

**Written Statement
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**Senate Foreign Relations Subcommittee on Near Eastern and South and
Central Asian Affairs
“Lebanon at the Crossroads”
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Chairman Kaine, Ranking Member Risch, members of the Subcommittee, thank you for inviting me to testify today on the situation in Lebanon and our policy towards that important country in a very volatile region.

Your hearing comes at an important moment for Lebanon’s security and stability – and that of the entire Levant. Public discussion of Lebanon in the United States has often focused primarily on the impact of the Syrian refugee flows into the country. This attention, including the Senate’s hearing on this subject last December, is warranted.

Mr. Chairman, the refugee crisis that you witnessed first-hand during your recent visit to Lebanon represents an urgent, imperative need. That said, it is one of several issues Lebanon’s leaders and the Lebanese people face today. In addition to the refugee crisis, I would like to discuss today the political, security and economic challenges Lebanon faces, and how the United States is responding to all these challenges, because Lebanon’s future affects important U.S. interests in the region.

The United States has a long history of diplomatic engagement with Lebanon to promote our interests in regional stability, the development of democracy, economic prosperity, and the effort to counter terrorism and extremism. We have worked to support and rebuild Lebanese state institutions that were left in ruins as a result of the civil war, and we have provided development assistance that helps to improve the lives and livelihoods of Lebanese citizens. Since the end of the Syrian occupation in 2005, we have accelerated our assistance to crucial state institutions to enable them to take on the leadership roles and management functions that a national government should perform.

Mr. Chairman, it is essential that the international community stand by responsible forces in Lebanon in a broader sense, and particularly so in the next several months. Let me explain why.

Political Challenges

Lebanon is at a critical point in its attempt to cement a national identity and to establish lasting stability and an effective political system. The conflict in Syria threatens the progress it has made. Lebanon's political leaders face a series of political hurdles in the first few months of this year; it has just overcome the first of these. The February 15 formation of a government by Prime Minister Salam, after ten months of stalemate and gridlock, is a welcome development for the Lebanese people and an opportunity for the United States and Lebanon to work together toward shared goals. We thank former Prime Minister Najib Mikati for his service, and we thank President Michel Sleiman, who has worked to steer Lebanon during very difficult times, and who worked with PM-designate Salam for months to form this cabinet.

The Lebanese people deserve a government that responds to their needs and protects their interests. This new government is comprised of eight members from the March 14 coalition, eight from the March 8 coalition, and eight others without formal affiliation. As it works to gain a vote of confidence from parliament and begins to exercise its full powers, this new government is in a sense an improvement over its predecessor: nearly all political factions are represented in a careful balance, and after three years outside of government, the March 14 coalition is now part of the cabinet.

It is clear that the March 14 coalition determined that its interests in stabilizing Lebanon and promoting democracy and good governance were better served by participating in this government. In order to gain that vote of confidence, the cabinet must first come to agreement on a ministerial policy statement. We have expressed support for the new government, but how we will work with it depends on its policies and actions.

The next political hurdle facing Lebanon is the end of President Sleiman's term in office on May 25. We have made clear to all those concerned in Lebanon that the United States believes presidential elections should be conducted on time, freely and fairly, and without foreign interference. We hope that the interest in a

stable Lebanon that drove the parties to reach agreement on the new cabinet will also drive them to ensure that there is no vacancy. Lebanon needs responsible leadership that will address the challenges facing Lebanon and fulfill Lebanon's international obligations.

Security Challenges

Lebanon has truly unique security problems: an un-demarcated and porous border with Syria that facilitates terrorist infiltration; areas of the country outside full state control; Hizballah's weapon stockpiles beyond government authority; the continuing need to implement UNSCR 1701 that called for the disarmament of all armed groups in Lebanon and stressed the importance of full control of Lebanon by the government of Lebanon; and a history of foreign interference in its internal matters.

Mr. Chairman, as you saw clearly during your visit, challenges to Lebanon's security are rising. Existing political and sectarian differences have been intensified by the war in Syria. Hizballah entered that war against the earlier agreement of all Lebanese parties and the Lebanese Government to "dissociate" the country from foreign conflicts. The Lebanese people know only too well the repercussions of spillover from the Asad regime's brutal suppression of its own people. Syrian aircraft and artillery have violated Lebanon's borders with impunity. Hizballah is dragging the Lebanese people into a war in defense of an Asad regime whose continuation can only result in more conflict, more terrorism, and more instability for Lebanon. It does so not in the interest of Lebanon, but in its own narrow interests and on behalf of its foreign sponsors. Hizballah's posture of acting inside the state when it is convenient, but stepping outside the state to use arms and violence when it deems necessary for its self-interests remains deeply disturbing and threatening.

And now, extremists fighting the Asad regime and its Hizballah backers have brought that fight inside Lebanon, through a wave of reprehensible terrorist attacks that have killed and injured scores in Beirut and other cities.

The Lebanese Armed Forces (LAF) has acted to maintain internal security, and it has taken losses in those operations. Twenty LAF soldiers were killed in a June 2013 attempt to arrest an extremist and his followers in Sidon, and the LAF has intervened a number of times in Tripoli in an effort to mitigate politico-sectarian clashes. The LAF has had some recent counter-terrorism successes. It has captured a number of high-profile terrorists, including a facilitator for several

al Qaeda-affiliated groups that have carried out a spate of brutal suicide bombings in Beirut, Hermel, and other Lebanese towns.

Mr. Chairman, as our Ambassador in Beirut, David Hale, said of the terrorist incident that occurred during your visit, “these abhorrent acts of ... terrorism threaten the principles of stability, freedom, and safety that the people of Lebanon have worked so hard to uphold and we urge all parties to refrain from retaliatory acts that contribute to the cycle of violence.”

These incidents highlight the ongoing dangers to Lebanon from the Syrian conflict, Hizballah’s armed support for the Assad regime, and the flow of violent extremists (such as the Nusrah Front, the Islamic State of Iraq and the Levant, and the Abdullah Azzam Brigades) into Lebanon, who seek to justify their indiscriminate attacks as retaliation against Hizballah’s involvement in Syria. Of course, the flow of these fighters is a problem for several states in the region. The states from which these fighters are coming are concerned about the dangers these fighters will present when they return to their home countries.

Central to any country’s stability is a trained and capable security sector that is accountable to the people and the state. The critical support we provide to the LAF and the Internal Security Forces (ISF) is intended to build their capacities to conduct operations against extremists and criminal organizations and to ensure security throughout the country, including along its borders. Our assistance to the LAF – the United States has provided over 70 percent of LAF acquisitions – strengthens its ability to serve as the sole institution entrusted with the defense of Lebanon’s sovereignty.

We are trying to increase this assistance in order to modernize the LAF, and in particular to build its capabilities to secure its own borders with Syria, which are porous. Providing the LAF with the ability to better control its borders is crucial.

U.S. assistance helps ensure that extremist actors, such as Hizballah, Iran, or the Syrian regime, have minimal opportunity to influence the LAF. We continually assess our policy of engagement with and assistance to the Government of Lebanon to ensure that no foreign terrorist organizations (including but not limited to Hizballah) influence or benefit from the assistance we provide to the LAF and the ISF.

Our sustained support through the funding that Congress approves – FMF, IMET, and DOD 1206 funds – is critical to improving the capabilities of the LAF.

Our IMET program in particular has built lasting professional relationships between the senior ranks of the LAF and the U.S. military, as well as strengthened the values of civilian leadership and respect for rule of law within the LAF officer corps. My Department of Defense colleague, General Plehn, will provide greater detail of our relationship with the LAF, but I want to emphasize the importance of the relationships we have built with the LAF and with the ISF over the years. My DOD colleagues and we thank you for your continued support of State and Defense programs that provide for Lebanon's security and economic development.

As Chairman Kaine heard directly from LAF Commander Kahwagi in Lebanon, the LAF is a beacon of cross-confessional integration for the entire country. It remains one of the most respected national institutions in Lebanon because it reflects the diversity of the country: it is in fact the sole national institution able to counter destabilizing influences from within Lebanon and without. Supporting the LAF strengthens its ability to serve as a model for other Lebanese institutions. Our assistance has been effective and is welcomed by Lebanon; it has helped create important relationships. We need to maintain this strong partnership.

You have seen reports that Saudi Arabia will provide \$3 billion for the LAF. International assistance to the LAF can help build up the capabilities the LAF needs. The United States believes international donors can complement each other's efforts in order to maximize the growth of needed capabilities for an armed force whose troops are badly stretched across the country. We are in contact with the governments of Saudi Arabia and France regarding this assistance to promote maximum coordination.

Humanitarian Challenges

Lebanon hosts more Syrian refugees than any other country – both per capita and in absolute terms. There are currently nearly 940,000 Syrian refugees – some 20 percent of the total population now, as well as 51,000 Palestinian refugees from Syria in Lebanon, of which the vast majority reside in host communities in rented accommodations, unfinished buildings, or in informal tented settlements in more than 1,600 localities throughout the country. There is not a single Lebanese community that has not been affected by the refugee crisis. With refugee arrivals continuing, the sheer volume of need has overwhelmed ability of the central government and local municipalities to respond to the enormous challenge of providing public services to this large and growing population.

The United States is doing its part, providing over \$340 million in humanitarian assistance since the beginning of the Syrian conflict to support the needs of refugees in Lebanon and the communities that host them, including \$76.4 million announced by Secretary Kerry at the International Humanitarian Pledging Conference for Syria held in Kuwait a month ago. Last September at the inaugural meeting of the International Support Group for Lebanon, Secretary Kerry announced \$30 million in assistance specifically aimed at helping the communities that host these refugees. As you know, Lebanon does not have formal refugee camps for Syrians; almost all of the refugees from Syria live in Lebanese communities, placing strains on basic infrastructure and health and educational systems. We appreciate the generosity and hospitality of the Lebanese government and the Lebanese people and understand the enormity of the influx.

In its most recent humanitarian appeal, the UN is seeking \$1.7 billion in 2014 to adequately respond to the refugee crisis in Lebanon, on top of the money that the government of Lebanon is already spending on the crisis. The scope of the crisis is an unprecedented challenge for the UN humanitarian agencies and non-governmental organizations; the Lebanese will face this challenge for some time. The international community must step up to provide both humanitarian and development assistance to assist these refugees and the communities that host them in order to bolster Lebanon's stability while meeting urgent humanitarian needs.

We urge those countries that have made pledges of funds for Lebanon and the other neighboring countries hosting refugees, as well as for those in need remaining inside Syria, to fulfill these commitments as quickly as possible, and to be responsive to future appeals, as the United States will be.

Economic Challenges

The spillover of the Syrian conflict, including terrorist attacks Beirut, has weakened Lebanon's tourism sector, investment, and foreign trade – all important components of Lebanon's open economy. Uncertainty has depressed consumption, with wealthy tourists gone and more Lebanese reluctant to spend. Investors are delaying decisions, and Lebanon's land trade routes have been disrupted. This year will likely be the fourth consecutive year of slowing growth for the Lebanese economy. For example, the World Bank has estimated that the crisis will cut real GDP growth in Lebanon by 2.9 percent this year.

Our economic assistance programs encourage growth in Lebanon through improving the technical expertise of small business owners and their access to

financial resources, especially in the agricultural sector. We also encourage the Lebanese government to do more to promote economic reform, including privatization of its moribund public sector industries, though this has been stymied due to political gridlock.

Banking is a pillar of the Lebanese economy, and the banking sector, despite all of Lebanon's economic challenges, saw deposits grow significantly in 2013, providing economic stability through its purchases of government debt and funding of private sector activity. Given its importance, it is all the more critical that the banking sector in Lebanon safeguard Lebanon's place in the international financial system by doing all it can to protect itself and correspondent banks in the U.S. and elsewhere from money laundering and terrorist finance. In coordination with the Treasury Department, we engage with the Central Bank of Lebanon and with Lebanese banks to ensure that they have vigorous systems to combat these illicit finance threats.

The most promising economic sector in the medium- to long-term may be the hydrocarbons industry. Lebanon may have substantial reserves of offshore natural gas and maybe even oil deposits. However, the lengthy political stalemate, as well as a maritime boundary dispute with Israel, has prevented Lebanon from further exploring its offshore resources. As a result, no exploration has taken place, and any potential finds would take a number of years to begin producing.

We expect the newly-formed cabinet may take steps to restart the process to allow international oil companies to enter the Lebanese market and explore. The State Department is engaging with both sides to explore potential solutions to the maritime boundary dispute. Those discussions have progressed well, and we hope they will resume with the new government now in place.

The Importance of Broad International Support

In the face of all these challenges, UN Secretary General Ban Ki-moon and President Michel Sleiman mobilized support for Lebanon's stability, sovereignty, and state institutions by launching last September the International Support Group for Lebanon, which currently consists of the UN, the permanent members of the UN Security Council, the World Bank, the Arab League, Germany, Italy, and the EU. It was a strong demonstration of international support for Lebanon's sovereignty and stability, and for responsible Lebanese political actors.

We look to the ISG to be an active vehicle by which the international community can demonstrate political and financial support to promote stability and to help Lebanon address specific challenges. Secretary Kerry will attend the next gathering of the ISG in just eight days, in Paris.

The United States, along with many others in the international community, is committed to ensuring an end to the era of impunity for assassinations and political violence in Lebanon. That is why we strongly support the work of the Special Tribunal for Lebanon. One month ago, the Tribunal began its initial trials to bring to justice those responsible for assassinating former Prime Minister Rafik Hariri in 2005, along with dozens of innocents killed in this and other attacks. The Lebanese people deserve accountability and justice. The commencement of the trials is an important step, but political violence still plagues Lebanon. Former Finance Minister and Ambassador to the United States Mohammad Chatah was assassinated in December in downtown Beirut. Two other March 14 leaders survived assassination attempts in 2012 – a minister in the current cabinet, Boutros Harb, and Lebanese Forces leader Samir Geagea. ISF Information Branch Chief Wissam al-Hassan was killed in a car bomb in Beirut in October of 2012.

Chairman Kaine, Ranking Member Risch, Members,

Lebanon has faced many existential challenges since gaining independence in 1943, and today it faces similar challenges from the war in Syria. Lebanon has found reliable international partners to see it through some of its darkest periods and emerge the stronger for it. The 1989 Taif Accord was the basis for ending 15 years of civil war, and its multi-confessional National Pact remains in effect. UN Security Council Resolutions 1559 and 1701 helped structure a return to stability. The 2012 Baabda Declaration established the principle that all Lebanese parties and factions should abstain from regional conflicts. It needs to be implemented by all parties.

But Lebanon has friends, and the United States is one of them. We need to stand with the people of Lebanon; it is in our national interest to promote a stable, secure and sovereign Lebanon, one that is free of foreign interference and that is able to defend its own interests. And we will continue our efforts to end the conflict in Syria, as that conflict – left unchecked – will, among other repercussions, continue to destabilize Lebanon and other states in the region. Thank you. I look forward to your questions.