

REMARKS FOR THE RECORD
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CENTRAL ASIAN AFFAIRS
BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE

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Chairman Casey, members of the Committee, I am honored to be here today as nominee for Assistant Secretary of State for South Asian Affairs, which includes responsibility for the countries of Central Asia. It is a privilege to appear before this Committee again and I'm grateful for the confidence President Obama and Secretary Clinton have placed in me.

I would not be here without the support of my family. My wife Sofia and my daughters Kalena, Zara and Alexie have been a constant source of love and understanding. They are all still in Sri Lanka finishing the school year, but with us in spirit. I would also like to introduce my father and mother Bob and Sylvia Blake, who are with us today. My Dad had a distinguished 30 year career in the Foreign Service, retiring as an Ambassador. He has been my inspiration throughout my career.

Mr. Chairman, in no region of the world are the stakes higher for U.S. national security than in South and Central Asia. As President Obama has said, disrupting, dismantling, and defeating al Qaeda and their safe havens in Pakistan, and preventing their return to Pakistan or Afghanistan, is a top foreign policy priority. If confirmed, I will do my utmost to support the Special Representative

for Afghanistan and Pakistan, Richard Holbrooke, in ensuring the success of the President's strategy.

President Obama has articulated the need for a more comprehensive policy for Afghanistan and Pakistan, with the following objectives: promote a more capable, accountable, and effective government in Afghanistan; develop increasingly self-reliant Afghan security forces that can lead counter-insurgency and counter-terrorism operations without U.S. assistance; support efforts to promote a stable constitutional government in Pakistan with a vibrant economy that provides opportunities for its people; and increase Pakistan's capability to fight extremists.

As President Obama, Secretary Clinton, and others in the Administration have made clear, it will not be easy to achieve success in Afghanistan and Pakistan. Congress is a key partner in the Administration's Afghanistan-Pakistan strategy, and continued outreach and collaboration with Congress is vitally important as we move forward. The Administration supports Congressional efforts to increase non-military assistance to Pakistan. Introduction of bills in both Houses demonstrates Congress' support of our long-term commitment to helping the Pakistani people. Increasing and broadening our assistance to Pakistan is vital to strengthening its economy, governance capacity and military so Pakistan can confront extremists who promote violence and threaten security.

Currently, South and Central Asia is one of the least economically integrated regions in the world. Integration is vital to help create vibrant economies in Afghanistan, Pakistan and the broader region, and should be accelerated. New opportunities for cross border trade, transportation, infrastructure development, and energy links can provide new jobs and enhance the quality of life for all people in

South and Central Asia. If confirmed, I will work for greater intra-regional trade in South and Central Asia which will also open new opportunities for American business.

We have already made progress linking Central Asia's seasonal surplus in electricity generation with South Asian markets. In January, a first phase of energy linkages between Uzbekistan and Afghanistan went into operation. Power availability in much of Kabul increased from about two hours every two to three days, to 12 – 16 hours of power available daily. Benefits to the local economy have been immediate, as experienced by the dramatic increase in small appliance sales. Another example of our progress is the U.S.-funded bridge, opened in 2007 connecting Tajikistan and Afghanistan over the Pyanj River, which has led to a sevenfold increase in vehicular traffic and a tenfold increase in Afghan customs revenues at this crossing point. At last week's U.S. – Pakistan-Afghanistan Trilateral meeting, Pakistan and Afghanistan pledged to negotiate and sign a new transit trade agreement by the end of 2009, possibly as soon as September. An updated agreement has huge potential for boosting regional trade and cutting corruption on both sides of the border.

There are several opportunities where we can enhance regional integration, especially in Kazakhstan, Turkmenistan and India. One area is to continue the bureau's focus on diversifying export routes for Kazakhstan's and Turkmenistan's vast oil and natural gas reserves. New routes would generate more revenue to fund economic development, and provide diversified means for Europe and the world to become less vulnerable to market shocks. If confirmed, I will work closely with the Department's Special Envoy for Eurasian Energy, Richard Morningstar, to encourage these countries to increase production, address corruption in order to improve the investment climate, and develop new transport alternatives to bring

Central Asian oil and gas to world markets. A second area will be India. With a massive and expanding middle class and an economy projected to grow at five percent this year, India can be a hub for regional prosperity.

While the challenges in the South and Central Asia region are well known, it is also a region of extraordinary opportunity for the United States. Unlike many other regions, South and Central Asia will be a growing market for the United States well into the 21st century. India alone has a middle class the size of the total U.S. population; it is projected to swell to 580 million people in the next 20 years.

South and Central Asia is also a region of young people. More than half the population in many key countries of the region is under the age of 26. If confirmed, I will make reaching out to these young people with President Obama's message of hope and opportunity, one of the highest priorities of the South and Central Asia Bureau. A major component of this outreach will be to expand English language training as well as educational links between the United States and this region. The United States is a beacon for young people around the world seeking higher education. South and Central Asia sends one-fifth of all international students attending U.S. colleges and universities. We must do more to facilitate linkages between American universities and the region, and help our universities establish an even larger presence in this critical part of the world.

Students educated in the United States not only acquire the best higher education in the world, but bring back with them new entrepreneurial talents and a better understanding of America and our values, including democracy, accountability, and community service. As these alumni rise through the ranks of their governments and become leaders in their communities, they are uniquely well

placed to catalyze new networks of trade, business and other associations, and civil society groups that can help build people-to-people ties with the United States.

Mr. Chairman, each of the countries in the South and Central Asia region contain unique challenges, but also great opportunities. I've already mentioned Afghanistan and Pakistan; I would like to highlight briefly the others.

With India we will seek an expanded strategic partnership, building on the growing convergence of our interests and values. India, with its vibrant democracy and rapidly expanding economy, can be an anchor of stability and opportunity for South and Central Asia. As the world's largest democracy, India combats the dangerous misconception of some leaders in the region that democracy impedes economic development. In addition to our shared democratic values, we have common interests in combating terrorism, stopping the spread of weapons of mass destruction, getting the global economy back on track, addressing global climate change, and reinvigorating global trade talks. As we seek to revive U.S. economic growth, India provides vital export opportunities. U.S. exports to India have increased from \$5 billion in 2003 to almost \$19 billion in 2008.

Nepal has come far since the 2006 People's Movement, yet much remains to be done for the country's nascent peace process and democratic transition to take firm hold. We are concerned with recent political developments, including the Prime Minister's resignation on May 4, following his attempted removal of the Chief of Army Staff. We are encouraging all parties to move forward to form an inclusive government that can complete the peace process, draft a new constitution, and address the country's economic challenges.

Bangladesh, the world's seventh-most populous country and one that has experienced nearly 20 years of solid economic growth, has begun an important

transition back to democracy. Last December, the country held the most transparent and fairest elections in its history. However, continuing civil-military tensions underscore the tenuousness of the democratic transition. We will work with the people and the new government of Bangladesh to help build stronger democratic institutions and to address the problems of poverty, chronic corruption, the culture of impunity, and domestic and transnational terrorism.

We continue to be very concerned about the situation in Sri Lanka. We have called on the Liberation Tigers of Tamil Eelam to lay down their arms and allow civilians to depart the safe zone in northern Sri Lanka. We have urged both sides to exercise maximum restraint to protect civilian lives. We continue to urge the government to work with Tamils, Muslims and Sinhalese to agree on new mechanisms to share power that can bring a political resolution to this long-standing conflict. National reconciliation will also require improvements in human rights and a concerted effort to resettle on a priority basis those who were displaced by fighting in the north.

The Maldives and Bhutan both have fledgling democratic governments in place. We will work with both governments to help them consolidate their progress.

The five states of Central Asia have helped U.S. and coalition efforts in Afghanistan by allowing vital over-flights and facilitating shipments into northern Afghanistan. But our bilateral relationships with these countries go beyond cooperating on Afghanistan. We will continue our longstanding policy to support the sovereignty and independence of these nations and plan to take a fresh look at each country in Central Asia, to seize new opportunities to promote reform and cooperation, both with the United States and their neighbors.

We seek to deepen our strategic partnership in Kazakhstan through closer cooperation on energy, trade and global threats such as terrorism and the proliferation of weapons of mass destruction. We will continue bilateral efforts on democratic reform, human rights, economic reform, investment, energy, and security cooperation. U.S. companies have invested billions of dollars in Kazakhstan's energy sector alone. If confirmed, I will support U.S. business in Kazakhstan and throughout the region. In 2010, Kazakhstan will assume the chairmanship of the Organization for Security and Cooperation in Europe – the first for a nation east of the Urals. We want to work closely with Kazakhstan to strengthen this vital Euro-Atlantic institution that also ties Central Asia to the values and institutions of the Helsinki Final Act.

Uzbekistan has the largest population in the region and is strategically located on the transit route to Afghanistan. We appreciate the new transit agreement to supply the coalition in Afghanistan with non-lethal goods. Our engagement with Uzbekistan has also produced some positive results in the area of human rights, though progress has been uneven. We believe that enhanced, principled engagement remains the best strategy to strengthen our bilateral relationship across the board, including on trade, investment and human rights.

Turkmenistan is opening up under its relatively new leadership. We need to keep that door open and work with the Turkmen leadership and its people to foster the country's transition through education and respect for human rights. We will also work to encourage the country to open up to American firms eager to help Turkmenistan develop its immense energy resources. We appreciate Turkmenistan's openness to allowing humanitarian over-flights to Afghanistan and

will encourage greater economic ties between Turkmenistan and Afghanistan, and with Turkmenistan's neighbor across the Caspian, Azerbaijan.

We will seek to broaden our dialogue with the Kyrgyz Republic. Our bilateral dialogue includes democratic institution building, economic development and judicial reform. We are supporting election monitoring and voter education for the presidential elections on July 23 and are encouraging those elections to be free and fair.

Tajikistan has been hard hit by economic crisis, drought, dependence on remittances, and the effects of its long civil war. We will continue working with Tajikistan to expand and diversify its economy, and expand cooperation on border security, counter-narcotics, democratic reform, health, and education. Given Tajikistan's long border with Afghanistan, we also seek to encourage greater trade and cooperation between Tajikistan and its neighbor.

By looking comprehensively at the South and Central Asia region and understanding the difficult realities we face there, we can also begin to see the vast opportunities that exist. If confirmed, I hope to collaborate closely with this Committee and Congress and look forward to your support in gaining the resources needed to advance our goals in the region, and your guidance as we pursue the opportunities for political and economic openings, and most importantly partnership, in this pivotal part of the world.

Thank you. At this time I would be pleased to answer any questions you and the Committee might have.