Policy Coordination Committee. As technical as it sounds, this committee is an important tool for aligning U.S. Government efforts, making joint policy decisions on critical development issues, and forging stronger collaboration to deliver greater impact from the U.S. Government's development efforts around the world. The Development Policy Coordinating Committee has agreed to focus on intra-government coordination-including the use of the DFA-established common objectives, program lexicon, and planning processes-in a select number of countries. Lessons learned from this pilot will then be adopted on a broader scale.

We share your concern about the importance of such comprehensive coordination, and welcome your input and feedback on our ongoing efforts.

QUESTIONS SUBMITTED BY SENATOR VITTER

Question 1. The United States has not ratified the Law of the Sea Treaty (LOST) and therefore is not a party to the Treaty. Under the U.S. Constitution, without Senate ratification, the Treaty has no force of law in the U.S. and the U.S. is not bound to provide financial support to the International Tribunal of the Law of the Sea (ITLOS) and the Deep Seabed Authority (the "Authority").

For what reason is the Administration requesting funding for entities to which the U.S. has no financial obligation, have not been previously funded, and were created by a Treaty that has not been ratified?

Under what authority does the Administration propose to fund international organizations created by a Treaty which has not been ratified by the U.S. Senate?

Answer. The Administration did not request funding for a treaty that has not been ratified. The President's budget request related to the Law of the Sea Convention (\$1.3 million to the International Seabed Authority and \$3.6 million to the International Tribunal for the Law of the Sea in FY 2009) was explicitly conditioned on Senate approval of U.S. accession to the Convention. (Attached are pages 737 and 740 from the Contributions to International Organizations Appropriation section of the FY 2009 Department of State Congressional Budget Justification.) As our budget presentation indicates, no funds will be provided to either organization until the United States accedes to the Convention.

Let me reiterate the Administration's strong support for U.S. accession to the Law of the Sea Convention. Joining the 154 other parties to the Convention would promote U.S. security, economic, and environmental interests, with very modest financial implications, especially when weighed against the substantial benefits that would accrue to the United States.

Question 2. Even if the Senate ratifies LOST, the U.S. will not fall under the jurisdiction of ITLOS; to settle disputes arising under LOST, the U.S. has chosen to utilize arbitral tribunals created under Annex VII, and special arbitral tribunals for specified categories of disputes constituted pursuant to Annex VIII.

Why is the Administration funding an international tribunal (ITLOS) that has no jurisdiction over the U.S. and to which, even if LOST is ratified, the U.S. has no plans to submit?

Answer. You correctly note that the United States would not generally be subject to ITLOS jurisdiction (choosing arbitration and special arbitration for its disputes). However, as the Administration and others have made clear, certain matters can

be brought to ITLOS in any event (such as the prompt release of vessels held for fishing violations, which cannot wait for the establishment of an arbitral tribunal).

It should also be noted that joining the Convention would give the United States the opportunity to nominate a judge to sit on the ITLOS. Thus, while we would generally not be subject to its jurisdiction, a U.S. national would potentially be in a position to influence its deliberations.

Question 3. Not only is the Administration funding international entities that are not approved by the Senate, but it is handing over American dollars to organizations at which there are no American representatives present to protect U.S. interests. There are no American representatives because the U.S. is not a member of this treaty.

Has the Administration taken steps necessary to restrict the uses of U.S. funding to the Authority and ITLOS, to ensure it is spent only to further U.S. interests?

Has the Administration taken any precautions to ensure that American taxpayers' money is not used to support endless bureaucratic meetings or bloated payrolls?

Has the Administration tied restrictions to the uses of the funding?

Answer. As stated in the response to Question 1, no funds will be provided to either entity until the United States accedes to the Convention. As a Party to the Convention, the United States along with the other States Parties would approve the budget of the International Tribunal and review its expenditures at an annual meeting. As a Party, the United States would have a guaranteed seat on the Finance Committee of the International Seabed Authority, which has jurisdiction over all budgetary and financial matters; the Finance Committee must make decisions by consensus.

We believe the activities of both the Seabed Authority and the Tribunal are consistent with U.S. interests. The United States has consistently sought the inclusion of effective dispute settlement provisions in any law of the sea treaty, as an additional tool to promote compliance. Consistent with U.S. interests, the 1982 Convention provides appropriate flexibility to parties with respect to both forum and subject matter.

Question 4. Among its various flaws, LOST creates new unaccountable, bureaucratic institutions manned by foreign interests that may be hostile to the U.S.; threatens American sovereignty by leaving open the question of "military activities" and intelligence operations to the jurisdiction of binding international tribunals; and promises to undermine our economy through environmental law-fare. Yet the Administration is proposing to provide the funding for two LOST organizations (ITLOS, the Authority).

Has the Administration taken any precautions to ensure that American dollars would not be used in a way that would harm U.S. interests?

Answer. Please see the answers to the first three questions. The Administration does not agree with your characterizations of these two organizations. We strongly support U.S. accession to the Law of the Sea Convention. Joining the 154 other parties to the Convention would promote U.S. security, economic, and environmental interests, with very modest financial implications, especially when weighed against the substantial benefits that would accrue to the United States.

QUESTIONS SUBMITTED BY SENATOR CASEY

Question 1. Why was the budget request for the State Department's nonproliferation programs cut? The final FY 2008 appropriations for State Department nonproliferation programs came in at \$211 million, yet the Administration is only requesting \$210 million for the upcoming year.

In particular, why was funding reduced for such key nonproliferation initiatives like the State Department's Export Controls and Border Security program (\$4.3 million dollar cut) and U.S. contributions to the International Atomic Energy Agency (\$1 million cut)?

Answer. The State Department strongly supports robust funding for its nonproliferation programs and, since FY 2007 we have provided a 6 percent increase in these programs. However, in FY 2009, due to competing priorities, we were not able to plus-up the nonproliferation programs as a whole. Our FY 2009 requests for the Export Control and Related Border Security (EXBS) program and for the U.S. voluntary contribution to the IAEA were the same as the President's request for FY 2008 (the final FY 2008 appropriation reflects additional funding by Congress), and

continue to reflect adequate funding for these two important nonproliferation programs.

Question 2. The Blackwater shooting incident on September 16, 2007, in which Blackwater employees opened fire in a crowd of Iraqis killing 17 civilians and wounding 27 others publicly revealed many of the dangers that private contractors in Iraq pose for the broader U.S. mission in the country. In late October, you reached an agreement with Secretary Gates to revise the rules under which security contractors working for the State Department operate in Iraq. That agreement was implemented by a memorandum of understanding between General Petraeus and Ambassador Crocker in early December.

How have the new rules addressed the problems revealed by the Sept 16th incident? What legislative actions or policy recommendations do you suggest the Congress take to ensure that security contractors operate fully within the military chain of command and in support of the broader national interest?

Answer. Following the events of September 16, 2007, the Department of State initiated a thorough review of its security operations in Iraq. A panel of experts assembled by the Secretary of State determined the Department's security practices in Iraq to be highly effective in ensuring the safety of mission personnel and recommended additional measures to strengthen coordination, oversight, and accountability of the Department's security programs. Many of the panel's recommendations are incorporated into the Memorandum of Agreement (MOA) signed on December 5, 2007, between the Department of State (DOS) and the Department of Defense (DOD). The MOA represents a joint effort to develop and implement core standards for all DOS- and DOD-contracted private security companies (PSCs) in Iraq.

The Department continues to move forward with implementation of the panel's recommendations and provisions of the MOA. Significant progress has been made in a number of critical areas, including use-of-force policies, incident response and investigation, and movement coordination and control. The Department increased the staffing levels, bolstered Iraq-specific training for security contractors, and increased the use of technology. The Department has also taken strides to strengthen oversight and accountability of PSCs that protect contractors, subcontractors, or grantees of the State Department or other civilian agencies under Chief of Mission authority.

The joint efforts between the Departments of State and Defense in developing and implementing the December 2007 MOA have established a strong foundation for continued coordination in meeting the requirements of the National Defense Authorization Act for Fiscal Year 2008, Sections 861 (Memorandum of Understanding on Matters Relating to Contracting) and 862 (Contractors Performing Private Security Functions in Areas of Combat Operations). We feel that the December 2007 MOA coupled with the newly enacted legislation found in NDAA 08 Sections 861 and 862 provides all necessary guidelines to integrate DOS and DOD operations in a designated battle space. For example, DOS is prepared to participate in DOD's Synchronized Pre-Deployment Operational Tracking (SPOT) database, upon its anticipated rollout to the Department this March.

The Department believes its efforts have positively impacted operations and have effectively strengthened accountability and oversight of private security contractors. The Department strongly supports efforts to provide greater legal accountability for unlawful acts its security contractors may commit abroad. The Administration is currently working with Congress on legislation to clarify coverage of U.S. criminal laws, so that we have the laws we need to hold private contractors overseas accountable when appropriate.

Question 3. The criminal investigation into the conduct of the Blackwater security contractors during the September 16th shooting incident has been hindered by a number of significant legal complications. Among those legal setbacks is the promise of limited immunity from prosecution that was granted to Blackwater employees by State Department investigators.

How is the State Department cooperating with the Justice Department to resolve these legal issues so that the contractors and Blackwater can be held accountable for their actions?

Answer. The Department of State is not in a position to immunize individuals from federal criminal prosecution. The Department of Justice, in their October 30, 2007 press release, indicated that any suggestion of immunity from federal criminal prosecution for Blackwater employees is inaccurate. The Department of State continues to cooperate fully with the Department of Justice and the FBI in their ongoing investigation of the September 16 shooting incident.

QUESTION SUBMITTED BY SENATOR ISAKSON

Question 1. Does the Department plan to advance the schedule of the Malabo New Embassy Compound (NEC) for construction; also, are their plans for improving the Ambassador's residence?

Answer. The Department of State has a Congressionally-mandated process by which our embassy facilities are ranked and prioritized for replacement construction. Under the Secure Embassy Construction and Counterterrorism Act of 1999 (SECCA), the Department is authorized to spend security capital appropriations only among the top 80 most vulnerable posts (the "top 80 list"). (Although SECCA contained a sunset provision after 5 years, the Department continues to work with Congress consistent with SECCA requirements.)

Annually, the Bureau of Diplomatic Security (DS) reviews the vulnerability of all chancery and consulate buildings, considering many security factors and assigned threat levels. The regional bureaus, in consultation with DS, Overseas Buildings Operations (OBO), and Department senior management, recommend posts for addition to the top 80 list, and each regional bureau prioritizes its posts within the top 80.

In August 2006, Malabo was added to the top 80 list for construction of a NEC and was at that time prioritized by the Bureau of African Affairs for a construction award for FY 2014. However, in December 2005, the Government of Equatorial Guinea passed a resolution to grant a 12.3-acre site to the United States at no cost. The site was determined to be viable for a NEC, and on October 18, 2007, Embassy Malabo took title in the name of the United States of America. As a result of this action, Malabo is currently planned for a new embassy contract award in FY 2009.

Suitable housing is scarce and expensive in Malabo. Post and OBO have been working to find a more suitable Chief of Mission Residence (CMR), even before current Ambassador Johnson's arrival at post. Unfortunately, there are major problems in finding properties in Malabo that meet a wide variety of OBO and Diplomatic Security requirements. We are continuing our search for an adequate CMR. In order to assist in the search, OBO's Division of Real Estate will be sending a team to Malabo to review the housing situation at post.

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