

**STATE, FOREIGN OPERATIONS, AND RELATED  
PROGRAMS APPROPRIATIONS FOR FISCAL  
YEAR 2008**

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**THURSDAY, MAY 10, 2007**

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

The subcommittee met at 10:25 a.m., in room SD-106, Dirksen Senate Office Building, Hon. Patrick J. Leahy (chairman) presiding.

Present: Senators Leahy, Landrieu, Gregg, Bennett, Bond, and Alexander.

DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

**STATEMENT OF HON. CONDOLEEZZA RICE, SECRETARY**

OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. First I apologize to the Secretary and to others for the delay. As you could probably see, we had votes on, and Senator Gregg, Senator Bennett, and I were there.

Madam Secretary, of course, it is good to have you here to discuss the administration's fiscal year 2008 budget. I have a lot to cover, and we are starting late.

We've discussed this before. Whenever—wherever I go these days—and I travel various places outside of the country—not as much as you do—but I'm invariably asked, "What does the United States do to repair the damage, as seen in many countries to our international reputation as a nation that has historically stood for the rule of law, including international peace, international law, defending the fundamental rights of people everywhere, regardless of race, religion, ethnicity, or nationality, something that makes us proud—all of us proud, as Americans, but which is not the view of so many of those countries that were united behind us the day after 9/11?" When you see the policies of this administration, from Iraq to Guantanamo, we've turned strong allies into reluctant partners, friends into antagonists. According to surveys, many people, particularly in Muslim countries, now see America as a greater threat than the religious extremists. These are the people who have incited hatred and violence. I think this should alarm us, it should stir us to action. Those who hold these views, I believe, are horribly mistaken. But we're not doing enough to convince them

otherwise. While some may argue that taking unpopular stands is a price of leadership, I reject that as a justification for the damage we've needlessly caused to a proud and principled reputation that took the founding of our Nation and a civil war and two world wars, and the lives of countless American patriots, to forge and fortify and defend.

But where I go—and I look from the Pacific Rim to the Middle East, from Darfur to South America—our image, our influence, are waning sharply in the face of growing challenges. That concerns me greatly, as an American. I'm sure it does you. Once again, we've learned the painful lesson that military might is no substitute for effective policies that rally support and cooperation from the international community.

Transformational diplomacy is a lofty slogan for what amounts to adding new positions at posts that have been understaffed for years. I welcome that. But, beyond that, I see little in this budget that offers confidence that the administration is prepared to devote the resources necessary to successfully exert America's influence in such a complex world.

Senator Gregg and I will work together, as we have. We're not only neighbors across the Connecticut River, but we've worked very closely together in a bipartisan effort on so many of these foreign policy issues. We'll do our best to fund President Bush's request, and to incorporate the meritorious suggestions of Senators. But I'm afraid we're going to fall short of what this country is capable of, but, more importantly, what this country should do.

Now, we want you to succeed. I can speak for every Senator here, Democratic or Republican. We want you to succeed in the time you have left, particularly in the Middle East, where so much is at stake. But much time has been wasted, goodwill has been squandered.

I will go the Middle East in the next few weeks, and I'm going to be interested in what kind of a message we can bring them.

The White House has not only favored a "my way or the highway" unilateralism in its dealings with the world, but, unfortunately, unlike past administrations, Democratic and Republican, it has often treated those members not of the President's party in Congress the same way. That was unnecessary, it was ineffective, and the American people and our national interests in the world have paid a high price for it.

Now, we may have our disagreements, but you, Madam Secretary, and your staff, have always been accessible in wanting to discuss ways that we can work together. People would probably be surprised at the number of times you and I are on the telephone or meeting in person. I appreciate that. I hope we can do more in the months ahead. This is a critical time for the United States.

Senator Gregg.

#### OPENING STATEMENT OF SENATOR JUDD GREGG

Senator GREGG. Thank you, Mr. Chairman. Thank you for holding this hearing.

Thank you, Madam Secretary, for being with us today. You keep such a hectic schedule. I don't know how you do it, and we appreciate your taking the time to be here.

I know the Senator didn't mean to imply this, but I think it's important for us to reinforce the fact that defending liberty and promoting liberty around the world is not a mistake, it's a purpose and a cause of our Nation, has been and always should be, that we, as a nation, understand that freedom is something that comes at a dear price, and we're willing to pay that price. Our efforts around the world have been to promote freedom and to give people who haven't had the opportunities that we have had as a Nation, maybe, the chance to see the light of freedom. Have we done it correctly at all times? No. But have we done it with good purposes? Absolutely yes. I would hope that we would always view our foreign policy in that nature.

In addition, the chairman asked, and rightly asked, how we can create better relations around the world, because that should be one of our causes and our goals. I would say one of the best ways to do it is to have the Secretary of State we have. You do an exceptional job. I greatly admire your efforts. I think when you travel across the globe, as you do on a regular basis, you bring a face of America that is proud, intelligent, thoughtful, and respected, and, as a result, you, yourself, personify the great strengths of our Nation and present so well across the world that we're very lucky to have you serving us.

So, I thank you for being here today, and I appreciate your service.

Senator LEAHY. Thank you.

Secretary Rice, please go ahead. Of course, your full statement will be placed in the record, but I would like to have the time—your time is precious, and I'd like to have the time available for questions.

Go ahead.

#### SUMMARY STATEMENT OF HON. CONDOLEEZZA RICE

Secretary RICE. Thank you very much. Thank you, Mr. Chairman. Thank you, ranking member Gregg, members of the subcommittee.

Mr. Chairman, I will place the full statement into the record so that we might have full time for exchange. I'll just start with a few comments.

I appreciate, again, the opportunity to address this committee about the challenges and the opportunities that we face in the United States, and that the United States faces in the world today. I look forward to working with you, with Members of Congress from both sides of the aisle, so that we can ensure that America's diplomacy, and the courageous individuals who undertake it, have the necessary resources to protect our national security, to advance our democratic ideals, and to improve people's lives throughout the world.

With these duties, we also reaffirm our responsibility to the American people, and that is a responsibility to be the best possible stewards of their hard-earned dollars.

President Bush's fiscal year 2008 international affairs budget request for the Department of State, USAID, and other Foreign Affairs agencies totals \$36.2 billion. In addition, the administration is requesting \$3.3 billion in war supplemental funding in fiscal

year 2008, \$1.37 billion of that would be for foreign assistance, and \$1.93 billion for State Department operations. It's principally to support emergency requirements in Iraq and Afghanistan.

This request represents a fundamental investment in our national security—

Senator LEAHY. Madam Secretary?

Secretary RICE. Yes?

Senator LEAHY. If you could withhold a moment.

Secretary RICE. Yes.

Senator LEAHY. People who are in this room are here as guests of the Senate. Obviously, you have a right to express opinions, but when you stand up, in a way, you block others who have stood in line. A lot of people have stood in line for hours for these hearings. We want—they are televised, but we want people to be able to see the hearings. But when you stand up, you're blocking people behind you, and I think that's unnecessary. You can make your point. I realize there are people here who disagree with the war in Iraq, disagree, perhaps, with what's being said, but I would make it very clear I will not countenance, in any way, people being blocked from being able to watch this, nor will I countenance, in any way, disturbances. Just so we all understand.

Secretary Rice, please continue.

Secretary RICE. Thank you, Chairman.

America remains engaged in a global war on terrorism, which is a war of a totally new and different kind. We face a long confrontation in which military strength is important, but not sufficient. The defining feature of our world today is its interdependence. The security of the American people depends on the stability and the success of foreign societies. If governments cannot, or choose not to, meet their responsibilities as sovereign states, nations around the globe are threatened by the resulting chaos and disorder.

The President believes that the defense of our country depends on close integration of our multilateral diplomacy, our development efforts, and our support for human rights and democratic institutions. That is why President Bush's budget designates the Department of State as a national security agency. We must recognize that our Foreign Service, our civil service, and Foreign Service nationals are performing a vital national security role, often in difficult and dangerous posts, far away from friends and families, and, in many cases, shoulder to shoulder on the front lines with our men and women in uniform.

We are asking our civilians to do far more than just manage an existing international order. We are charging them with helping foreign citizens and their governments to transform their countries, to move them toward peace and freedom, prosperity, and social justice.

This is the national security mission of our Department of State which we've referred to as transformational diplomacy. To succeed in this critical work for the American people, we are making important changes to our Department's organizations, both in terms of roles—the roles our people are playing and how we are structuring our foreign assistance programs.

## PREPARED STATEMENT

We believe strongly that this is a challenging time for America, for our goals of promoting democracy, and for the resultant peace that it would bring. But I can tell you that I am very, very proud to lead the men and women of the Department of State. They are great patriots. They're doing hard jobs. I look forward to being before you to talk about the resources that they need to do their job well.

Thank you very much.  
[The statement follows:]

## PREPARED STATEMENT OF CONDOLEEZZA RICE

Mr. Chairman, ranking member Gregg, members of the subcommittee: Thank you for this chance once again to address the Committee about the many challenges and opportunities facing the United States today. I look forward to continue working with Congress, closely and across party lines, to ensure that America's diplomacy, and the courageous individuals who undertake it, have the necessary resources to protect our national security, advance our democratic ideals, and improve people's lives throughout the world. With these duties we also reaffirm our responsibility to the American people: to be the best possible stewards of their hard-earned dollars.

President Bush's fiscal year 2008 International Affairs Budget request for the Department of State, USAID, and other foreign affairs agencies totals \$36.2 billion. In addition, the Administration is requesting \$3.3 billion in war supplemental funding in fiscal year 2008—\$1.37 billion for foreign assistance and \$1.93 billion for State Department operations—to support emergency requirements in Iraq and Afghanistan.

This request represents a fundamental investment in our national security. More than 5 years after the September 11 attacks, America remains engaged in a global war on terrorism, which is a war of a totally new and different kind. We face a long confrontation, in which military strength is important to our success, but is not sufficient. The defining feature of our world today is its interdependence. The security of the American people depends on the stability and the success of foreign societies. If governments cannot, or choose not, to meet their responsibilities as sovereign states, nations around the globe are threatened by the resulting chaos and disorder. The President believes that the defense of our country depends on the close integration of our multilateral diplomacy, our development efforts, and our support for human rights and democratic institutions. That is why President Bush's budget designates the State Department as a national security agency.

We must recognize that our Foreign Service, our Civil Service, and our Foreign Service Nationals are performing a vital national security role—often in difficult and dangerous posts, far away from friends and families, and in many cases, shoulder to shoulder with our men and women in uniform. We are asking our civilians to do far more than just manage an existing international order; we are charging them with helping foreign citizens and their governments to transform their countries—to move them toward peace, freedom, prosperity, and social justice.

This is the national security mission of our State Department today, which we have referred to as transformational diplomacy. To succeed in this critical work for the American people, we are making important changes to our department's organization—both in terms of the roles our people are playing and how we are structuring our foreign assistance programs. This is the foundation of our budget, and I would like to briefly review these important changes.

## TRANSFORMING THE STATE DEPARTMENT

With the support of Congress, we are moving our people off the front lines of the last century, in the capitals of Europe and here in Washington, and into the critical posts of this new century—in Asia, in Africa, in the Middle East, and here in the Americas. Last year, we reprogrammed 200 positions for this purpose; we are set to reposition 80 more. At the same time, we are moving our people out of our embassies and into the field, so they can engage and work not only with governments but with the people of the nations in which they serve. We are making every necessary change—giving our diplomatic corps better training, better tools and technology, and more language skills—to empower them to meet this challenge.

We realize that resources are tight, so in all that we do, we seek to be good stewards of the taxpayers' money. Last year, I created the position of Director of United

States Foreign Assistance. On Monday, the White House announced it has designated Henrietta Fore as Acting Administrator of USAID, with the intent to nominate. I also have named Undersecretary Fore as Acting Director of Foreign Assistance. Our goal is the strategic alignment of our foreign assistance and our foreign policy goals.

The main idea that I want to stress is this: Our new approach to foreign assistance ensures an efficient, effective, and strategic use of the American taxpayer's money. We adopted a country-based approach to achieve this. We asked our experts at State and USAID to allocate foreign assistance resources to activities that help countries most effectively develop their institutions in order to take care of their people and reduce widespread poverty. The adjustments you may see in one program are justified by what we have determined are greater needs elsewhere, and only after the trade offs have been thoroughly analyzed, in order to make the best use of our limited resources.

As a result of this process, resources for the three objectives supporting long-term development—Governing Justly and Democratically, Investing in People, and Economic Growth—have increased by approximately \$100 million in this year's request from fiscal year 2006 levels. You will note some differences, however, in the structure of the request. For example, there is a shift in resources from the Development Assistance (DA) account to the Economic Support Fund (ESF) account. This shift represents our attempt to better justify our request by rationalizing the use of these two different accounts for different types of countries. The increase in ESF and decrease in DA should not be interpreted as a decrease for activities to support the poor and invest in development.

With the performance and accountability measures we are putting in place, we aim to ensure that we are providing the necessary tools and the right incentives for host governments to secure the conditions necessary for their citizens to reach their full potential. This furthers our goal of helping developing nations to "graduate" from our assistance, not to grow dependent on it.

#### EMPOWERING OUR PEOPLE

We are moving ahead on these initiatives with our existing authority. There are steps that need to be taken, and we are taking them. But we must do more, and to do it, we need additional resources. For this, we need the continued support of the Congress. That is why we are requesting \$7.2 billion for State Department operations.

As we transform our existing positions to serve new purposes, we must also create new positions that advance our strategic objective of getting more Americans onto the diplomatic frontlines of the 21st century. This year, we are requesting an increase of \$125 million to create 254 new positions in critical spots like India, China, Indonesia, Venezuela, Nigeria, South Africa, and Lebanon. This funding will also enable us to establish new American Presence Posts, reflecting our goal of moving more of our diplomats into the regions and provinces of our host countries. This increase includes 57 positions and \$15 million for the Office of the Coordinator for Reconstruction and Stabilization. I should add here that I am grateful for the authority provided in the supplemental appropriation to transfer up to \$50 million to create a Civilian Reserve Corps. These funds will allow us to develop a deployable cadre of civilians who will be able to respond quickly to a crises and stabilization missions overseas.

Our Department's new and evolving mission, which is vital to our national security, requires an increased investment in our people. Our people need the latest technology and the best training, in leadership and language skills. This budget meets those demands, including \$905 million for information technology. We must also continue to improve our security in a dangerous world. This budget allocates \$965 million to strengthen security for our posts, our people, and our information systems worldwide, including the creation of 52 additional positions for security professionals.

At the same time, we must continue to modernize and improve our facilities around the world. We seek \$1.6 billion to address the major physical security and rehabilitation needs of our embassies and consulates worldwide so we can protect the men and women serving in our posts. In the fourth year of Capital Security Cost Sharing, other U.S. Government agencies with personnel abroad will contribute \$362 million for the construction of new, secure diplomatic facilities.

To continue filling the ranks of the Foreign Service with our Nation's best talent, we intend to revamp the pay scale for our diplomatic corps. State Department personnel are increasingly expected to serve in what we call "hardship posts," which now comprise nearly 20 percent of all department positions. We must fairly com-

pensate our men and women serving abroad in difficult locations, often far away from their families, and we must rectify a growing disparity between basic salary levels for employees in the United States and overseas. Our budget request includes \$35 million to begin a transition to a performance-based pay system and a global rate of pay.

The State Department mission also extends to defending our borders and protecting our homeland. We must remain a welcoming nation for tourists, students, and businesspeople, while at the same time increasing our security against terrorists and criminals who would exploit our open society to do us harm. For this purpose, our budget includes \$1.3 billion for the Border Security Program, and we seek to add 122 consular positions to address rising passport and visa demands. As good stewards of taxpayer dollars, we are using revenues from visa, passport surcharge, and visa fraud fees to fund improvements in our border security. In coordination with the Department of Homeland Security, we seek to fulfill the President's vision of secure borders and open doors.

Finally, we are requesting \$1.35 billion to meet our commitments to international organizations such as the United Nations. Over the past year we have seen how important it is for the United States to provide principled leadership in institutions of multilateral diplomacy. Through the United Nations, we helped to negotiate a key resolution that ended a month of war in Lebanon and Israel, which was launched by the leaders of Hezbollah. We rallied the international community to oppose Iran and North Korea's nuclear weapons ambitions with Chapter 7 Security Council resolutions. And we worked to ease the suffering of the people of Darfur and to provide for a peacekeeping force there. International organizations are essential to our Nation's foreign policy goals, and deserve our continued support.

#### SECURING PEACE, SUPPORTING DEMOCRACY

I have discussed the steps we are taking to support our people. Let me turn now to the purposes of our foreign assistance.

Our highest priority is to defend the American people and homeland by doing our part in the global war on terrorism. To succeed, we need the continued support of key partners—our historic allies in Europe, Asia, and the Americas, but also in key developing countries, which have the will, but not the means, to fight terrorism. The fiscal year 2008 request includes \$186 million for Indonesia, \$2.4 billion for Israel, \$544 million for Kenya, and \$515 million for Jordan. Our assistance helps those countries, and many others, to enforce their laws, secure their borders, gather and share intelligence, and take action against terrorists on their own or with us. This request also devotes \$785 million to Pakistan to lead that country in a moderate and modern direction, to gain control of the border areas, and to advance prosperity there. Specifically, this request includes \$90 million to support President Musharraf's 5-year development plan for the federally administered tribal areas.

Across the Broader Middle East, we also look to new partners in embattled young democracies, who are working courageously to turn the tide against violent extremism in their countries. In the past several years, the efforts of reformers and responsible leaders have changed the strategic context of the region. We have offered critical support for civil society groups seeking political openness, economic opportunity, education reform, and the empowerment of women. We will continue to support these important reform initiatives.

Democratic institutions in places like Iraq, Afghanistan, Lebanon, and the Palestinian territories are facing serious threats. They are under siege from violent extremists and their state supporters in the region. The Taliban in Afghanistan, Hamas in the Palestinian territories, Hezbollah in Lebanon, violent extremists in Iraq—all of these groups struck damaging blows last year to the cause of peace and freedom in the Broader Middle East. This year we must turn the tide, and we aim to do just that with a comprehensive strategy to help reformers and responsible leaders show their people that democracy can deliver the security, prosperity, opportunity, and dignity that they seek.

In Afghanistan, we support the efforts of the new democratic government in Kabul to lead the nation toward freedom and prosperity. To achieve that goal, we have taken a hard look at our overall policy and adopted an effective counterinsurgency strategy—a complete approach that integrates military efforts with political support, counter-narcotics programs, development priorities, and regional diplomacy. There is a comprehensive, ongoing “offensive,” which is being run by the Afghanistan Government.

Our goal is to help the Afghan Government improve the quality of life for its people by extending security, providing good governance, and opening up new economic opportunities. Along with these goals, President Karzai has demonstrated his deter-

mination to lead a serious counter-narcotics effort, but he needs our assistance. We are increasing our funding in this key area, along with additional funding for reconstruction, local economic development, and law and order. The base budget request of \$1.4 billion for fiscal year 2008 aims to stimulate economic growth, establish peace and security, create jobs, provide essential education and health care, promote human rights, especially women's rights, strengthen accountability and transparency, and extend the reach of the democratic state.

To achieve these broad objectives, we will continue to build roads and electricity grids, and support agricultural development. Working through Provincial Reconstruction Teams, or PRTs, and in concert with the Afghan government, we will build government and justice centers at the provincial level. We will train government personnel, and we will help meet local needs for markets, schools, clinics, and other vital services. Most importantly, we will integrate all of these efforts to advance our overall strategic objective of empowering Afghanistan's democratic government.

In Iraq, President Bush has adopted a strategy in recognition that the current level of sectarian violence is unacceptable. There is a strong military component to this strategy, but success in Iraq depends on more than military efforts alone. It requires robust political, economic, and diplomatic measures. Our military operations must be fully integrated with our civilian and diplomatic efforts to advance the strategy of "clear, hold, and build." The State Department is playing its role in this mission. We are strengthening, indeed surging, our civilian efforts. To do so, we are requesting \$1.4 billion in fiscal year 2008 in the base budget and the fiscal year 2008 supplemental request to fund our assistance efforts in Iraq.

The main focus of our support will continue to shift toward helping the Iraqi Government expand its reach, its relevance, and its resources beyond Baghdad. We will help local leaders improve their capacity to govern and deliver public services. Our economic efforts will be targeted to local needs, with proven strategies of success, like micro-credit programs.

Expanding our PRT presence will also enable us to diversify our assistance across Iraq. Iraq has a federal government. Much of the street-level authority, and much of the opportunity for positive change in Iraq, lies outside Baghdad, in local and provincial governments, with party leaders and tribal chiefs. By actively supporting these provincial groups and structures, we expand our chances of success in Iraq. Our PRTs have had success working at the local level in towns like Mosul, Tikrit, and Tal Afar. Now we will invest in other parts of Iraq, like Anbar province, where local leaders are showing their desire and building their capacity to confront violent extremists.

In Lebanon, we are requesting approximately \$60 million in fiscal year 2008 to complement what we requested in the fiscal year 2007 Supplemental to support the Lebanese people's aspirations for peace, stability, and economic development. In November 2006, we signed a Trade and Investment Framework Agreement to help support Lebanon's development through enhanced bilateral economic ties. I made a significant pledge of \$770 million in January at the Lebanon Donors' Conference, which raised \$7.6 billion to support the Lebanese people and their democratically-elected government. Our assistance will support the Lebanese government's own ambitious reform program, which demonstrates its commitment to reducing its debt and achieving economic and financial stability. I continue to keep your concerns in mind regarding direct budget support and let me reassure you, the money supports the economic reform plan endorsed by the international financial institutions and benchmark goals supported by us.

As we take steps in the reconstruction and development effort, we must not lose sight of the need to implement fully U.N. Security Council resolutions related to Lebanon, in particular Resolution 1701. We commend the Lebanese Government for deploying the Lebanese armed forces to the south of its country for the first time in almost 40 years, and we applaud the international community for its successful deployment of the enhanced UNIFIL forces to help Lebanon secure its sovereignty. Much more work remains to be done, however, to ensure Lebanon's sovereignty is not undermined by regional actors like Syria and Iran and to address the threat of terrorist groups like Hezbollah. I look forward to continuing to work with the UN and our other international partners on further steps to implement Resolution 1701.

In the Palestinian territories, President Abbas's desire to support a better life for his people and to make peace with Israel is being blocked by the radical leaders of Hamas. One year after this group's legitimate election, the international community continues to stand together in its insistence that Hamas meet the conditions set out by the Quartet: recognize Israel, renounce violence, and accept all previous agreements and obligations, including the Roadmap. Peace between Israel and the Palestinians will be possible only with a Palestinian government that recognizes

Israel's right to exist and renounces terrorism. We will judge the Palestinian government by its words and by its actions.

For fiscal year 2008, we are requesting \$77 million to help meet Palestinian humanitarian needs, including emergency food, health and educational assistance, programs to strengthen democracy and good governance, and support private sector development in the West Bank and Gaza. These bilateral funds are in addition to the funds requested for the U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). There is a battle in this region between moderates and extremists. These funds will not go to Hamas or any other terrorist organization, but will bolster moderate forces in the Palestinian territories.

For Iran, the President has requested \$109 million in funding, including \$20 million for VOA's Persian service, \$8.1 million for Radio Farda, \$5.5 million for consular affairs, and \$75 million in Economic Support Funds for civil society and human rights projects in Iran. These funds will allow us to continue with a wide range of democracy, educational, and cultural programs, as well as to improve the free-flow of information to the Iranian people. We must continue to make clear that while we differ fundamentally with the current government of Iran, and we seek friendship with the Iranian people.

The hard work of democracy does not end with one free election; that is only the beginning. Lasting democratic reform must also encompass an independent media, free political parties, limits on state authority, and protections for human rights. We are funding programs in all of these fields of democratic reform. To support democratic transitions, the budget provides \$1.4 billion for programs that foster rule of law and human rights, good governance, political competition and consensus-building and civil society.

As we work to expand freedom and prosperity, we must champion these ideals through our public diplomacy and vital educational and cultural exchanges, for which we are requesting funding of \$855 million. Public diplomacy is a vital component of our national security strategy. We seek to reach out to the peoples of the world in respect and partnership, to explain our policies and to express the power of our ideals—freedom and equality, prosperity and justice. Public diplomacy is no longer the job of our experts alone; it is the responsibility of every member of the State Department family, and we are mobilizing the private sector and the American people to help.

People-to-people exchanges are also a vital component of our national security strategy. Many exchange participants report that they are “forever changed” by their direct involvement with the American people. Last year, the total number of student and exchange visas reached an all-time high of 591,000. We want to expand on this success, working in partnership with the private sector wherever we can.

We seek \$668 million for the Broadcasting Board of Governors, to support radio, television, and internet broadcasting worldwide, including in North Korea, Iran, and Cuba.

#### MEETING GLOBAL CHALLENGES

We face a major challenge in the proliferation of weapons of mass destruction and the materials to produce them. The fiscal year 2008 budget supports our key multilateral counter-proliferation activities—including the Proliferation Security Initiative, the G-8 Global Partnership, the Global Initiative to Combat Nuclear Terror, and U.N. Security Council Resolution 1540. The budget also supports our efforts to strengthen the global non-proliferation regime, by rallying the international community to hold governments accountable for these actions which violate their responsibilities.

As the President said in his State of the Union address, we are committed to addressing “the serious challenge of global climate change.” Our approach is rooted in pragmatism and partnership. One of our principal initiatives is the Asia-Pacific Partnership on Clean Development and Climate, which we launched in concert with Australia, South Korea, Japan, India, and China. Together, these countries represent more than half of the world's economy, a large share of the world's emissions, and a growing demand for energy that is vital to economic development. The Partnership, for which we request \$30 million for fiscal year 2008, is accelerating investment and opening markets for cleaner, more efficient technologies, goods, and services, while fostering sustainable economic growth and poverty reduction.

In Colombia, we are requesting \$506.468 million in the fiscal year 2008 budget to sustain our commitment to counter narcotics and demand reduction. During his visit to Bogotá on March 11, President Bush reaffirmed to President Uribe the importance of helping Colombia finish the job. With Congress's bipartisan support, the United States has helped the Colombian people to protect their democracy from

drug traffickers, restore security to large parts of the country, protect human rights, and begin a far reaching reform of its judicial system. The gains have been impressive. Colombia has come back from the brink to become a partner. We are confident that, with Congressional support for our fiscal year 2008 budget request and approval of the Colombia free trade agreement, these hard won gains will be just the beginning of Colombia's dramatic transformation.

Critical challenges remain. President Uribe is addressing these issues aggressively and decisively, continuing the fight against drug traffickers, but also focusing on winning the peace through economic and social development, consolidation of democratic institutions, and respect for human rights. In response, we have designed an assistance strategy that will help President Uribe and the Colombian people achieve the security and prosperity they have worked so hard to make possible. We want to improve the lives of Colombians while reducing the impact of narco-terrorism on the United States and the region.

I know that there are questions about the relative mix of "hard" and "soft" spending in our fiscal year 2008 budget request. We know that without security it is impossible to promote socioeconomic development. Our plan is to invest now in the Colombians' capabilities, as we gradually turn over responsibility for the counter-narcotics programs to them. I also know that recent concerns of paramilitary ties to Colombian government and military figures are a serious matter. The Colombian Government's commitment to seeking the truth and insisting on justice deserves our support. I believe strongly that we need to recognize President Uribe's leadership and the extraordinary commitment of the Colombian people.

We face another potentially deadly challenge in the threat of pandemic disease. The fiscal year 2008 budget request of \$100 million supports our global strategy and partnership to address avian influenza outbreaks and to support prevention strategies worldwide.

The fiscal year 2008 budget also advances the goals of the President's historic Emergency Plan for AIDS Relief. Thanks to the strong bipartisan support that this program has received from Congress, the Emergency Plan now supports treatment for more than 822,000 people in the 15 countries that are home to over half of the world's infected population. This year we are requesting a total of \$5.4 billion for the Emergency Plan, including funds requested by the Department of Health and Human Services. This includes \$4.1 billion for prevention, treatment, and care in the 15 focus countries. We are also seeking an additional \$1.2 billion for bilateral programs in other countries, for HIV/AIDS research, for multilateral programs worldwide, and for tuberculosis programs.

No less significant is President's Malaria Initiative, which has supported prevention and treatment for millions of people in fifteen African countries—Angola, Tanzania, Uganda, Malawi, Mozambique, Senegal, Rwanda, Benin, Ghana, Madagascar, Kenya, Zambia, Liberia, Mali, and Ethiopia. The fiscal year 2008 budget dedicates \$300 million to fund our commitments under this Initiative, as well as \$88 million for other ongoing global efforts to fight malaria.

#### HELPING DEVELOPING COUNTRIES AND THE MOST VULNERABLE POPULATIONS

Global partnerships are essential to meeting the global challenges that I have just described. But many weak and poorly governed states do not have the capacity to fulfill their responsibilities as sovereign states. Our experience on September 11 showed us that weak and poorly governed states can pose not just humanitarian challenges, but national security threats. Hopelessness and oppression contribute to extremism and instability. Helping developing states to transform themselves—to govern justly, to advance economic freedom, to combat poverty, and to invest in their people—is a strategic imperative.

The United States is a compassionate Nation, and we are moved to action when tragedy strikes, and when innocent people are in desperate need. The fiscal year 2008 budget provides more than \$2 billion for the protection of refugees and for basic needs like food, water, and medicine for vulnerable populations. One of the major recipients is Sudan, for which we are requesting a total of \$359 million for humanitarian assistance, as well as additional funding for Sudanese refugees in neighboring countries. We are continuing our support for victims of war and genocide, especially the internally displaced people in Darfur and the refugees in eastern Chad.

We will continue to invest in the people of the world's poorest countries. Basic education is a critical part of this investment. The fiscal year 2008 request for resources to support basic education programs is \$535 million.

In addition to direct support for the world's most vulnerable populations, we seek to support the development of sound economies and political structures to raise peo-

ple out of poverty. On this front, our flagship initiative is the Millennium Challenge Corporation (MCC). Since 2004, the MCC has signed development compacts with eleven countries, worth a total of \$3 billion. MCC works with transforming countries that meet standards of progress for governing justly, advancing economic liberty, and investing in their people. The compacts are designed and managed by recipient countries themselves, reinforcing their ownership in the fight against poverty. These resources complement and amplify the impact of our investments in other foreign assistance accounts.

For a country to unlock the potential of its people to increase productivity, create jobs, and combat poverty, it must integrate its economy into regional and global trade networks. The President remains committed to achieving a successful outcome to the World Trade Organization's Doha Development Agenda—one that opens markets, expand trade, and strengthens a rules-based system. As a part of the President's robust trade agenda, we have negotiated ten free trade agreements (FTAs) with 16 countries worldwide, and Congress has already approved agreements with 12 of these countries. We have signed FTAs with Colombia, Peru, Panama and South Korea. We look to Congress to support these important agreements.

Mr. Chairman, members of the subcommittee: The State Department has assumed substantial new national security responsibilities in the war on terrorism. We are the lead agency on a majority of the tasks in the Administration's National Counterterrorism Strategy. Using our existing authorities, we are taking steps to reshape the State Department to play a forward-leaning role in advancing freedom and prosperity around the world.

In this challenging time, the men and women of American diplomacy are doing all that we are asking of them—and more. They are nobly answering the call to service and shouldering their responsibilities. I ask you to provide the resources we need to play our part.

Senator LEAHY. Thank you, Madam Secretary.

You and I have discussed the resignation of the administrator and director of foreign assistance of USAID, last week. Then, as you told me—and we chatted—that the President's going to nominate Henrietta Fore as USAID administrator. She'll also be designated as director of foreign assistance. I see these, really, as full-time jobs. Why would you combine—why would you combine these two positions? Before you answer, the reason I ask the question, Ambassador Tobias made a number of reforms, as he told us when he testified, but I'm having a hard time discerning their impact. I want to have more—better coordination on foreign assistance, but I've always felt—and I've said this with both Republican and Democratic administrations, USAID has to remain autonomous. So, why combine these two? Will they have control over their budget?

Secretary RICE. Well, thank you, Senator.

First of all, let me just note that I have great respect for USAID and its special mission, and for the men and women of USAID and the important job that they do out on the front lines. I think that—I hope that they would tell you that I've been very supportive of their mission and of their development. I do believe that, since about 80 percent of our foreign assistance—U.S. Government foreign assistance comes from Department of State and USAID budgets, that this is a time when we need to make certain that we have an integrated picture of what we are doing with those resources in order to promote certain goals, in order to make certain that programs are being well delivered. That's the reason for the dual-hatting of the director of foreign assistance.

Senator LEAHY. But does that mean that have control over their budget, or not?

Secretary RICE. Well, in fact, it rests with me, ultimately. I am the one that has to represent to you, and through you to the American people, that the resources that are being given to USAID and

to the Department of State are being well used. I am in a stronger position, with a director of foreign assistance who also is USAID administrator, to make certain that when a budget comes to me, which I then recommend to the President, which is then recommended to you, that we are using the resources well, that there is not duplication, that we are able to fill gaps where they may be, and that we are respecting both missions.

Senator LEAHY. But the reason I ask—I mean, we were somewhat disappointed in this committee—by “we,” I say a number of the Senators, both sides of the aisle, with Ambassador Tobias’s testimony when he came here, trying to get any specificity about what was happening. I’m curious—I notice this seems to be getting down in the weeds, but there’s USAID budget personnel shifted to the F Bureau at the State Department, the Office of Director of Foreign Assistance. Do they stay there, or do they go back to USAID? Is this—

Secretary RICE. They are USAID, they are, in effect, secunded to the Department to work on budget matters. But I would ask you, Senator, to think about it from my point of view, as Secretary. I’m charged with the authorization to assure, really, that the resources are being used in an appropriate way. And—

Senator LEAHY. Well, no, I understand that. But you also—when the director is there, they’re carrying out that direction. As I said, we were—many of us were concerned when the former director was before us, there were a lot of glowing slogans, but every time we asked a question, specifics, we didn’t get the answers. Now, he may have been distracted by other matters at the time, but it was a— it was a concern. I think you should tell the new director she should be prepared to come up here to, at the very least, brief Senator Gregg and myself on some of these specifics.

Let me switch to a different area. Now, having said, over and over again, that we don’t want to be seen as an occupying force in Iraq, we’re building the largest embassy that we have, probably the largest in the world, in Baghdad. It just seems to grow and grow and grow. The 2007 supplemental, I’m noticing, it provides the funds for most of the expansion you propose for the Provincial Reconstruction Teams. We agree that we should focus our aid locally, not in Baghdad, but we have 1,000 Americans at the Embassy in Baghdad. You have the contractors and local staff, that comes to 4,000.

The 2000 supplemental required you to submit a plan for the U.S. mission in Iraq, for the growing size and costs. I—you know, we have a deviation from the plan that we’d agreed to. Staffing has increased by over 30 percent in just 2 years. We have the largest embassy in the world. We have countries where we do a great deal of trade and where we have to be concerned about intellectual property piracy, everything else, and we don’t—we can’t seem to get the staffing there. Can we review who we really need, and send the rest of the people home?

Secretary RICE. Well, thank you, Senator. In fact, Ambassador Crocker, as you know, has just—virtually just arrived in Iraq, has been out there a little over a month, and he has asked, and we have sent, Ambassador Pat Kennedy to go out and to assess the staffing and housing requirements for the Baghdad Embassy com-

pound. We do believe that the embassy compound was right-sized at the time that it was presented to Congress. There have been some additional issues since that time, including the extension of the special IG for Iraq. And we have to be able to deal with those people. We have a security situation in which we are not able to house people in hotels when they're visiting. We have a number of shorter-term TDY staff that are out at the embassy. And, in fact, we have, as you know, a kind of surge in the personnel to be able to deal with—to provide the diplomatic and political surge—

Senator LEAHY. No, I understand that, Madam Secretary, but I look at China. We have enormous trade issues with China. We have a country that is stealing us blind in ignoring our copyright laws and counterfeit—everything from counterfeit food and drugs to stealing our intellectual property, whether it's computer programs to movies to—and we're talking about billions of dollars, to say nothing about the health problems we've seen very recently, where people have died here, and in other countries, because of the fraudulent food additives and so on. But our Embassy in Baghdad is much larger than our Embassy in Beijing. What I'm saying is, if there are people we don't need, why don't we just send 'em home?

Secretary RICE. We are going to make that assessment, Senator. I agree with you that there may be—because of the way that the embassy came into being—in effect, coming on the heels of the Coalition Provisional Authority—because there have been a lot of needs that I would characterize as shorter-term—meaning, not in the long-term steady state of how the embassy will be staffed. We're going to make exactly that assessment, and we will make certain that we have only the people out there that we would need.

I would just note, Senator, that we are, in the case of China and a couple of other embassies where we believe that the needs have grown—we have, in fact, redeployed people out of places in Europe to China and places like that, where we believe that we need greater staffing. So, we're trying to remain flexible in making certain that we're well staffed in these extremely important posts.

But I will definitely get a report back to you once Ambassador Kennedy has done his work.

Senator LEAHY. Can I—when I come back on my time—my time is up—I'm going to want to talk about the Western Hemisphere Travel Initiative. I—it would be nice if we allowed Canadians and Americans to travel back and forth across each other's borders. So, that's an issue we'll go into. Bothers me greatly what's being done.

Senator Gregg.

Senator GREGG. Thank you, Mr. Chairman.

I want to echo the chairman's concerns about the size of the embassy also. Ironically, I chaired the subcommittee when the embassy decision was made, and I, at that time, had fairly serious concerns, and it was downscaled as a result of some of those concerns. But I remain skeptical of the need for this level. I understand that the security needs require that so much more be concentrated in the embassy than in most embassies, but, still, this is a huge facility, and it does have serious issues, I think, of right-sizing.

But, on another subject, I recently had the chance to travel to South America, and I recently had the chance to meet with the

President of Colombia. I would be interested in your assessment of the situation in South America, especially relative to Colombia and our relationship with Colombia and Venezuela, because it appears to me to be a region where we've got some friends and we've got some people who don't like us that much, and we should be with our friends.

Secretary RICE. Well, thank you. In fact, the President, Senator Gregg, if you remember, was recently in Latin America, and visited Colombia during that time, visited Bogotá. The fact that he was able to go to Bogotá says something about how far Colombia has come in a relatively short period of time.

We do have a challenge in Latin America. We have a challenge, because those who have been democratically elected are trying to deliver for their people, and trying to remain allies of the United States. There are those, like Venezuela, that would challenge just about everything about American interests and policy, including free markets, including nationalizing industry, and they're a real challenge to free markets, open economies, and to democracy in Latin America. It makes it even more important that states like Colombia, which are trying to do the right things, in terms of democracy and open economies and free trade, be supported by the United States.

In the year that President Uribe came to power, I think it's fair to say that Colombia was on the brink of failure, on the brink of being a failed state. It was, after all, a country where large portions of the territory were uncontrolled by the government, where terrorists were able to prevent the police or the army from even coming into those areas, where bombings in Bogotá, where security for the population was something that was very difficult, almost impossible, for the government to deliver. Through a very strong campaign against terrorism, President Uribe has begun to deliver some security to his people. I think it's why he was reelected by such large margin.

They also are going after paramilitaries from the other side of the political spectrum. He ordered paramilitary leaders to surrender in August of 2006. Fifteen of the 24 top leaders did. They've been going after the others. Frankly, the independent judiciary and the supreme court has been bringing people to account for what has happened in Colombia over the last years.

So, I think, while it is not by any means perfect, and we continue to have a dialogue with Colombia about the need for human rights protection, the need for labor protections, the need for continuing to prosecute the paramilitaries, this is really a case of a democratically-elected leader that has been able to bring his country back from the precipice of being a failed state. Just imagine what South America, with the challenge of someone like Hugo Chavez, would be without strong allies like Colombia in the Andean region.

Senator GREGG. Thank you. It's represented by some that Chavez and the Venezuelan Government is basically protecting, or at least not extraditing, narcoterrorists back to Colombia, members of FARC. Is that the view of the State Department, that that's an accurate representation?

Secretary RICE. There are cases that the Colombian Government has raised, I think, with the Venezuelans, concerning who may be

continuing to live in, or operate in, Venezuela. We just hope that all of Colombia's neighbors will not harbor, in any fashion, people who ought to be brought to justice.

Senator GREGG. On another subject, you recently had an opportunity to meet with representatives of Syria. As we look at the Middle East, obviously Syria has, for years, been a funder of terrorism and terrorist groups. There seems to be a mutation, however, of the terrorist cadre in that the more structured terrorists, such as Hamas and Hezbollah, now find themselves with the most distant groups, such as al Qaeda, that are not as orchestrated, potentially, or at least funded. And so, I'm interested in your view of where Syria now—what Syria's role now is in the area of funding, supporting, and promoting terrorism in the traditional struggle relative to Israel and in the struggle in Iraq.

Secretary RICE. Syria continues to be a major funder of terrorism, major harbinger of those elements of the Palestinian political elite, for instance, who are opposed to a two-state solution, who are the ones who continue to be—to perpetrate violence in the Palestinian territories, and to attempt to do it in Israel. So, in terms of Middle East peace, the Syrians are a real problem for leaders like Mahmoud Abbas, who want to take a different course toward a two-state solution.

When it comes to Iraq, we are very concerned about the foreign fighters that are transiting the Syrian border, and are, therefore, doing great harm to innocent Iraqis and to our forces. That was the focus of the conversation that I had with the Syrian Foreign Minister. It was about Iraq. This was not a conversation about U.S./Syrian relations. This was about what Syria needs to do to stem the tide of those foreign fighters and to help the Iraqis to secure their borders.

Then, finally, as to Lebanon—there, Syria and its allies continue, on a daily basis really, to threaten the stability of the democratically-elected government of Fouad Siniora, to resist the establishment of an international tribunal. Despite the fact that that tribunal is established by the United Nations, their allies continue to try to block the convening of that tribunal. Syria needs to allow that tribunal to go forward, because people need to answer for what happened to former Prime Minister Rafik Hariri, and we need to see who was behind it. So, Syria is a significant problem, not just for American policy in the Middle East, but for democratic forces that are trying to take hold in the Middle East. One point that I made to my Syrian counterpart is that we should talk about Iraq, and we should talk about what we can do to help the Iraqis, but U.S./Syrian relations would depend on a great deal more.

Senator GREGG. I appreciate that. The logical follow-up question is, How should we engage Syria, and how does Israel view Syria?

Secretary RICE. Well, I'll not try to speak for the Israelis, except to say that their statements are consistent in public and in private, with—what they say in public and what they've said to us in private. Obviously everyone would like to see peace between Israel and Syria. If it were possible, I think everybody would jump at the chance. But Syrian behavior is such that, particularly in the support that it gives to elements of Hamas that are preventing a two-

state solution, it's not exhibited an attitude that suggests that it's ready for, or intending to try and pursue peace.

As to how we deal with Syria, we had this—have had this limited discussion with them on Iraq, because we want all of Iraq's neighbors to help Iraq. It makes only good sense if the neighbors believe what they're saying, which is that a stable Iraq is in their interest, then they need to behave that way, and that was the message to Syria. But, beyond that, we've been very clear that there is nothing to be done that does not allow that tribunal to take place in Lebanon, and that does not stop support for the Palestinian organizations that are engaged in terrorism.

Senator GREGG. Thank you.

Senator LEAHY. Thank you, Senator Gregg.

Before I go to Senator Landrieu, I'd note Colombia has been in the top four or five of countries receiving foreign aid from the United States. I have been either chairman or ranking member during that whole time, both with President Uribe and his predecessor, and have voted for that. But, before we put too rosy a picture on it—and I'll come back to this later—there are 30,000 individuals who went through the demobilization ceremonies. Only 2,700 of them applied for reduced sentences under the Justice and Peace Law. The rest have received government benefits without confessing their crime or turning over their illegal assets.

The government's lost track of 5,000 of them. The Organization of American States say new illegal groups have been formed in 23 of Colombia's 32 departments. We've heard of the extensive paramilitary infiltration of Colombia's political system, including the president's former director of intelligence—that was uncovered by the supreme court, the inspector general, and, as you know, by some of our own people.

Senator Landrieu.

#### STATEMENT OF SENATOR MARY L. LANDRIEU

Senator LANDRIEU. Thank you, Mr. Chairman.

I have a full statement for the record I'd like to submit.

Senator LEAHY. Without objection, it will be included.

Senator LANDRIEU. Thank you.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR MARY L. LANDRIEU

Mr. Chairman, Senator Gregg, on September 15, 2005, President Bush stated that "This government will learn from the lessons of Hurricane Katrina. We are going to review every action and make necessary changes so that we are better prepared for any challenge of nature, or act of evil men, that could threaten our people." Unfortunately, time and time again, Madame Secretary, we are constantly reminded of how this administration has failed to take every action and failed to make the necessary changes so that we are better prepared for tomorrow's next Hurricane Katrina. The recent Category 5 tornado that ripped through Kansas this past weekend, and the recent report by the Washington Post on the mishandlings of foreign aid offered in response to Hurricanes Katrina and Rita, both tragically demonstrate my point.

During Hurricane Katrina, the National Guard equipment and members were stretched too thin—and continue to be stretched too thin to this day. When Katrina hit the Gulf on August 29, 2005, the Louisiana National Guard only had roughly 40 percent of equipment on hand and more than half of our Guardsmen were deployed in support of the war in Iraq. Here we are one-year, 8 months and 13 days later (approximately 620 days) and Kansas Governor Kathleen Sebelius is reporting

that, 50 percent of our her trucks are in Iraq and Afghanistan and she is missing numerous Humvees, which move people. Unfortunately, Governor Sebelius is unable to borrow the necessary equipment from other states, like Gulf States did during Katrina, as they are also operating under extreme equipment shortages.

Due to the amount of equipment being left in Iraq and Afghanistan, 16 percent of the Kansas National Guard's equipment will not return to Kansas. In fact, there is a chance the amount of equipment left overseas will double. Louisiana's National Guard is also experiencing the same war fatigue, with only 33 percent of necessary equipment currently on hand. If all was returned from Iraq and Afghanistan, it would still only increase on hand availability to 44 percent. While it may seem the recent tragedy in Kansas may be out of scope for the basis of this hearing, I assure you, Madame Secretary, it is not.

Recently, the Washington Post reported on the administration's turning away of nearly \$1 billion of foreign aid offered in response to Hurricanes Katrina and Rita and the devastating failure of the federal levee system that followed. I was already aware that the administration cast aside warnings and recommendations from its own experts, dragged its heels on response, and drove our long-term recovery straight into a morass of bureaucracy. Another curtain has been pulled back and exposed an additional example of the seemingly endless incompetence that has been the trademark of this Administration's response to the hurricanes and the devastating failure of the federal levee system. While the State Department has acknowledged that mistakes were made in the handling of foreign donations, due to an absent implementation plan for the management of foreign aid, no changes have been made to the International Cooperation Response Index to the National Response Plan. In addition, no significant permanent changes have yet to be made to the National Response Plan itself.

Inadequate planning on how to manage foreign aid, more specifically material assistance, kept valuable resources from being accepted, allocated and distributed. One-hundred fifty-one nations, international organizations and political entities offered assistance, totaling \$854 million, not including material/in-kind assistance. Of the \$854 million, \$454 million was cash; \$400 million was oil, which was to be sold for cash. To date, only \$126.4 million has been accepted, numerous material/in-kind donations were turned away, and the \$400 million in oil was never accepted or sold.

For example, on September 5, 2005 FEMA received an offer from Switzerland to send relief supplies. However, the offer was not fully vetted by FEMA until September 14, 2005. With the delay and FEMA not being able to quickly unload and repackage the supplies into smaller quantities in a timely matter, the Swiss government had to cancel the entire shipment. Not only were donating countries victims of an unresponsive and ill-prepared administration, they were also thwarted by bureaucratic red tape. During the height of rescue and relief missions, a German company offered a \$3 million integrated satellite and cellular telephone system, which is capable of handling 5,000 calls at once. With virtually all communications systems down in the Gulf, this device could have potentially saved many lives had it been delivered earlier. For five days, the people of Louisiana and Mississippi were without this key system until a written deployment order was issued from USNORTHCOM.

In the administration's February 2006 report, The Federal Response to Hurricane Katrina: Lessons Learned, a total of nine recommendations were made on how to improve the management of offers of foreign assistance and inquiries regarding affected foreign nationals. One of the requirements directs DOS to lead the revision of the International Coordination Support Annex to the National Response Plan, to clarify the responsibilities of DOS, DOD, DHS, and other agencies in response to domestic incidents. Other recommendations direct that prior to June 1, 2006, DOS and DHS should lead interagency efforts to:

1. Quickly develop procedures to review, reject or accept any offers of international assistance
2. Create a list of anticipated needs for foreign assistance and a list of items that cannot be accepted, and
3. Develop an interagency process to determine appropriate and timely uses of cash donations and how to communicate to donors on how funds were used.

I hope that today we can get to the bottom of how this Administration could turn away an overstretched hand in a time of such desperate need. Madame Secretary, I would like an update from you by May 31, 2007. I want to know where DOS is on completing the nine recommendations, if they were done timely, and when final amendments may be made to the International Coordination Support Annex to the National Response Plan. I need to know what works and what does not. Louisiana and the Gulf Coast deserve better. America deserves better.

In the fiscal year 2008 Budget, the President has requested \$36.2 billion in Department of State, USAID and other foreign agencies. This is a 22 percent increase from fiscal year 2007, and only 1.2 percent of our total annual budget. These funds are in addition to the \$3.3 billion requested for the fiscal year 2008 Emergency Supplemental for foreign assistance and State Department operations. While this budget request contains sufficient funding for many programs, such as Global AIDS and the Millennium Challenge Corporation (MCC), the global challenges facing us today are greater than ever.

While we have made progress over the last few years in increasing the amount of foreign assistance funding, continued investment in international affairs programs are critical to building global stability. By increasing the International Affairs Budget, we have a better chance of achieving our national security goals and of promoting economic prosperity and our humanitarian values. Therefore it is critical that we continue to increase U.S. foreign assistance and pass a total budget of \$38.5 billion for State and Foreign Operations and \$1.3 billion in international agricultural assistance in fiscal year 2008.

In the many war torn and conflict areas, such as Afghanistan, Iraq, Uganda and many others around the globe, thousands of children continue to suffer. Every day 30,000 children under 5-years-old die from preventable diseases, 77 million children wake up without a chance to go to school, and 200 million go to bed without enough to eat. Unfortunately, the Budget only calls for \$345.6 million in maternal, newborn and child survival programs—this is a decrease from last year's level.

The Budget also calls for \$535 million for basic education programs. While this is an increase over the current levels, it falls short of the real global need. By transferring the bulk of global education funding from Development Assistance account to the Economic Support Fund account, there is a possibility the number of countries receiving basic education assistance, particularly Africa and Latin America, could decline. Additionally, this change could impede lasting and transformational change in those regions. While I do appreciate and support the changes underway at USAID, I do believe we need to study, closely, the real impact of each change. Currently, 42 countries receive basic education from the DA account, 14 in Africa, 15 in Asia/Near East, 5 in Europe/Eurasia and 8 in Latin America and the Caribbean, and we do not want to jeopardize, only improve, the education in these countries.

According to Save the Children, nearly half of 6 year-olds in Uganda do not enroll in school. On average, 64 percent do not complete five years of school, and in Pader district, primary school completion is just 26 percent. Across Uganda more boys enroll than girls. Early marriage and pregnancy and fear for their lives, causes frequent drop outs or keeps them from attending all together. Only 45 percent of girls enroll in grade one, but only 32 percent complete primary school. Around 46 percent of teachers are untrained and class sizes can grow to over 200 children.

It is vital that we recruit, train and deploy teachers in under-resourced areas, including female teachers to help increase enrollment and completion among girls. By building community support for education and investing in the community, we are able to help reduce the amount of child from being abducted. More than 30,000 children have been taken from their homes and abducted by the LRA. These children often become soldiers or sex slaves. Currently, 6,000 to 10,000 children walk miles from their rural homes every night to sleep in town centers, in order to avoid violence and abduction. These children are known as "night commuters". Last year as many as 35,000 children would leave their homes every night.

Much like Uganda, Afghanistan struggles to rebuild their community and to find a way to redevelop essential skills in the country. Although Taliban control ended in 2001, and despite reconstruction efforts, Afghanistan is deeply poor with chronic malnutrition, lawlessness and frequent violence against children. Girls are still excluded from many activities. Half of Afghan children between 7 and 12 attend school, but only a third are girls. Attendance is often low, due to the inadequate school facilities for girls and the limited number of female teachers. Roughly 60 percent of girls aged 7 to 13 are out of school and in some rural areas around 92 percent of girls are out of school. Only 27 percent of teachers are females, but most are in urban areas, and fewer than 15 percent of teachers have a teaching degree. Clearly you can see from these startling statistics, Madame Secretary, that it is very important that ensure our education funding is not jeopardized, but improved in a way that allows the number of countries and the amounts received to grow.

As I stated above, in Afghanistan and Iraq children continue to be victims of: poor health care, limited and inaccessible education systems, and innocents of the ongoing wars. In Uganda children are forced to be child soldiers and young girls into becoming "wives". Madame Secretary, this is unacceptable. I know these problems cannot be solved overnight and not by diplomatic measures alone, which is why we

must continue providing these countries with adequate aid assistance and improve intercountry adoption policies around the globe.

As the Democratic Chair of the Congressional Coalition on Adoption and a proud adoptive parent myself, I truly understand the benefits and joys adoption brings to a family and the children being adopted. Although, over 20,000 children are adopted every year internationally by U.S. citizens, improvements can and must be made to intercountry adoption policies around the globe. For example, adoption by foreign citizens remains close in Romania and Cambodia to this day. Russia, although open for adoption by foreign citizens, passed an NGO law in May, which requires U.S. based adoption service providers be both registered and accredited by the Ministry of Education (MOE). Unless an agency complies with both they are unable to assist in any way in placing children. As of the end of April, no U.S. agencies had been successfully accredited by the MOE. Madame Secretary, all children, regardless of race, ethnicity, gender or disability, deserve a permanent and loving home. We can do better at providing these children with loving homes, better health care and education, and the basic right to food.

Mr. Chairman, I look forward to hearing the testimony from Secretary Rice today and hope that she is ready to honestly and openly answer any questions this committee may ask.

Thank you, Mr. Chairman.

Senator LANDRIEU. Madam Secretary, be assured the people of Louisiana and Mississippi and the gulf coast understand the focus of yours and the administration on Iraq, Afghanistan, and other places in the world, where it's important to focus, because they are great challenges. But there was an incident that occurred in this country that was of international focus and importance over 18 months ago, and that was when two storms battered the gulf coast, which is America's energy coast, and the Federal levee system collapsed, flooding an area seven times the size of Manhattan, destroying 250,000 homes and 20,000 businesses. Nothing like it has ever been seen in the United States outside of the Civil War.

Last week, the Washington Post reported that the administration turned away nearly \$1 billion in foreign aid. The State Department has acknowledged that mistakes were made in the handling of foreign donations due to the absence of an implementation plan for the management of such aid. To date, it is my understanding that no changes have been made to the International Cooperation Response Index or to the National Response Plan.

In addition, no significant permanent changes have yet been made to the National Response Plan itself. One hundred and fifty-one nations, international organizations, and political entities offered assistance totaling \$854 million, not including material in kind. Of the \$854 million, \$454 million was cash, \$400 million was oil, which has yet to be sold for cash. To date, only \$126.4 million has been received, numerous materials in kind were turned away, and \$400 million in oil, as I said, was never accepted or sold, we don't know where those barrels of oil are.

On September 5, for example, because I'm going to get to my question in a minute, an offer from Switzerland to send relief supplies was sent. The offer was not fully vetted by FEMA until September 14. With the delay in FEMA not being able to act quickly to unload and repackage the supplies, the Swiss Government canceled their entire shipment.

Another example—and there are dozens; I will submit them for the record—a German company offered 3 million integrated satellite and cellular telephone systems, which is capable of handling 5,000 calls at once. With virtually every communication system collapsed in the Gulf of Mexico, where our own military was reduced

to runners, the way we used to use them in wars of the past, we turned this communication equipment away until USNORTHCOM demanded that they be received.

I want to, Mr. Chairman, get to my question, which is—in just one second. But, for the record, this was reported by the Washington Post, and it is upsetting that, in the first paragraph, a memo from Karen Hughes says, “Echo chamber message,” in quote. That is a public-relation term, as according to the Washington Post, for talking points designed to be repeated again and again. This was the directive, “Assure the scores of countries that have pledged or donated aid that their aid was,” quote, ‘practical help and moral support,’ and highlight the concrete benefits hurricane victims are receiving.”

Madam Secretary, the people that I represent were not able to take advantage of this aid, because there obviously is some major problems with how we receive aid for them when they’re in their most desperate hours of need. I don’t know what we have done to correct it.

[The information follows:]

[The Washington Post, Sunday, April 29, 2007]

#### CORRECTION TO THIS ARTICLE

An April 30 Page One article on foreign aid after Hurricane Katrina incorrectly said that a consortium led by the United Methodist Committee on Relief had provided social services to 45,000 individual disaster victims up to that point, less than half the 100,000 victims it promised to help. The group has provided services to 49,709 families, not individuals, short of its goal of 100,000 families.

#### MOST KATRINA AID FROM OVERSEAS WENT UNCLAIMED

(By John Solomon and Spencer S. Hsu, Washington Post Staff Writers)

As the winds and water of Hurricane Katrina were receding, presidential confidante Karen Hughes sent a cable from her State Department office to U.S. ambassadors worldwide.

Titled “Echo-Chamber Message”—a public relations term for talking points designed to be repeated again and again—the Sept. 7, 2005, directive was unmistakable: Assure the scores of countries that had pledged or donated aid at the height of the disaster that their largesse had provided Americans “practical help and moral support” and “highlight the concrete benefits hurricane victims are receiving.”

Many of the U.S. diplomats who received the message, however, were beginning to witness a more embarrassing reality. They knew the U.S. Government was turning down many allies’ offers of manpower, supplies and expertise worth untold millions of dollars. Eventually the United States also would fail to collect most of the unprecedented outpouring of international cash assistance for Katrina’s victims.

Allies offered \$854 million in cash and in oil that was to be sold for cash. But only \$40 million has been used so far for disaster victims or reconstruction, according to U.S. officials and contractors. Most of the aid went uncollected, including \$400 million worth of oil. Some offers were withdrawn or redirected to private groups such as the Red Cross. The rest has been delayed by red tape and bureaucratic limits on how it can be spent.

In addition, valuable supplies and services—such as cellphone systems, medicine and cruise ships—were delayed or declined because the government could not handle them. In some cases, supplies were wasted.

The struggle to apply foreign aid in the aftermath of the hurricane, which has cost U.S. taxpayers more than \$125 billion so far, is another reminder of the Federal Government’s difficulty leading the recovery. Reports of Government waste and delays or denials of assistance have surfaced repeatedly since hurricanes Katrina and Rita struck in 2005.

Administration officials acknowledged in February 2006 that they were ill prepared to coordinate and distribute foreign aid and that only about half the \$126 million received had been put to use. Now, 20 months after Katrina, newly released documents and interviews make clear the magnitude of the troubles.

More than 10,000 pages of cables, telegraphs and e-mails from U.S. diplomats around the globe—released piecemeal since last fall under the Freedom of Information Act—provide a fuller account of problems that, at times, mystified generous allies and left U.S. representatives at a loss for an explanation. The documents were obtained by Citizens for Responsibility and Ethics in Washington, a public interest group, which provided them to The Washington Post.

In one exchange, State Department officials anguished over whether to tell Italy that its shipments of medicine, gauze and other medical supplies spoiled in the elements for weeks after Katrina's landfall on Aug. 29, 2005, and were destroyed. "Tell them we blew it," one disgusted official wrote. But she hedged: "The flip side is just to dispose of it and not come clean. I could be persuaded."

In another instance, the Department of Homeland Security accepted an offer from Greece on Sept. 3, 2005, to dispatch two cruise ships that could be used free as hotels or hospitals for displaced residents. The deal was rescinded Sept. 15 after it became clear a ship would not arrive before Oct. 10. The U.S. eventually paid \$249 million to use Carnival Cruise Lines vessels.

And while television sets worldwide showed images of New Orleans residents begging to be rescued from rooftops as floodwaters rose, U.S. officials turned down countless offers of allied troops and search-and-rescue teams. The most common responses: "sent letter of thanks" and "will keep offer on hand," the new documents show.

Overall, the United States declined 54 of 77 recorded aid offers from three of its staunchest allies: Canada, Britain and Israel, according to a 40-page State Department table of the offers that had been received as of January 2006. "There is a lack of accountability in where the money comes in and where it goes," said Melanie Sloan, executive director of the public interest group, which called for an investigation into the fate of foreign aid offers. She added: "It's clear that they're trying to hide their ineptitude, incompetence and malfeasance."

In a statement, State Department spokesman Tom Casey said that the U.S. Government sincerely appreciated support from around the world and that Katrina had proved to be "a unique event in many ways."

"As we continue our planning for the future, we will draw on the lessons learned from this experience to ensure that we make the best use of any possible foreign assistance that might be offered," Casey said.

Representatives of foreign countries declined to criticize the U.S. response to their aid offers, though some redirected their gifts.

Of \$454 million in cash that was pledged by more than 150 countries and foreign organizations, only \$126 million from 40 donors was actually received. The biggest gifts were from the United Arab Emirates, \$100 million; China and Bahrain, \$5 million each; South Korea, \$3.8 million; and Taiwan, \$2 million.

Bader Bin Saeed, spokesman for the Emirates Embassy in Washington, said that in future disasters, "the UAE would not hesitate to help other countries, whether the United States or any other state, in humanitarian efforts."

Kuwait, which made the largest offer, pledged \$100 million in cash and \$400 million in oil. But the Kuwaitis eventually gave their money to two private groups: \$25 million to the Bush-Clinton Katrina Fund, a project of the former presidents, and another \$25 million to the American Red Cross in February 2006. They still plan to contribute another \$50 million, said the Kuwaiti ambassador to the United States, Salem Abdullah al-Jaber al-Sabah.

"It was based on my government's assessment of the fastest way to get money to the people that needed it," he said. "The Red Cross was on the ground and action-oriented."

In the White House's February 2006 Katrina report, U.S. officials said Kuwait's \$400 million oil donation was to be sold for cash. Sabah said it was an in-kind pledge made when it appeared that U.S. refining capacity was devastated and that the American public would need fuel.

"We have to see what we have to do with that. When you pledge something in-kind, your intention is to give it in-kind. I do not think now the American people are in need of \$400 million of fuel and fuel products," he said.

Of the \$126 million in cash that has been received, most has not yet been used. More than \$60 million was set aside in March 2006 to rebuild schools, colleges and universities, but so far, only \$10.4 million has been taken by schools.

Half the \$60 million was awarded last fall to 14 Louisiana and Mississippi colleges, but five have not started to claim the money. Only Dillard University in Louisiana and Mississippi Gulf Coast Community College have tapped their full awards, worth \$6 million, U.S. Education Department officials said Friday.

Another \$30 million was sent to Orleans, St. Bernard and Plaquemines parishes in Louisiana and to the state-run Recovery School District in New Orleans to build libraries, laboratories and other facilities for 130 public schools.

But none of that money has been used yet, said Meg Casper, spokeswoman for the Louisiana Department of Education. Allocations were just approved by the state board last week, she said, “so the money should start to flow.”

The first concrete program officials announced in October 2005—a \$66 million contract to a consortium of 10 faith-based and charity groups to provide social services to displaced families—so far has assisted less than half the 100,000 victims it promised to help, the project director said.

The group, led by the United Methodist Committee on Relief, has spent \$30 million of the money it was given to aid about 45,000 evacuees. Senate investigators are questioning some terms in the contract proposal, including a provision to pay consultants for 450 days to train volunteers for the work the committee was paid to do.

Jim Cox, the program director, said that the project is “right on track” but that its strategy of relying on volunteers foundered because of burnout and high turnover. He acknowledged that more people need help than are receiving it and said the program will be extended to March to use available funds.

“The resources aren’t there, but these resources certainly are coming,” Cox said.

Senator LANDRIEU. But I also want to put in the record an e-mail that was received when the request was made for—an open-issue request. It reads, from, one, Kathleen Algrone, “We need to come clean with the Italians, tell them we blew it, or deeply appreciate and regret handling of this, and let them know about the disposal. The flip side is just to dispose of it and not come clean. I’m willing to be persuaded either way.”

[The information follows:]

NORMAN, ALAIN G

From: Yu, Alan K.  
 Sent: Wednesday, October 05, 2005 3:44 PM  
 To: Volker, Kurt D; Allegrone, Kathleen H; Sterling, Adam H  
 Cc: EUR-WE-Italy-DL; Cook, Nerissa J; Norman, Alain G; McCarthy, Deborah A; Harris, Michelle F.  
 Subject: RE: Italian Meds for Katrina—Houston, we’ve got a problem . . .

All—  
 I spoke to a Washington FDA official. He thought our request was reasonable, but will need to check on what FDA personnel remain in Little Rock and ensure his higher-ups are okay (he didn’t anticipate problems). He will tell me tomorrow.

Who pays to dispose: he thought it would be FEMA—possession is nine-tenths . . . . We’re not there yet, though; we need to get the FDA inspection above and then take it up with the Italians.

Let me know when we plan to do this, so I can get my annual leave request in.  
 Alan

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From: Volker, Kurt D  
 Sent: Wednesday, October 05, 2005 2:45 PM  
 To: Allegrone, Kathleen H; Sterling, Adam H  
 Cc: Yu, Alan K; EUR-WE-Italy-DL  
 Subject: RE: Italian Meds for Katrina—Houston, we’ve got a problem . . .  
 I think “crisis situation, second hurricane, etc.” sounds reasonable enough (barely) and definitely come clean, rather than try to conceal—never works.

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From: Allegrone, Kathleen H  
 Sent: Wednesday, October 05, 2005 12:30 PM  
 To: Volker, Kurt D; Sterling, Adam H  
 Cc: Yu, Alan K; EUR-WE-Italy-DL  
 Subject: Italian Meds for Katrina—Houston, we’ve got a problem . . .  
 Alan tells me that FDA officials believe the Italian meds are totally unusable—by others. They were exposed to the elements and heat; even the gauze etc wouldn’t be worth it.

Elan is going to go back to be sure someone really eye-balled the stuff. He's also going to check on disposal (and who pays—whatever . . .)

Then, I think (and Elan agrees) that we need to come clean with the Italians; tell them we blew it; deeply appreciate and regret handling of this; and let them know about disposal.

The flip side is just to dispose of it and not come clean. I'm willing to be persuaded, but . . .

Thoughts?

FW: Request to UK on MRE data

I think asking the UK is insulting and will require that we fund travel for them to send a Vet to AK to review storage practices before they issue a certificate. If we have in house folks with training, I recommend that the DOS ask DOD for assistance. It is very likely that there is a vet with the required training at Little Rock AFB. . . .

I left you a voice mail and an e-mail on the unclass side. I was out of office on Friday for a meeting at RAF Mildenhall.

Call me and we can discuss further.

Rob

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From: Donegan, James F (POL)

Sent: Thursday, January 05, 2006 5:17 PM

To: Letourneau, Robert M

Subject: FW: Request to UK on MRE data

Rob—can you look into getting a certificate per Bill's suggestion?

Thanks

Jim

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From: Meara, William R

Sent: Wednesday, January 04, 2006 1:35 PM

To: Donegan, James E (POL)

Cc: Tokola, Mark A; Bonilla, Jean A; Clark, Sandra E

Subject: RE: Request to UK on MRE data

Jim:

This thing keeps coming back at us. While this is an ECON issue, the desk seems bound and determined to talk only to POL about it. That's fine—I won't fight you about who covers the soon-to-be rancid UK MREs in Arkansas!

A month or so ago the desk asked us to check to see if the Brits had any objection to us giving these MREs to third parties. MOD told ODC that they were washing their hands of the MREs, and didn't care what we did with them.

If you do want to try to get the Brits to give us the kind of certificate that the desk is discussing, my suggestion would be to route the request through [Deleted] in ODC—he has been the Embassy's main point of contact with MOD on this issue.

Another option might be to try to do this through the Embassy's Foreign Agricultural Service office. But I think this is really an MOD issue. . .

Bill

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From: Donegan, James E (POL)

Sent: Friday, December 30, 2005 3:24 PM

To: Donegan, James E (POL.); Evans, Trevor J; Tokola, Mark A

Cc: Johnson, David T; Meara, William R; Skinner, Charles B

Subject: RE: Request to UK on MRE data

Angela's request for a vet certificate comes out of an interagency meeting held yesterday in DC. Apparently the Georgian MOD has made a request for the MREs to distribute to their own troops. There has also been a similar request from the OSCE border monitors in Georgia. The feeling in the interagency was that a vet certificate would help move, even seal, these possibilities.

Also in play but less likely is a request from two U.S. NGOs for the MREs to distribute to "a basket of countries." Possible but less likely that the vet certificate would clinch the deal for this option.

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From: Donegan, James E (POL)

Sent: Friday, December 30, 2005 8:22 AM

To: Evans, Trevor J; Tokola, Mark A

Cc: Johnson, David T

Subject: FW: Request to UK on MRE data  
 Know any Vets?

PS I have asked Washington to research the veracity of a Sun report yesterday that these things are "rotting" in a warehouse somewhere in the States.

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From: Cervetti, Angela M  
 Sent: Thursday, December 29, 2005 10:24 PM  
 To: Donegan, James E (POL)  
 Subject: FW: Request to UK on MRE data  
 In Charles' absence . . .

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From: Cervetti, Angela M  
 Sent: Thursday, December 29, 2005 5:19 PM  
 To: Skinner, Charles B; Bonilla, Jean A  
 Cc: O'Malley, Michael E; Nolan, Edwin R; Roy, Kenneth M  
 Subject: FW: Request to UK on MRE data

Jean, Charles,

The MRE saga continues. Below is an e-mail from PGI asking us to ask post to approach the Brits for a veterinarian certificate stating that the meat products are fit for human consumption. Alan Yu from PGI seems to remember you already said that it would be very difficult and that the USDA should inspect the MREs and issue its own certificate. The problem is USDA said it does not inspect/certify non-American foods.

There are some options that opened up for disposition but the general sense is that having papers from the Brits saying the meat won't poison anybody would help the process along.

What are your thoughts?

Angela

Senator LANDRIEU. I want to know where the Department of State is in implementing the nine recommendations, and when final amendments have been made at International Cooperation Support Annex to the National Response Plan, if that's been done to date.

Secretary RICE. We are in the process, Senator, of doing precisely that. I do want to note, though, that this was an unprecedented event. As you noted, it was an unprecedented event for the United States. It was also unprecedented for the United States to receive offers of help at the level that we received the offers of help. The State Department was the agency that took in the offers of help. We tried, then, to coordinate with FEMA and those on the front lines to understand what help could be used and what help could not be used.

We accepted donations from 122 countries and organizations, \$126 million in monetary donations. In fact, we ended up encouraging a lot of countries to give to private organizations, like the Clinton-Bush effort, because, frankly, it was difficult for us to use a lot of what was suggested.

Senator LANDRIEU. I understand that, and my time is up. But I just want to, on the record, say that \$1 billion, approximately, was offered; we've received \$126 million. There was a lot of money left on the table. The people of the gulf coast deserve to have a better system. But, more than just the people of the gulf coast, this country deserves to have a better system in the event that this happens again.

So, I want a specific answer, if you don't mind. When do you think these recommendations that have been made will be accepted, either presented to this committee or to the Congress, for adoption?

Secretary RICE. Senator, I will get back to you with an update on where we are, by letter, in response to your question.

But, if I may, I just want to note that, in fact, because it's important for our partners to know that a lot of their donations were used, and used well, for the people—\$66 million to finance social service management for Katrina, \$60 million to the Department of Education.

Just one final point, if I may. Yes, we had to turn down some donations—medical equipment, a lot was in kind, for instance, for medical personnel who would not have been licensed in our country to practice; food, which didn't meet certain standards.

Senator LANDRIEU. I understand that. Not to—

Secretary RICE. So—

Senator LANDRIEU [continuing]. Interrupt—Mr. Chairman, I don't mean to be disrespectful, but I have a list here that I would like to submit. It is not just food and diapers and bottles that were rejected, it was generators and communication systems, and, you know, medical supplies, and medical personnel.

We still, just this week, have been able—now, this is not completely the Federal Government's fault—to finally get one mental-health bed in the New Orleans region. One.

So, I suggest we have a major problem—

Senator LEAHY. Without objection, the—

Senator LANDRIEU. I'm going to put this in the record. I thank the Chairman—

Senator LEAHY. Without objection, it will—

Senator LANDRIEU [continuing]. For his—

Senator LEAHY [continuing]. Be included in the record.

[The information follows:]

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B6

CODE	Donor Nation	Date	Private	Other Cable	Accept/Share Cable	Compliance Cable	Description/Information	Disbursement	Action Status	FEMA / OFDA (FEMA)	Region	Cash Collected (USD)	Cash Committed (USD)
1	USA	01/2006	Government				US\$ 1,000,000	US\$ 1,000,000	Approved	Approved	USA	1,000,000.00	1,000,000.00
2	USA	04/2006	Government				US\$ 1,000,000	US\$ 1,000,000	Approved	Approved	USA	1,000,000.00	1,000,000.00
3	USA	05/2006	Government				US\$ 1,000,000	US\$ 1,000,000	Approved	Approved	USA	1,000,000.00	1,000,000.00
4	USA	06/2006	Government				US\$ 1,000,000	US\$ 1,000,000	Approved	Approved	USA	1,000,000.00	1,000,000.00
5	USA	07/2006	Government				US\$ 1,000,000	US\$ 1,000,000	Approved	Approved	USA	1,000,000.00	1,000,000.00
6	USA	08/2006	Government				US\$ 1,000,000	US\$ 1,000,000	Approved	Approved	USA	1,000,000.00	1,000,000.00
7	USA	09/2006	Government				US\$ 1,000,000	US\$ 1,000,000	Approved	Approved	USA	1,000,000.00	1,000,000.00
8	USA	10/2006	Government				US\$ 1,000,000	US\$ 1,000,000	Approved	Approved	USA	1,000,000.00	1,000,000.00
9	USA	11/2006	Government				US\$ 1,000,000	US\$ 1,000,000	Approved	Approved	USA	1,000,000.00	1,000,000.00
10	USA	12/2006	Government				US\$ 1,000,000	US\$ 1,000,000	Approved	Approved	USA	1,000,000.00	1,000,000.00

UNITED STATES DEPARTMENT OF STATE  
 FOREIGN AFFAIRS TRAINING CENTER  
 DATE/CASE ID: 29 JUN 2006 200503991

UNCLASSIFIED

CODE	Dist. Nation	Date	Private	Offer Code	Accepted / Decline Code	Concurrence Code	Description	Justification Basis	Action Status	ESF (FEMA) Region	Cash Cont'd e US\$	Cash Cont'd By US\$	Cash Cont'd by INCO
1	Australia	01/20/00	Government				...	...	...	...			
2	Australia	01/20/00	Government				...	...	...	...			
3	Australia	01/20/00	Government				...	...	...	...			
4	Australia	01/20/00	Government				...	...	...	...			
5	Australia	01/20/00	Government				...	...	...	...			
6	Australia	01/20/00	Government				...	...	...	...			
7	Australia	01/20/00	Government				...	...	...	...			
8	Australia	01/20/00	Government				...	...	...	...			
9	Australia	01/20/00	Government				...	...	...	...			
10	Australia	01/20/00	Government				...	...	...	...			
11	Australia	01/20/00	Government				...	...	...	...			
12	Australia	01/20/00	Government				...	...	...	...			
13	Australia	01/20/00	Government				...	...	...	...			
14	Australia	01/20/00	Government				...	...	...	...			
15	Australia	01/20/00	Government				...	...	...	...			
16	Australia	01/20/00	Government				...	...	...	...			
17	Australia	01/20/00	Government				...	...	...	...			
18	Australia	01/20/00	Government				...	...	...	...			
19	Australia	01/20/00	Government				...	...	...	...			
20	Australia	01/20/00	Government				...	...	...	...			

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CODE	Donor Nation	Date	Private	Other Cables	Accept/Other Cables	Confidence	Description/Immediate Action/Remarks	Surveillance/Action/Status	FELM/OPDA/FEMA	Region	Cash Committed to USG	Cash Collected by USG	Cash Committed to MCD
1	Canada	10/2002	Government			Confidence	Canadian Police in Mexico, Mexico	10/2002 (10/2002) - Mexico, Mexico	10/2002	NA			
2	Canada	10/2002	Government			Confidence	Canadian Police in Mexico, Mexico	10/2002 (10/2002) - Mexico, Mexico	10/2002	NA			
3	Canada	10/2002	Government			Confidence	Canadian Police in Mexico, Mexico	10/2002 (10/2002) - Mexico, Mexico	10/2002	NA			
4	Canada	10/2002	Government			Confidence	Canadian Police in Mexico, Mexico	10/2002 (10/2002) - Mexico, Mexico	10/2002	NA			
5	Canada	10/2002	Government			Confidence	Canadian Police in Mexico, Mexico	10/2002 (10/2002) - Mexico, Mexico	10/2002	NA			
6	Canada	10/2002	Government			Confidence	Canadian Police in Mexico, Mexico	10/2002 (10/2002) - Mexico, Mexico	10/2002	NA			
7	Canada	10/2002	Government			Confidence	Canadian Police in Mexico, Mexico	10/2002 (10/2002) - Mexico, Mexico	10/2002	NA			
8	Canada	10/2002	Government			Confidence	Canadian Police in Mexico, Mexico	10/2002 (10/2002) - Mexico, Mexico	10/2002	NA			
9	Canada	10/2002	Government			Confidence	Canadian Police in Mexico, Mexico	10/2002 (10/2002) - Mexico, Mexico	10/2002	NA			
10	Canada	10/2002	Government			Confidence	Canadian Police in Mexico, Mexico	10/2002 (10/2002) - Mexico, Mexico	10/2002	NA			

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Donor CODE	Date	Private	Other Cable	Activity/ Decline	Compliance Cable	Description	Point of Contact	Action Status	FEBA / (FEBA) ADO	Region	Cash Collected By US\$	Cash Collected US\$	Cash Committed by US\$
1	200505	Government				China has been identified as a source of counterfeit goods. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce.	Ministry of Commerce, Beijing, China	Approved	China				
2	200505	Government				China has been identified as a source of counterfeit goods. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce.	Ministry of Commerce, Beijing, China	Approved	China				
3	200505	Government				China has been identified as a source of counterfeit goods. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce.	Ministry of Commerce, Beijing, China	Approved	China				
4	200505	Government				China has been identified as a source of counterfeit goods. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce.	Ministry of Commerce, Beijing, China	Approved	China				
5	200505	Government				China has been identified as a source of counterfeit goods. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce.	Ministry of Commerce, Beijing, China	Approved	China				
6	200505	Government				China has been identified as a source of counterfeit goods. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce.	Ministry of Commerce, Beijing, China	Approved	China				
7	200505	Government				China has been identified as a source of counterfeit goods. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce.	Ministry of Commerce, Beijing, China	Approved	China				
8	200505	Government				China has been identified as a source of counterfeit goods. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce.	Ministry of Commerce, Beijing, China	Approved	China				
9	200505	Government				China has been identified as a source of counterfeit goods. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce.	Ministry of Commerce, Beijing, China	Approved	China				
10	200505	Government				China has been identified as a source of counterfeit goods. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce. The source of counterfeit goods is identified as the Ministry of Commerce.	Ministry of Commerce, Beijing, China	Approved	China				

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CODE	Donor Name	Date	Private	Other Cable	Agency/ Decline Cable	Compliance Cable	Description	Transmittal	Office of Assistance Point of Contact	Action Dates	FEMA / OFPA (FEMA) Activity	Region	Cash Commitment	Cash Collected By	Cash Committed to NCD
01	USAID	01/01/00	Government				USAID					US			
02	USAID	01/01/00	Government				USAID					US			
03	USAID	01/01/00	Government				USAID					US			
04	USAID	01/01/00	Government				USAID					US			
05	USAID	01/01/00	Government				USAID					US			
06	USAID	01/01/00	Government				USAID					US			
07	USAID	01/01/00	Government				USAID					US			
08	USAID	01/01/00	Government				USAID					US			
09	USAID	01/01/00	Government				USAID					US			
10	USAID	01/01/00	Government				USAID					US			
11	USAID	01/01/00	Government				USAID					US			
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28	USAID	01/01/00	Government				USAID					US			
29	USAID	01/01/00	Government				USAID					US			
30	USAID	01/01/00	Government				USAID					US			
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45	USAID	01/01/00	Government				USAID					US			
46	USAID	01/01/00	Government				USAID					US			
47	USAID	01/01/00	Government				USAID					US			
48	USAID	01/01/00	Government				USAID					US			
49	USAID	01/01/00	Government				USAID					US			
50	USAID	01/01/00	Government				USAID					US			
51	USAID	01/01/00	Government				USAID					US			
52	USAID	01/01/00	Government				USAID					US			
53	USAID	01/01/00	Government				USAID					US			
54	USAID	01/01/00	Government				USAID					US			
55	USAID	01/01/00	Government				USAID					US			
56	USAID	01/01/00	Government				USAID					US			
57	USAID	01/01/00	Government				USAID					US			
58	USAID	01/01/00	Government				USAID					US			
59	USAID	01/01/00	Government				USAID					US			
60	USAID	01/01/00	Government				USAID					US			
61	USAID	01/01/00	Government				USAID					US			
62	USAID	01/01/00	Government				USAID					US			
63	USAID	01/01/00	Government				USAID					US			
64	USAID	01/01/00	Government				USAID					US			
65	USAID	01/01/00	Government				USAID					US			
66	USAID	01/01/00	Government				USAID					US			
67	USAID	01/01/00	Government				USAID					US			
68	USAID	01/01/00	Government				USAID					US			
69	USAID	01/01/00	Government				USAID					US			
70	USAID	01/01/00	Government				USAID					US			
71	USAID	01/01/00	Government				USAID					US			
72	USAID	01/01/00	Government				USAID					US			
73	USAID	01/01/00	Government				USAID					US			
74	USAID	01/01/00	Government				USAID					US			
75	USAID	01/01/00	Government				USAID					US			
76	USAID	01/01/00	Government				USAID					US			
77	USAID	01/01/00	Government				USAID					US			
78	USAID	01/01/00	Government				USAID					US			
79	USAID	01/01/00	Government				USAID					US			
80	USAID	01/01/00	Government				USAID					US			
81	USAID	01/01/00	Government				USAID					US			
82	USAID	01/01/00	Government				USAID					US			
83	USAID	01/01/00	Government				USAID					US			
84	USAID	01/01/00	Government				USAID					US			
85	USAID	01/01/00	Government				USAID					US			
86	USAID	01/01/00	Government				USAID					US			
87	USAID	01/01/00	Government				USAID					US			
88	USAID	01/01/00	Government				USAID					US			
89	USAID	01/01/00	Government				USAID					US			
90	USAID	01/01/00	Government				USAID					US			
91	USAID	01/01/00	Government				USAID					US			
92	USAID	01/01/00	Government				USAID					US			
93	USAID	01/01/00	Government				USAID					US			
94	USAID	01/01/00	Government				USAID					US			
95	USAID	01/01/00	Government				USAID					US			
96	USAID	01/01/00	Government				USAID					US			
97	USAID	01/01/00	Government				USAID					US			
98	USAID	01/01/00	Government				USAID					US			
99	USAID	01/01/00	Government				USAID					US			
100	USAID	01/01/00	Government				USAID					US			

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CODE	Donor Nation	Dress	Private	Other Cable	Confidence Cable	Description / Information	Action Status	FEMA / OFDA Region	Region	Cash Commitment	Cash Collected By	Cash NCD
1	USA	01/0000	Government			Humanitarian assistance for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	10,000,000	USAID	
2	USA	02/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	5,000,000	USAID	
3	USA	03/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	3,000,000	USAID	
4	USA	04/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	2,000,000	USAID	
5	USA	05/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	1,500,000	USAID	
6	USA	06/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	1,000,000	USAID	
7	USA	07/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	750,000	USAID	
8	USA	08/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	500,000	USAID	
9	USA	09/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	250,000	USAID	
10	USA	10/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	100,000	USAID	
11	USA	11/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	50,000	USAID	
12	USA	12/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	25,000	USAID	
13	USA	13/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	12,500	USAID	
14	USA	14/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	6,250	USAID	
15	USA	15/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	3,125	USAID	
16	USA	16/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	1,562	USAID	
17	USA	17/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	781	USAID	
18	USA	18/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	390	USAID	
19	USA	19/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	195	USAID	
20	USA	20/0000	Government			Emergency relief for victims of the 2004 Indian Ocean tsunami.	Completed	USA	USA	97	USAID	

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CODE	Donor Match	Date	Private	Offer Code	Agency / Declaw Code	Compliance Code	Description	Maximum Rating	Point of Contact	Action Status	FEMA / RSE (FEMA) Action	Region	Cash Collected By	Cash Collected By	Cash Collected By
													US\$	US\$	USD
1	1424	10/2005	Government				Power lines				Approved	USA			
2	1424	10/2005	Government				Power lines				Approved	USA			
3	1424	10/2005	Government				Power lines				Approved	USA			
4	1424	10/2005	Government				Power lines				Approved	USA			
5	1424	10/2005	Government				Power lines				Approved	USA			
6	1424	10/2005	Government				Power lines				Approved	USA			
7	1424	10/2005	Government				Power lines				Approved	USA			
8	1424	10/2005	Government				Power lines				Approved	USA			
9	1424	10/2005	Government				Power lines				Approved	USA			
10	1424	10/2005	Government				Power lines				Approved	USA			
11	1424	10/2005	Government				Power lines				Approved	USA			
12	1424	10/2005	Government				Power lines				Approved	USA			
13	1424	10/2005	Government				Power lines				Approved	USA			
14	1424	10/2005	Government				Power lines				Approved	USA			
15	1424	10/2005	Government				Power lines				Approved	USA			
16	1424	10/2005	Government				Power lines				Approved	USA			
17	1424	10/2005	Government				Power lines				Approved	USA			
18	1424	10/2005	Government				Power lines				Approved	USA			
19	1424	10/2005	Government				Power lines				Approved	USA			
20	1424	10/2005	Government				Power lines				Approved	USA			

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CODE	Color	Date	Private	Other	Access/ Decline	Compliance	Description	Surrogate Control/Indicated	Action	FEMA / Action	ESF (FEMA)	Region	Cash Contingency	Cash Contingency	Cash Contingency
	Notes												USD	USD	USD
1	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
2	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
3	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
4	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
5	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
6	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
7	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
8	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
9	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
10	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
11	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
12	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
13	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
14	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
15	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
16	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
17	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
18	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
19	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				
20	Blue	01/02/06	Private				100,000,000 USD		Approved by FEMA	ESF 1 - Camp	USP				

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Burkina Faso  
Instructional Office of Assistance

CODE	Donor Nation	Date	Priority	Offr Cable	Accept/ Decline Cable	Comments	Description	Point of Contact	Action Status	ESF/ ODA/ Action	Region	Cash Component (Co USD)	Cash (Co USD)	Cash (Co USD)
1	USAID	04/2000	Overseas				Per action	04/2000/0001	Approved	ESF	USA			
2	USAID	04/2000	Overseas				Per action	04/2000/0002	Approved	ESF	USA			
3	USAID	04/2000	Overseas				Per action	04/2000/0003	Approved	ESF	USA			
4	USAID	04/2000	Overseas				Per action	04/2000/0004	Approved	ESF	USA			
5	USAID	04/2000	Overseas				Per action	04/2000/0005	Approved	ESF	USA			
6	USAID	04/2000	Overseas				Per action	04/2000/0006	Approved	ESF	USA			
7	USAID	04/2000	Overseas				Per action	04/2000/0007	Approved	ESF	USA			
8	USAID	04/2000	Overseas				Per action	04/2000/0008	Approved	ESF	USA			
9	USAID	04/2000	Overseas				Per action	04/2000/0009	Approved	ESF	USA			
10	USAID	04/2000	Overseas				Per action	04/2000/0010	Approved	ESF	USA			
11	USAID	04/2000	Overseas				Per action	04/2000/0011	Approved	ESF	USA			
12	USAID	04/2000	Overseas				Per action	04/2000/0012	Approved	ESF	USA			
13	USAID	04/2000	Overseas				Per action	04/2000/0013	Approved	ESF	USA			
14	USAID	04/2000	Overseas				Per action	04/2000/0014	Approved	ESF	USA			
15	USAID	04/2000	Overseas				Per action	04/2000/0015	Approved	ESF	USA			
16	USAID	04/2000	Overseas				Per action	04/2000/0016	Approved	ESF	USA			
17	USAID	04/2000	Overseas				Per action	04/2000/0017	Approved	ESF	USA			
18	USAID	04/2000	Overseas				Per action	04/2000/0018	Approved	ESF	USA			
19	USAID	04/2000	Overseas				Per action	04/2000/0019	Approved	ESF	USA			
20	USAID	04/2000	Overseas				Per action	04/2000/0020	Approved	ESF	USA			

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CODE	Agency Name	Date	Private	Other Cable	Account Decline Cable	Confidence Cable	Description/Remarks	High-Risk Items (HRI) (Sect 502)	Action Status	FEMA / ACFR / ACFR	ESF (FEMA)	Region	Cash Amount Collected by USG	Cash Collected by USG	Cash Contributed by USG
1	USAID	10/20/06	Government				Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)			
2	USAID	10/20/06	Government				Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)			
3	USAID	10/20/06	Government				Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)			
4	USAID	10/20/06	Government				Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)			
5	USAID	10/20/06	Government				Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)			
6	USAID	10/20/06	Government				Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)			
7	USAID	10/20/06	Government				Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)	Continuation of an activity for fiscal year 2007 (Sect 502)			

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CODE	Date of Mission	Phase	Prints	Other Cable	Access/ Decline Cable	Confidence Cable	Description/Remarks	Activity Status	FEMA / (FEMA) Action	Region	Cash Collected in US\$	Cash Collected by US\$	Cash to NDO
2	08/12/00	08/12/00	08/12/00				US\$ 1,000,000.00	Phase 1 FEMA Action	Phase 1 FEMA Action	USA	1,000,000.00		
2	08/12/00	08/12/00	08/12/00				Phase 2 FEMA Action	Phase 2 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 3 FEMA Action	Phase 3 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 4 FEMA Action	Phase 4 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 5 FEMA Action	Phase 5 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 6 FEMA Action	Phase 6 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 7 FEMA Action	Phase 7 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 8 FEMA Action	Phase 8 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 9 FEMA Action	Phase 9 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 10 FEMA Action	Phase 10 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 11 FEMA Action	Phase 11 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 12 FEMA Action	Phase 12 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 13 FEMA Action	Phase 13 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 14 FEMA Action	Phase 14 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 15 FEMA Action	Phase 15 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 16 FEMA Action	Phase 16 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 17 FEMA Action	Phase 17 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 18 FEMA Action	Phase 18 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 19 FEMA Action	Phase 19 FEMA Action	USA				
2	08/12/00	08/12/00	08/12/00				Phase 20 FEMA Action	Phase 20 FEMA Action	USA				

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Non-Financial Services  
International Office of Assistance

CODE	Donor Nation	Date	Private	Other Cable	Accept / Other Cable	Condition	Description	Point of Contact	Action Status	FEHA / OFDA / FEMA	Region	Cash Commitment	Cash Collected By	Cash Committed By
0	France	01/0000	Government				Under an agreement with the French Government, 200,000 meters of cable were provided to the Government of the Republic of the Congo for the purpose of an antenna system in the Republic of the Congo.		See action status for France	17-12-2007	US	0 US\$	US\$	NOD
1	France	01/0000	Government				Under an agreement with the French Government, 200,000 meters of cable were provided to the Government of the Republic of the Congo for the purpose of an antenna system in the Republic of the Congo.		See action status for France	17-12-2007	US	0 US\$	US\$	NOD
2	France	01/0000	Government				Under an agreement with the French Government, 200,000 meters of cable were provided to the Government of the Republic of the Congo for the purpose of an antenna system in the Republic of the Congo.		See action status for France	17-12-2007	US	0 US\$	US\$	NOD
3	France	01/0000	Government				Under an agreement with the French Government, 200,000 meters of cable were provided to the Government of the Republic of the Congo for the purpose of an antenna system in the Republic of the Congo.		See action status for France	17-12-2007	US	0 US\$	US\$	NOD
4	France	01/0000	Government				Under an agreement with the French Government, 200,000 meters of cable were provided to the Government of the Republic of the Congo for the purpose of an antenna system in the Republic of the Congo.		See action status for France	17-12-2007	US	0 US\$	US\$	NOD
5	France	01/0000	Government				Under an agreement with the French Government, 200,000 meters of cable were provided to the Government of the Republic of the Congo for the purpose of an antenna system in the Republic of the Congo.		See action status for France	17-12-2007	US	0 US\$	US\$	NOD
6	France	01/0000	Government				Under an agreement with the French Government, 200,000 meters of cable were provided to the Government of the Republic of the Congo for the purpose of an antenna system in the Republic of the Congo.		See action status for France	17-12-2007	US	0 US\$	US\$	NOD
7	France	01/0000	Government				Under an agreement with the French Government, 200,000 meters of cable were provided to the Government of the Republic of the Congo for the purpose of an antenna system in the Republic of the Congo.		See action status for France	17-12-2007	US	0 US\$	US\$	NOD
8	France	01/0000	Government				Under an agreement with the French Government, 200,000 meters of cable were provided to the Government of the Republic of the Congo for the purpose of an antenna system in the Republic of the Congo.		See action status for France	17-12-2007	US	0 US\$	US\$	NOD
9	France	01/0000	Government				Under an agreement with the French Government, 200,000 meters of cable were provided to the Government of the Republic of the Congo for the purpose of an antenna system in the Republic of the Congo.		See action status for France	17-12-2007	US	0 US\$	US\$	NOD

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CODE	Doors/ Nation	Date	Private	Offer Cable	Accept/ Decline Cable	Complete Cable	Description/Paratext	Activity/Paratext	Action Status	ESF (P/BA)	Region	Cash Committed US\$	Cash Collected by Combed to US\$	Cash Combed to MDD
1	USA/USA	01/01/00	Private				...		...	USA				10,000,000
2	USA/USA	01/01/00	Government				...		...	USA				
3	USA/USA	01/01/00	Government				...		...	USA				
4	USA/USA	01/01/00	Government				...		...	USA				
5	USA/USA	01/01/00	Government				...		...	USA				
6	USA/USA	01/01/00	Government				...		...	USA				
7	USA/USA	01/01/00	Government				...		...	USA				
8	USA/USA	01/01/00	Government				...		...	USA				
9	USA/USA	01/01/00	Government				...		...	USA				
10	USA/USA	01/01/00	Government				...		...	USA				

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CODE	Donor Nation	Date	Private	Other Cable	Accept/ Cable Order	Consolidate Cable	Description/International Organization/Agency	Action Status	FEMA/CFDA/FEHA	Region	Cash of US\$	Cash Collected By US\$	Cash Committed to NCD
	US	01/0000	Government				50,000 for help to victims	Approved for US\$ 50,000 for help to victims	Approved	US			50,000
	US	01/0000	Government				50,000 for help to victims	Approved for US\$ 50,000 for help to victims	Approved	US			50,000
	US	01/0000	Government				50,000 for help to victims	Approved for US\$ 50,000 for help to victims	Approved	US			50,000
	US	01/0000	Government				50,000 for help to victims	Approved for US\$ 50,000 for help to victims	Approved	US			50,000
	US	01/0000	Government				50,000 for help to victims	Approved for US\$ 50,000 for help to victims	Approved	US			50,000
	US	01/0000	Government				50,000 for help to victims	Approved for US\$ 50,000 for help to victims	Approved	US			50,000
	US	01/0000	Government				50,000 for help to victims	Approved for US\$ 50,000 for help to victims	Approved	US			50,000
	US	01/0000	Government				50,000 for help to victims	Approved for US\$ 50,000 for help to victims	Approved	US			50,000
	US	01/0000	Government				50,000 for help to victims	Approved for US\$ 50,000 for help to victims	Approved	US			50,000
	US	01/0000	Government				50,000 for help to victims	Approved for US\$ 50,000 for help to victims	Approved	US			50,000

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Secretary RICE. Senator, I will get back to you with an answer—

Senator LANDRIEU. Thank you.

Secretary RICE [continuing]. To your question about the—

Senator LANDRIEU. Thank you.

Secretary RICE [continuing]. Various recommendations.

[The information follows:]

UNITED STATES DEPARTMENT OF STATE,  
WASHINGTON, DC, July 16, 2007.

MARY L. LANDRIEU, *Chairman,*  
*Subcommittee on Disaster Recovery, Committee on Homeland Security and Govern-*  
*mental Affairs, United States Senate.*

DEAR MADAM CHAIRMAN: Per my June 28 letter to you, enclosed is additional information responding to the specific questions outlined in your June 14 letter. We expect to convey to you shortly information concerning the full set of assistance offers from the international community that you also requested in that letter. I hope you find this additional information useful.

Sincerely,

JEFFREY T. BERGNER,  
*Assistant Secretary Legislative Affairs.*

Enclosure:

*Question.* To the extent that the Department of State is designated as the lead agency responsible, what is the status of implementation of recommendations 89 through 97 of the White House report, "The Federal Response to Hurricane Katrina: Lessons Learned?"

*Answer.* Below are the nine recommendations from the Katrina Lessons Learned exercise and the status of each recommendation:

*Recommendation #89.*—DOS should lead the revision of the International Coordination Support Annex (ICSA) to the National Response Plan (NRP), clarifying responsibilities of Department of State (DOS), Department of Homeland Security (DHS), Department of Defense (DOD), and other supporting agencies in response to domestic incidents. This revision should begin immediately.

*Status.*—Completed. A State Department-led interagency group completed the first revision of the ICSA in February 2007 in consultation with the Homeland Security Council. The revisions clarify expanded roles and responsibilities of USG agencies in managing the international aspects of a domestic incident. The group also included representatives from the Departments of Homeland Security, Defense, Health and Human Services, Agriculture, and Transportation, and the Agency for International Development.

*Recommendation #90.*—DOS and DHS should lead an interagency effort that will quickly develop procedures to review, accept or reject any offers of international assistance for a domestic catastrophic incident.

*Status.*—Completed. An interagency group consisting of the Department of State, USAID/Office of Foreign Disaster Assistance (AID), DHS/FEMA, DOD, and the American Red Cross (ARC) has developed a system for managing international assistance during a domestic disaster. The system outlines policies and procedures to systematically manage offers of, or United States requests for, international material assistance during a United States domestic disaster. It also specifies the roles and responsibilities of participant agencies, provides standard operating procedures for managing offers of foreign assistance and domestic requests for foreign resources, and outlines the process for receiving and distributing international assistance that is accepted by the U.S. Government. The procedures and arrangements detailed in the manual were formally approved in 2007, but the core procedures were informally in place among participants by June 1, 2006.

*Recommendation #91.*—DHS should lead an interagency effort to create and routinely update a prioritized list of anticipated disaster needs for foreign assistance and a list of items that cannot be accepted.

*Status.*—Completed. The interagency has established procedures for coordinating with USG regulatory agencies for the entry, handling, and use of foreign resources during a disaster. Regulatory agencies provide technical advice and review offers of international assistance prior to FEMA acceptance. The procedures include guidance on acceptable and unacceptable items to assist the Department of State in communicating with the international community.

*Recommendation #92.*—DOS should establish an interagency process to: determine appropriate uses of international cash donations; to ensure timely use of these funds in a transparent and accountable manner; to meet internal Federal government accounting requirements; and to communicate to donors how their funds were used.

*Status.*—Completed. Procedures have been established to manage the receipt, distribution, and use of foreign cash donations made during a domestic disaster. FEMA has pre-identified response needs likely to arise soon after a domestic disaster for which cash donations could be quickly utilized, with the understanding that certain donations may be directed to longer term disaster recovery projects. An interagency Working Group will be convened as necessary to address fund management issues and make recommendations on funding longer term disaster recovery projects.

*Recommendation #93.*—Public and Diplomatic Communications during domestic emergencies should both encourage cash donations—preferably to recognized non-profit voluntary organizations with relevant experience—and emphasize that donations of equipment or personnel should address disaster needs.

*Status.*—Completed. As was done during Katrina, the State Department provides instructions to all U.S. diplomatic missions abroad advising them to encourage foreign entities wishing to assist to make cash donations directly to appropriate NGOs rather than the USG.

*Recommendation #94.*—The Department of State and the Department of Homeland Security should jointly develop procedures to ensure that the needs of foreign missions are included in domestic plans for tracking inquiries regarding persons who are unaccounted for in a disaster zone.

*Status.*—Completed. The Department of State has worked with DHS/FEMA and the ARC to ensure that, during a domestic disaster, the USG honors its international obligations under the Vienna Convention on Consular Relations. Although the USG is not required to track down and find missing foreign nationals during a disaster in the United States, under the Convention it is obligated to assist foreign missions in obtaining “appropriate consular access” to their nationals.

The Department of State’s Office of Public Affairs has designated personnel to work with DHS/FEMA during domestic emergencies. These personnel will be part of FEMA’s information operation from the outset of a major domestic crisis, in order to ensure efficient handling of queries from and consistent messaging to foreign missions and foreign media.

The Department of State’s Office of Foreign Missions and the ARC provided briefings for foreign missions in Washington, DC on how foreign missions can best utilize the ARC’s missing persons’ registry to locate missing foreign nationals in the United States.

*Recommendation #95.*—DHS and DOS should revise the NRP to include DOD and Department of Agriculture (USDA)-Food Safety Inspection Service as cooperating agencies to the International Coordination Support Annex. Including DOD more directly in foreign assistance management would leverage existing relationships with partner military establishments and help to ensure that staging areas for the acceptance of foreign aid are preplanned and quickly available.

*Status.*—Completed. The revised ICS Annex to the NRP includes both DOD and USDA as cooperating agencies. Within the system developed for managing international assistance during a domestic disaster, regulatory agencies such as the USDA provide technical advice and review offers of international assistance prior to FEMA acceptance.

*Recommendation #96.*—DHS should include DOS and foreign assistance management in domestic interagency training and exercise events. Inclusion in the new National Exercise Program (NEP) should occur before the end of fiscal year 2006.

*Status.*—We refer you to DHS regarding its training and exercise events. We understand DHS is developing an international assistance training module for use in future exercises. DHS can provide more detailed information.

*Recommendation #97.*—DHS should provide daily disaster response situational updates through the Secretary of State to all Chiefs of Mission or Charges d’Affaires. These updates should improve situational awareness and provide information to address host government concerns or questions.

*Status.*—DHS has assured State it will provide appropriate updates to inform U.S. Missions overseas and, by extension, foreign governments.

*Question.* If any recommendations were not implemented by the deadlines identified in the report, why were they not?

*Answer.* Those recommendations involving other agencies and departments required extensive interagency coordination. We placed a premium on ensuring that our improvements in response to the modifications were developed in concert with other agencies. Additionally, fulfilling the recommendations linked to revision of the

National Response Plan hinged on a timetable established by the Homeland Security Council.

However, it is important to distinguish between the practical elements of the recommendations and the final, formal conclusion of each. Many of the professionals charged with fulfilling the recommendations had first-hand experience with the ad hoc arrangements employed in responding to Katrina. By the beginning of the 2006 hurricane season, all of the major elements of the recommendations—especially those suggesting improvements to assistance management—had been agreed informally and would have been employed had circumstances required.

*Question.* What additional resources are needed to complete implementation of any as-of-yet unaddressed recommendations?

*Answer.* All of the recommendations in the Federal Katrina Lessons Learned report have been addressed at this time.

*Question.* Specifically, when do you expect an amendment to the International Coordination Support Annex to the National Response Plan be complete and amended? What else must be addressed to satisfy that goal?

*Answer.* An interagency group completed the first revision of the International Coordination and Support Annex in February 2007 and provided the revision to the Homeland Security Council. The International Coordination Support Annex, along with all other revised annexes, will be released for general comment in the near future. The revisions clarify expanded roles and responsibilities of USG agencies in managing the international aspects of a domestic incident.

The group included representatives from the Departments of State, Homeland Security, Defense, Health and Human Services, Agriculture, and Transportation, and the Agency for International Development. Within the Department of State, we continue to ensure that relevant bureaus are familiar with the changes to the National Response Plan. However, the current NRP is in effect if an incident of national significance occurs prior to the NRP being finalized and formally approved by the Administration and NRP signatories.

DHS is finalizing revisions to the entire National Response Plan and then the document will be circulated to the interagency community for comment prior to release to the general public for comment.

*Question.* Of foreign assistance accepted following Hurricanes Katrina and Rita, how much has actually been distributed and used to date?

*Answer.* The United States Government received \$126 million of donations directly from foreign governments, political entities and individuals. All of these funds have been allocated.

On October 20, 2005, the State Department transferred \$66 million to FEMA. FEMA subsequently awarded a \$66 million grant to the United Methodist Committee of Relief (UMCOR). UMCOR established Katrina Aid Today (KAT), a consortium of nine nongovernmental organizations, to provide case management services to individuals and families affected by Hurricane Katrina. This program filled a gap in the services available to victims under federally- or state-funded programs. FEMA has advised the Department that KAT has utilized \$33 million of the funds to help over 149,000 people determine their specific needs and identify resources to help them overcome this tragedy. KAT has indicated to FEMA that it expects to provide similar services to additional people by March 2008 with the remaining funds available under this grant.

On date March 17, 2006, the State Department transferred \$60 million to the Department of Education for subsequent donation to institutions of higher education and K-12 schools. The Department of Education has advised the State Department that it allocated these funds as follows:

DoEd distributed \$5 million to the Greater New Orleans Educational Foundation for the planning and implementation of a long range strategy for K-12 educational services.

DoEd awarded grants totaling \$30 million available to 14 Higher Education institutions in Louisiana and Mississippi. These institutions have been able to draw on those funds according to their own reconstruction timetables. We understand that as of April 27, 2007, some institutions had utilized their entire grants; others were still drawing on the available funds as they proceed with their rehabilitation plans.

DoEd asked the Louisiana DoEd to develop a program to award grants totaling \$25 million. On April 19, 2007, the Louisiana Board of Education approved grants of \$190,000 each to 130 private and public schools. The current award period for use of these funds runs until November 30, 2007. Funds would be available on a year to year basis until all funds have been expended.

The United States Government received over 5 million pounds in material contributions and relief supplies from 50 foreign governments and international organizations. The vast bulk of these supplies was transferred to FEMA upon arrival and

was utilized for disaster relief. FEMA indicates that by April 4, 2006 all material donations were put into FEMA pipelines to determine disposition of resource based on disaster needs. Foreign governments also donated the use of highly specialized equipment, notably high-volume, high-pressure pumps and the services of personnel expert in their use. These services were utilized for up to 6 weeks after the storm's landfall.

*Question.* As we understand the Department's Katrina task force has been disbanded, what process exists today to accommodate offers from foreign governments seeking to assist the ongoing recovery and rebuilding efforts along the Gulf Coast?

*Answer.* The Department's crisis management system has functioned very well over the years; we have used it to manage an average of 13 crises every year. This system was used to coordinate the evacuation of almost 15,000 American citizens from Lebanon in the midst of active hostilities, the largest evacuation of American citizens via primarily commercial assets in 60 years.

The Department utilized this "Task Force" approach to support the Department of Homeland Security and FEMA during the immediate response to Hurricane Katrina. Once the immediate, acute phase of the crisis passed, the Department disbanded the Katrina task force. However, a core group of professionals with relevant expertise and with experience during the crisis, working under the overall direction of the Department's Executive Secretary, continued to address a wide range of Katrina-related issues, including managing ongoing operational coordination with FEMA and contributing to internal and USG-wide lessons learned' exercises.

Should foreign governments wish to provide additional resources to assist Katrina's victims directly to the U.S. Government, the Executive Secretary would ensure that appropriate experts at DHS and FEMA are engaged to ensure the foreign government's offer is promptly evaluated and responded to. As during the acute phase of the crisis, the Department would not itself evaluate the merits of a specific offer, but would instead assist the relevant experts at DHS and FEMA in soliciting sufficient information regarding the foreign government's offer to permit an informed decision by DHS and FEMA on whether to accept or decline the offer.

*Question.* What additional steps is the Department of State pursuing to better manage foreign assistance following a domestic disaster, what is the status of implementing these actions and what additional resources are needed to complete this effort?

*Answer.* The Department, together with partners at DHS/FEMA, AID, the Department of Defense and other Federal Departments, has developed detailed procedures to manage the solicitation, receipt, distribution, and use of foreign cash and in-kind donations prompted by a domestic disaster. These procedures have been agreed by all parties, are in place and would be used should a subsequent domestic disaster prompt offers of assistance from our international friends and allies.

With respect to cash donations, FEMA has pre-identified response needs likely to arise soon after a domestic disaster for which cash donations could be quickly utilized, with the understanding that certain donations may be directed to longer term disaster recovery projects. An interagency Working Group would be convened as necessary to address fund management issues and make recommendations on funding longer term disaster recovery projects.

The in-kind donation management system includes detailed procedures for coordinating with USG regulatory agencies for the entry, handling, and use of foreign resources during a disaster. Regulatory agencies provide technical advice and review offers of international assistance prior to FEMA acceptance. The procedures include guidance on acceptable and unacceptable items to assist the Department of State in communicating with the international community,

Q#8: The U.S. Agency for International Development (USAID) has effectively managed the direction of billions of dollars in U.S. assistance to victims of and responders to international disasters such as the South Asia Tsunami and Central Asia Earthquakes. How is USAID's experience being applied to better manage aid following disasters here at home? What barriers exist to better leveraging USAID's knowledge and resources in this way, and what would be needed to more effectively draw on this expertise and infrastructure?

*Answer.* USAID's role in domestic response operations is described in the National Response Plan (NRP), to which USAID is a signatory. The role described in the NRP relates to vetting, processing, and managing logistics for offers of foreign assistance.

The USAID role described in the NRP is based on USAID's expertise in disaster logistics and its experience with, and contacts in, the international disaster response community. However, USAID does have other expertise which may be called upon for domestic response operations. Such skills include camp management, response planning, technical issues, economic recovery, reconstruction, and education. In addition, USAID stockpiles disaster commodities in the U.S. and around the world.

This expertise and these commodities are available to FEMA for domestic operations.

Due to the ongoing, close working relationship between FEMA and USAID's Office of Foreign Disaster Assistance (OFDA), FEMA is aware of these capacities at USAID. During Hurricane Katrina, in fact, some of these capacities were requested by FEMA—commodities, planners, translators, logisticians. In addition, FEMA has requested that USAID/OFDA work with them in advance to establish agreements by which such assistance may be quickly requested and provided during a disaster—this process is currently underway.

USAID funding authorities prevent the Agency from expending resources for domestic activities. The International Disaster and Famine Account (IDFA) is legislated to fund only international disasters and famine. Nonetheless, during a domestic response operation, this funding issue is addressed through a FEMA Mission Assignment (MA) to USAID. The FEMA MA provides a funding source for USAID to carry out domestic operations under FEMA's legal authority. However, there is a significant barrier related to USAID preparations for domestic operations. FEMA generally cannot provide an MA to USAID in the absence of an active disaster response operation. The result is that USAID cannot dedicate staff time or resources to preparing for its role in domestic response operations. For obvious reasons, preparation and training is critical to USAID's ability to respond to a disaster. This constraint is a serious one. USAID has not yet determined how to address this problem.

*Question.* What other internal investigations, if any, have been conducted by the Department of State into its handling of foreign assistance following the 2005 hurricanes, and what is the status of those reviews?

*Answer.* Hurricane Katrina was an unprecedented disaster that presented unique challenges to domestic agencies and foreign governments trying to assist. The State Department, working with other agencies, responded to foreign offers of assistance as quickly and flexibly as circumstances permitted.

The State Department has participated in extensive interagency lessons learned reviews and exercises that addressed problems identified during Hurricane Katrina. As a result, the U.S. Government has developed significantly improved policies, procedures, and plans for managing international assistance for future domestic disasters.

The Homeland Security Council (MSC) led an after action review of the U.S. Government response to Katrina, including how we handled offers of assistance from foreign governments. The HSC and key agencies, including the State Department, reviewed the response, both what went well and what we can do better, and updated the National Response Plan to guide agency actions if another major disaster were to strike the United States. The State Department, USAID, FEMA, the Defense Department and others contributed to the update.

The Department also cooperated fully with the Government Accountability Office when it reviewed the handling of foreign assistance in response to Hurricane Katrina (GAO-06-460, April 2006). In its report, the GAO recognized that "although DOS's procedures were ad hoc, they did ensure the proper recording of international cash donations that have been received to date, and [GAO was] able to reconcile the funds received with those held in the designated DOS account at Treasury."

The Executive Secretariat's Operations Center conducted a lessons learned exercise shortly after the acute phase of the Katrina crisis, as it does after every major crisis, to assess the Department's performance and to incorporate adjustments and refinements to procedures in order to improve our response to subsequent crises. The results of this exercise informed the subsequent, broader USG assessment and ensured the Department was better prepared to respond to

similar situations, as early as the 2006 hurricane season, even before a formal set of agreed procedures were finalized through the interagency process.

*Question.* What was communicated to foreign governments regarding assistance that went unused, or offers of assistance that were not accepted?

*Answer.* For every offer of assistance, the Department, on behalf of the U.S. Government, accepted, politely declined the assistance, or referred the party offering to an alternative recipient (i.e., American Red Cross).

The Department conveyed this information to the offering governments as soon as its partners at FEMA had evaluated the offer of assistance and determined whether or not it would address an unmet need before similar commodities or services could be identified and sourced within the United States.

UNITED STATES DEPARTMENT OF STATE,  
WASHINGTON, DC, June 28, 2007.

Hon. MARY L. LANDRIEU, *Chairman,*  
*Subcommittee on Disaster Recovery, Committee on Homeland Security and Govern-*  
*mental Affairs, United States Senate.*

DEAR MADAM CHAIRMAN: Thank you for your letter of June 14 concerning the State Department's performance in responding to Hurricane Katrina. I welcome the opportunity to provide additional information and to correct some of the persistent inaccuracies reported in the media concerning the receipt of foreign assistance following Hurricane Katrina.

Hurricane Katrina presented an unprecedented challenge; the Department's efforts in response also were unprecedented. Over 500 Department employees volunteered to help coordinate the outpouring of support and assistance from our friends and allies around the world. Many of them deployed into the region to work on the ground in the relief effort, including a group of Vietnamese speakers who worked closely with ethnic Vietnamese residents along the Gulf Coast. These volunteers were motivated by a rare opportunity to help their fellow citizens here in the United States, just as they and their colleagues help American citizens every day overseas.

Your letter asked whether the Department is better prepared now to execute its responsibilities in responding to domestic emergencies. The answer is, unequivocally, yes. The State Department learned valuable lessons regarding how best to manage and integrate international assistance offers into the federal response to a domestic emergency. Working with other parts of the federal government, we have incorporated those lessons into our planning and have developed and implemented detailed procedures to manage international offers of financial and material assistance. The basic elements of these systems were in place for the 2006 hurricane season; the final, detailed versions are now in place for the 2007 season.

As noted in our June 19 reply to your questions for the record following Secretary Rice's appropriations testimony, the State Department completed revisions to the International Support Annex of the National Response Plan in February 2007. The revised annex will be incorporated in the global revision of the National Response Plan currently in progress.

I also would like to take this opportunity to clarify inaccuracies in the public accounts of the Department's performance to which your letter refers.

First, the Department from the outset encouraged foreign governments and individuals to assist victims in the most efficient, effective way possible: through financial contributions to nongovernmental organizations expert in disaster response and recovery. An informal tally (we cannot require foreign governments to report donations to U.S. NGOs) indicates approximately \$220 million in donations initially pledged to the USG was provided directly to the Red Cross, Bush-Clinton Katrina Fund and other NGOs.

Some governments wish to contribute directly to the United States government, and from those governments we received a total of \$126 million. As the Secretary said in her testimony, these funds have been allocated (via FEMA and the Department of Education) to nongovernmental organizations, institutions of higher education and, via the Louisiana Department of Education, to 130 K-12 schools. The funds are being used to rebuild or restock laboratories and libraries, improve school physical plants and help over 148,000 individuals determine their needs and plan for their futures as they continue to recover from this tragedy.

A second inaccuracy is that the U.S. Government rejected or ignored substantial quantities of materiel and other in-kind assistance offered by foreign governments. The State Department's main objective throughout the Katrina crisis was to act as the intermediary for foreign offers of assistance to the U.S. Government, so that the Department of Homeland Security and other federal agencies could best help the victims of Hurricane Katrina. With respect to material assistance, that meant efficiently conveying all offers to departments and agencies charged with responding to the hurricane and coordinating the U.S. Government's response to offers of foreign assistance made by foreign governments. All offers were conveyed promptly to the Federal Emergency Management Agency, which, working with USAID's Office of Foreign Disaster Assistance, then decided which commodities could be utilized quickly and efficiently.

Public accounts of the Department's performance imply that all the foreign assistance offered was actually needed or could be used. In fact, seasoned disaster logisticians evaluated the commodities and services offered, and accepted only those that made sense given all of the normal considerations during a disaster—cost and time of transport, storage, processing and other factors. Moreover, much of what was of-

ferred, including foodstuffs, medical supplies and services of expert personnel, could not be accepted due to federal or state health, safety and licensing standards. Some of the equipment, notably generators, was not compatible with U.S. systems.

More detailed responses to the additional specific questions and requests included in your letter will be provided in the next week. I hope you find this information useful.

Sincerely,

JEFFREY T. BERGNER,  
*Assistant Secretary Legislative Affairs.*

Senator LEAHY. Thank you, Senator Landrieu, Secretary Rice.

Senator Bennett.

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

Madam Secretary, as you know, I go to Europe quite often, and was there just a few weeks ago, participating in the Brussels Forum of the German Marshall Fund. It's an interesting thing to go back to Europe from time to time, as I'm sure you know. Last year, when I was there, they said to me, "The war over the war is over. We don't want to talk about Iraq, we want to talk about Russia." The Russians had cut off the gas supply to Ukraine, and were making similar kinds of statements about Georgia, and the Europeans, at least the ones with whom I spoke, were very nervous.

This year, I had a briefing with Secretary—or with Ambassador Boyden Gray and Tori Newland and Sam Fox, and they all talked about Russia and the concern that is there with respect to the turn that President Putin may be taking, a turn away from the kind of cooperation and admiration that was there fairly early in President Putin's administration and President Bush's administration. Can you give us a sense of where the Russian relationship is?

Secretary RICE. Thank you, Senator, I can.

As with any relationship, it's complicated, any big relationship. I would say, on some major strategic global issues, we are cooperating pretty well—on North Korea; we've had good cooperation on Iran, it's why we have the two Security Council resolutions. The President and President Putin have done work on global nuclear terrorism. We've done work on trying to—we're doing work on trying to modernize the Non-Proliferation Treaty, to include, for instance, fuel assurances for countries that don't do what Iran is doing, in enriching and reprocessing. So, on many things, we're—we've done very well.

But the fact is that on some others it's been a difficult period. The Russians, I think, do not accept fully that our relations with countries that are their neighbors, that were once a part of the Soviet Union, are quite honestly simply good relations between independent states and the United States, that we've tried to convince the Russians that the emergence of democracies on their borders, whether it's Georgia or Ukraine, would not be a problem, and that of course we're going to have good and sound relations with those countries, and we're going to continue to.

It's even more difficult when one looks at what is happening domestically in Russia, where I think it's fair to say that there has been a turning back from some of the reforms that led to the decentralization of power out to the Kremlin, a strong legislature, strong free press, a—an independent judiciary. I think everybody around

the world, in Europe, in the United States, is very concerned about the internal course that Russia has taken in recent years.

That said, we continue to have that discussion. One of the advantages of President Bush's very good personal relationship with President Putin is he can raise those issues, and we can talk about them. We very much hope that there will be free—truly free and fair elections as Russia moves forward with presidential and parliamentary elections next year. But it is the concentration of power in the Kremlin that has been troubling.

Finally, we have been pressing, along with Europeans and others, that there be no sense that Russia uses its great natural resources as a political weapon rather than in commercial—a commercial way. So, the—it's a complicated situation, but I would say, on a number of issues, we've worked together very well; and it's a big and important power, and we'll continue to try to work with the Russians.

Senator BENNETT. Thank you. As you know, I've always been a strong supporter of microenterprise, microcredit. I simply can't let your appearance here pass without mentioning it one more time and just keeping it on the radar screen. I'm happy that the State Department, during the time that I've been on this subcommittee, has significantly increased microcredit every year, which means I can take credit for it.

Secretary RICE. Absolutely.

Senator BENNETT. As long as it happened on my watch, I did it. Whether I had anything to do with it, in fact, or not, doesn't make any difference—

Secretary RICE. Of course you did—

Senator BENNETT [continuing]. When you're on the campaign—

Secretary RICE [continuing]. Senator.

Senator BENNETT [continuing]. Trail.

Now, moving to another issue, let's talk about China. As I look at China, I think they have tremendous internal problems and long-term challenges, demographic challenges of nature, the likes of which no other country has. Maybe India. But in the short term, they are committed to short-term economic growth. If you worry about American CEOs concentrating on next quarter's numbers, you—they don't hold a candle to the Chinese.

We're expanding our consular activities in China. We're doing what we can to increase the Embassy in China. Give me a—give us an overview of where you think things are going with the Chinese.

Secretary RICE. Well, I would start by saying what I said about Russia, also a very complex relationship. With these big countries, there tend to be good things and bad things, puts and takes. Again, on some of the global issues, we're doing very well. We are—with the Chinese, I think the way we've worked, now, on North Korea is very effective and quite remarkable, given China's history with North Korea. Similarly, we are, again, working well together in the United Nations on Iran. I wish that we could have a somewhat stronger Chinese role on Sudan.

I think that that would be very helpful, and we've encouraged the Chinese to be much more active with the Sudanese to get them to accept the U.N. forces. That's one of the most important things

that they can do. They say they will. There's some evidence of that. But that's very important.

I think when you look at the total picture, though, you recognize that this is a country in the midst of a huge and major transition. Our goal has to be to help make that transition one that ultimately makes China a more stabilizing force in international politics than a destabilizing force. On the positive side of that, the integration of China into the international economic system, I think, will help, although we've had to hold China accountable for some of its WTO responsibilities that we think it, frankly, hasn't fully met; for instance, the efforts of—on intellectual property-right protection, which I find perhaps one of the most important things we can do is get countries to protect property rights.

Similarly, on the currency issue, Secretary Paulson has worked very hard on that issue. So, China has to do things to show that this huge economy is not going to operate outside of the rules of the international economy. We spend a good deal of time on that.

On human rights and religious freedom, there is certainly a lot of work to do. We've been concerned about the direction of, particularly, religious freedom. This is something that we bring up with our colleagues.

Finally, I would just note that when it comes to the issues related to Chinese security, we—Secretary Gates and others—have spoken to our concerns about transparency in Chinese military activities, because there is a rather outsized buildup of Chinese military activity.

All of that said, it's our responsibility to try to make China—as Bob Zoellick once said, when he was Deputy Secretary—a stakeholder, a responsible stakeholder, in international affairs, because China is going to be influential. There's no doubt about that. Our policies have to be aimed at making it a—in an influential power in a positive sense, not in a negative one.

Senator BENNETT. Thank you.

Senator LEAHY. Thank you, Senator Bennett. I do appreciate the Senator from Utah taking credit on the microcredit idea. Whenever I travel, I say it was a tall, bald Senator with glasses.

Then I let people decide which of the two of us I'm talking about. Senator Alexander?

Senator ALEXANDER. Thank you, Mr. Chairman.

Madam Secretary, welcome.

My late friend Alex Haley used to say, "Find the good and praise it." I have an—I'd like to do that, in one case here, in terms of the State Department. My staff in Tennessee has reported to me that the State Department has handled the new passport requirements very well, along with the increase in passport applications, and they sent me a number of examples, which—I won't read them all, but, for example—I will take one or two—on April 17, Kathy Smith, of Kingsport, contacted us about assistance with a passport. She was terminally ill and needed to go overseas for treatment. Her passport was pulled out of a stack of 32,000, and was FedEx'd to her within a few days.

On April 19, Linda Hayes contacted our office. She's from Nashville. She had a plane ticket for a week later, to go see a brother

who had a stroke, who couldn't be moved. Within 3 days, she had her passport.

Our caseworkers say that in dealing with the passport office, even with the new requirements, it's always, "Let's see how we could help." They especially pointed out the fact that, after Katrina, since we, in Tennessee, deal the New Orleans passport office, that instead of complaining about their circumstances down there, that they really—said they really didn't hear a word about that, that they found ways to deal with the problems, even though they had to move out and go to other offices and do different things.

So, I just wanted to say that to you, and hope that you would pass it on to your passport office, and let them know we appreciate that very much.

Secretary RICE. Thank you very much, Senator. I will pass it on. They'll greatly appreciate it. They've worked very hard, and I'm very proud of the job they've done.

Senator ALEXANDER. I also wanted to ask you a question and make a comment about the Iraq Study Group report, the work that former Secretary Baker and Lee Hamilton did recently. The President's talked about it recently in favorable terms. Just the other day, I noticed he had some nice things to say about the work of the report. As I look at the work we do here, it seems ironic that we, the oldest democracy, are busy lecturing Baghdad about—an infant democracy—about coming up with a political solution to what we do in Iraq, when we can't come up with one here, and that we ought to work a little harder to try to find a way to say to our troops and to the Middle East and to the world that we're united in the United States in our mission in Iraq, and we ought to work harder to find out what that might be.

I've noticed that since the Iraq Study Group report was announced, in December, that both the administration and the Democratic majority seem to be using more and more elements of it in their different positions. For example, the administration has acted on recommendations by increasing the number of troops embedded with Iraqi forces. It's used milestones to help chart progress. It's even begun meeting with neighbors, even in meetings that might include Iran and Syria. The President's National Security Advisor has cited the fact that the Iraq Study Group said, on page 73, that a surge could be a part of a strategy, based upon that Iraq Study Group. On the other side, the Democratic Members of Congress have used milestones, they've limited the role of the United States in some of their proposals to training, equipping, and counterterrorism, they've used as their deadline the goal, not the deadline, that the Iraq Study Group mentioned, which was the early part of March.

So, I wanted to let you know that later today Senator Salazar, of Colorado, and I are going to introduce a piece of legislation that would encourage the President to develop a plan based upon the recommendations of the Iraq Study Group. We're not going to introduce it today, we're going to wait until after—after the Congress has dealt with the current Iraq funding discussions.

We know this is not the only plan that one could come up with about how we go forward in Iraq, but my purpose in bringing it up

to you is to say to you, a little bit in advance, that we hope, at least from my point of view, that this is considered as a friendly gesture, as an option that the President could still consider, to embrace it, and that the advantage of it is that it doesn't come from the President, it comes from outside the President, and that it's not a sign of presidential weakness to say, "Here's a good idea that seems to have bipartisan support. I accept it. I based my plan upon it. I ask you to accept it." The reason I like that is because I believe we have a long-term interest in Iraq, and I'm afraid that, if we don't get broader support for the President's strategy, that we won't be able to see that all the way through to the end.

So, I hope that you and the President and others in the White House will consider what Senator Salazar and I are offering today as an option for the President. It won't be acted on in the next week or 2 or 3 or 4. Perhaps the President could embrace it, and there might be

Democrats and Republicans in the Senate that could come behind it, support it, and provide the kind of bipartisan consensus that, so far, has seemed to elude us.

Secretary RICE. Thank you very much, Senator.

Senator ALEXANDER. Thank you.

Senator LEAHY. Thank you.

Senator Bond.

#### STATEMENT OF SENATOR CHRISTOPHER S. BOND

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

I'm pleased to welcome the Secretary today, here. I was pleased to learn that the State Department has been designated a national security agency, and the importance of our diplomatic efforts in the war on terror, which, make no mistake, is an existential threat to our peace and security here. I—while I strongly support our military efforts, I believe that the diplomatic efforts of the State Department are a critical element in trying to protect us from the war. I would just comment, as a member of the Senate Intelligence Committee, which studied extensively—solid 2 years—on the pre-war intelligence of Iraq, I want to congratulate you and other members of the administration—you, in a previous position—who used intelligence that may not have been totally accurate, but we found was truthfully reported both by the officials in the administration and those of us in Congress who overwhelmingly supported our efforts. We know, according to David Kay's report, that—from the Iraqi Survey Group—that Iraq was a far more dangerous place even than we knew.

But I want to change and ask you about another area that we had the opportunity to discuss a couple of weeks ago, and that's southeast Asia. You have recognized, as I think any student does, of that area, that this is a critical area, sometimes called the second front in the war on terror, but of great strategic importance, and Indonesia is the keystone.

We appreciate the support for Indonesia. I am concerned about the \$50 million cut in the rest of the East Asia Pacific, and I'm going to ask this committee to restore that. also, I would ask you why we have not been able to create a U.S. Ambassador to ASEAN, reflecting our interest and our commitment to that area. This is

critical. Your visits there are vital, but appointing a full-time Ambassador seems to me to make great sense. Could you comment on that?

Secretary RICE. Well, thank you very much.

First of all, on the region, I agree with you completely about the importance of the region. The President was, of course, there. I will be there in the Philippines for the meetings of the Asian Regional Forum in the summer. We have met, several times, at both the ministerial and at the head-of-state level, with the ASEAN countries. We're very actively engaged there, and—English-language training—and I've got New America's Corners—American Corners going into various places. Obviously it's a critical place in the war on terror. It's also a critical place because a place like Indonesia, which is a multiethnic, multireligious emerging democracy, can be a very important force for tolerance in the world. So, I could not agree with you more about the issues.

It's a very interesting point, about somebody for ASEAN, and we'll take it under advisement, Senator. We've just recently appointed an Ambassador to the African Union, for instance. Of course, have one to the Organization of American States.

Senator BOND. I hope you'll—

Secretary RICE. Let me take it—

Senator BOND [continuing]. What ASEAN—

Secretary RICE [continuing]. Back, and we'll take it under advisement. It's an—

Senator BOND. Let me—

Secretary RICE [continuing]. Interesting idea.

Senator BOND. Let me follow up on the Philippines. In Mindanao, the U.S. Institute of Peace has been facilitating a peace process between MILF and the Philippine Government; seems to be the best hope for getting that under control. I wrote to Ambassador Negroponte. Apparently, funding is being cut off for the U.S. Institute of Peace on this effort. Do you know why? Can this be restored? Because it is critical for that region.

Secretary RICE. Well, we have very active programs in Mindanao. As a matter of fact, Karen Hughes was, herself, there to talk with our people. I'll have to check on the—

Senator BOND. But the U.S. Institute—

Secretary RICE [continuing]. Specific program—

Senator BOND [continuing]. For Peace is the critical one bringing those—

Secretary RICE. I'll check on the specific program, Senator. I'm not—

Senator BOND. All right.

Secretary RICE. I will get back to you with an—

Senator BOND. Speaking—

Secretary RICE [continuing]. Answer.

[The information follows:]

THE DEPUTY SECRETARY OF STATE,  
WASHINGTON, DC, *June 18, 2007.*

Hon. CHRISTOPHER S. BOND,  
*U.S. Senate.*

DEAR SENATOR BOND: Thank you for your letter concerning the expiration of the United States Institute of Peace's (USIP) \$3 million grant for its work in the Philippines. I share your view of the importance of supporting the peace process be-

tween the Philippine government and the Moro Islamic Liberation Front (MILF) as part of a multi-faceted approach in upholding U.S. interests in Southeast Asia.

Since receiving the grant in 2003, USIP has achieved useful results in building understanding and support for the peace process, particularly through its seminars on ancestral domain. Nonetheless, the original rationale for USIP's grant no longer exists. In 2003, we believed the USIP could fill a key niche and were concerned that direct U.S. involvement in the peace process would be seen as interference by the parties. The situation has changed since then. Most importantly, the U.S. Embassy in Manila has increasingly been directly involved in the peace process, opening a dialogue with MILF leaders and actively engaging with Philippine officials on the peace process. Both parties support this increased and direct U.S. engagement.

Although the Department of State would welcome the opportunity to continue to cooperate with USIP, it is our belief that the best use of scarce U.S. resources is in direct support of the reintegration of former combatants and other assistance projects. Should the Department decide in the future to seek technical assistance along the lines USIP has been providing, USIP will of course be invited to bid on any such proposal.

Sincerely,

JOHN D. NEGROPONTE.

Senator BOND. Speaking of public diplomacy, we see the Chinese expanding and setting up throughout the world, throughout that region and elsewhere, the Confucius Centers, nonprofit public institutes promoting Chinese language and culture, local Chinese teaching.

At the same time, we are closing, and, because of security reasons, barricading American centers because of the 9/11 security setbacks, in Riyadh—they've been closed throughout the world. We're hearing where American centers, the access to American literature and books has to be behind great security barriers which prevent our—at least giving our culture an opportunity to be heard and understood. What can we do to—given the security situation, is there anything this committee can do to help you if we—to find a way to make our libraries and our resources available to people in the world who, I would hope, have a legitimate question in learning about America and what we're doing?

Secretary RICE. Well, we have put forth a very active plan. It starts with funding in the supplemental. Karen Hughes has about 15 countries, pilot countries, for—very high important countries in the war on terror for English-language camps, for English-language-focused programs. We believe that people will want their kids to learn to speak English, and that's one of our best ways to get in. So, it would be helpful to have the full funding for that.

It's also the case that—I mentioned American Corners—they are exactly as you talk about, and we have a number of them. I'm—I—let's see, it's 10 in Indonesia, 14 in the Philippines, 6 in Malaysia. They're around the world.

We're also using virtual posts, virtual presence posts, because there are places where you can get on the Internet and, in effect, be like a post.

Senator BOND. Well, I know, the Internet's very important. But, in many of these American centers, the security requirements are so great that the traffic has fallen off significantly. That's what we like to help.

But one, just, quick question. We've discussed the IMET programs, International Military and Education Training. This is an area that I believe is very important. I would think that you would agree that this is one area where it is important that we continue

to offer fledgling democracies and allies the access to our training. Is that—

Secretary RICE. Yes, I'm very big supporter of the IMET programs, and we're trying to expand them and extend them into places where they don't currently exist, because being able to have our military engaged with other militaries really sometimes gives us a generational advantage down the road. We have a couple of cases where people have gone—

Senator BOND. Right.

Secretary RICE [continuing]. On to be president, so it's a good thing.

Senator BOND. Yeah. Well, I—like SBY.

Secretary RICE. Yes.

Senator BOND. Final question. I—public diplomacy's very important. State Department is hindered by security concerns. Right now, this weekend, I was in Baghdad, and saw what the U.S. military is doing to repair and reopen the largest mosque, providing information, they're engaging local clerics and building relationships, they've established a women's council, helping local governments. The military is in a better—is in the position for security, but what we can do to help you get public diplomacy over the hurdles of security?

Secretary RICE. Well, in places like Afghanistan and Iraq, it helps us to be able, through our Provincial Reconstruction Teams, to effectively embed with the military, and to provide protection in that way. In the case of Iraq, these new Provincial Reconstruction Teams that we have, we embed at the brigade command team level, and it allows us to be out with them. We have very good relations. I just got a very good letter from one of the heads of the civil affairs in the military, talking about how a couple of our officers who were really culturally sensitive were able to help when they go into a place, and they need to deal with women's affairs or—so, I think that's really our comparative advantage. We've got people who can embed. Sometimes they aren't people who have been in the Middle East or—but they've been in other conflict areas. So, having our officers in these Provincial Reconstruction Teams, out with the military, we think is one way to deal simultaneously with the security situation and to bring to bear our best assets.

Senator BOND. Thank you very much, Madam Secretary. We are very grateful for your outstanding efforts, and wish you well.

Secretary RICE. Thank you.

Senator BOND. Thank you, Mr. Chairman.

Senator LEAHY. Thank you.

Madam Secretary, let me ask you just a couple of questions about the Western Hemisphere Travel Initiative. I believe it's referred to as "witty" [WHTI], or, as a lot of our business and tourism industry call it, "witless." It is, for those of us who live, as my wife and I do, less than an hour's drive from the Canadian border, and we see so many—so much of our business, our tourism, even families going back and forth across that border, and have, for generations, easily—here's what seems to have happened. Last week, the National Institute of Standards and Technology certified the "vicinity read" technology is appropriate for use in the so-called PASS Card as part of WHTI. I'm somewhat concerned that DHS has

rushed that through and has overridden some technology concerns—just so they can use it at 39 of our busiest ports, it won't be necessary at the other 80 low-volume ports. But the State Department is going to have to pay to produce a card with a technology that's inconsistent with what's used in passports.

Actually with security, it's inconsistent with our standards of security in this country, for privacy, just so somebody can pass through 39 ports out of 119, and do it faster. Even though, in my own State of Vermont, and Senator Gregg's State of New Hampshire, you wouldn't need it to cross some of the small crossing points, but you're still going to have to buy it. Out of the 39 ports of entry which you and DHS have agreed to upgrade for this, I believe 22 are on the southern border.

What's the cost to the State Department to create the PASS Card and fully implement it?

Secretary RICE. Senator, I'm not sure that I can give you a cost figure. I will get back to you with the specific cost figure.

Senator LEAHY. Well—

Secretary RICE. But let me just say, we had a legal requirement—

Senator LEAHY. Well, the reason I ask, the administration wants to begin requiring a passport or a PASS Card within a year or—

Secretary RICE. Yes.

Senator LEAHY [continuing]. Two of next year.

Secretary RICE. Yes.

Senator LEAHY. Senator Stevens and I had passed legislation, which the administration has ignored, to push that back to June 2009—

Secretary RICE. I'll—

Senator LEAHY [continuing]. For something that's going to be done within a year. I'd kind of like to know how much it's going to cost.

Secretary RICE. I'll have to get you the specific number.

[The information follows:]

The passport card is adjudicated and issued by the Department of State. The year to date cost for the passport card initiative totals approximately \$31 million. This includes \$283,000 for initial passport card testing in fiscal year 2007 and \$30.8 million for additional passport card testing, card stock and card printers in fiscal year 2008, the first fiscal year in which we are accepting applications and printing cards. Our cost estimate for fiscal year 2009 is \$34.5 million, and for fiscal year 2010 is \$43 million.

Secretary RICE. But let me just say, Senator, we had a legal requirement, which was to have a verifiable way to—for people coming across the two borders—we were responding to the legal—

Senator LEAHY. I mean—whoa, whoa, whoa, whoa, whoa. Your reaction to this legal requirement is something that was slipped into a bill at the request of the administration without any hearings—

Secretary RICE. No.

Senator LEAHY [continuing]. And nobody's come up to ask us—nobody's asked me, as chairman of the Judiciary Committee. Nobody's asked us here. Nobody's asked others. But we don't know what the cost is. We don't know how we're going to do it by June 2008. We know you've given us to June 2009 to work it out, but,

“The heck with that, we’re going to do it by June 2008, if it kills us, or all of you.”

Secretary RICE. Senator, let me—

Senator LEAHY. Or hundreds of billions of dollars worth of trade and traffic across the U.S./Canadian border.

Secretary RICE. Let me assure you, Senator, I believe the cost is known. I don’t have the number at my fingertips—

Senator LEAHY. All right.

Secretary RICE [continuing]. Right here. But the question of getting this done in 2008, we think it can be done in 2008. We believe that—I’ve talked with the people who are doing the—who have to oversee the validation of the technology. They believe that that validation of the technology can be done in time to make this PASS Card available. We’ve worked with DHS on publishing the rules, so that there can be comment about the rules for the Western Hemisphere Travel Initiative.

Senator LEAHY. When are they going to do that?

Secretary RICE. The rule will be published—we’re working now on some language concerning some issues that would be particularly, I would think, of interest to you, concerning how we would deal with the parental notification, so that we don’t have the trafficking of children, for instance, across borders.

Senator LEAHY. Well, that raises a point. I mean, we’ve seen what happens when we rush into things and people screw up. An example I use, like TSA, where Senator Kennedy, stopped 10 times or so, getting on a plane, because he’s on a terrorist watch list. Now, I know all of us Irish look alike, but Ted’s been taking that plane for years. Even the President called him to apologize. He said, “Well, you know, I appreciate that, Mr. President. Just get me off the darn list.” The President said, “I don’t have that power.” We’ve had a year-old child told to get a passport, because they’re listed as a 45-year-old terrorist. Without making my usual comments for those of us who went to Catholic grade schools and high schools, we have Catholic nuns who are on that watch list. Now, we have differing views about whether it should be or not, but I suspect the ones who are on the watch list should not be. Department of Homeland Security has screwed up so badly in so many areas. I mean, why should we have any confidence that, in a year from now, when they don’t even have the systems in place, they’re going to do it right?

Secretary RICE. Well, Senator, we’ve had very good cooperation with the Department, but the Department—the Department of Homeland Security actually is charged with determining the requirements. We then implement those requirements. The legislation—

Senator LEAHY. But the PASS Card won’t be compatible with the computers that you use, for example, to read passports. Does that mean you have to have—are we going to get a bill for a whole second set of computers at every border crossing?

Secretary RICE. Senator, the reason that we went to the PASS Card was that there was concern that if we required a passport of every American trying to travel across that border, that it would—the expense would be too great. As you note, there are people who go back and forth for hockey games or for—

Senator LEAHY. What's the PASS Card going to—

Secretary RICE [continuing]. For whatever. So, the—

Senator LEAHY. What's the PASS Card going to cost?

Secretary RICE. So, the PASS Card is a cheap alternative—

Senator LEAHY. What does it cost?

Secretary RICE [continuing]. To the—I think, about—do we know the number? Thirty-five dollars or something like that, I've read? We'll get back to you with the exact number.

Senator LEAHY. Well, \$35 is—

Secretary RICE. But it—don't think that—

Senator LEAHY. A family of five—

Secretary RICE. Senator—

Senator LEAHY [continuing]. Going shopping, "Hey, guys"—

Secretary RICE. Senator, don't get that—

Senator LEAHY [continuing]. "Let's"—

Secretary RICE [continuing]. Number in your head, because—

Senator LEAHY. Where do you get it?

Secretary RICE. I—

Senator LEAHY. Where would you get it?

Secretary RICE. Where would we get—

Senator LEAHY. This PASS Card.

Secretary RICE. Where would you get the PASS Card? The same way you get any other card, through the United States Government. You apply for it, and you'll get it. But it's a cheaper—

Senator LEAHY. So, we have—

Secretary RICE [continuing]. Alternative.

Senator LEAHY [continuing]. The efficiency of the United States Government standing behind us on this.

[The information follows:]

For first-time applicants, the card costs \$45 for adult and \$35 for children. For adults who already have a passport book, they may apply for the card as a passport renewal and pay only \$20. The passport card has the same validity period as a passport book: 10 years for an adult, 5 for children 15 and younger.

Secretary RICE. Well, Senator, I'm not going to speak for the efficiency of the United States Government, but I will speak for the fact that this has been on the books—this law has been on the books, not since last year—we did have an extension from the time at which the legislation was made—

Senator LEAHY. Senator Stevens and I wrote that.

Secretary RICE. We appreciate it very much. But we think we can meet this in 2008. We've worked with our Canadian counterparts, we've worked with our Mexican counterparts. The need for identification for air travel went, really, very smoothly. We've worked even with those in the Caribbean who had concerns about what might happen to their tourist industry if this did not go well.

So, I think we have some record of having delivered, and we believe that we can validate—

Senator LEAHY. But the air traffic—

Secretary RICE [continuing]. The technology and get it done.

Senator LEAHY [continuing]. Or the Caribbean traffic is a little bit different than the hundreds of thousands of people who go back across the border every single day, everything from going over to have lunch to doing business. I mean, you've encouraged the Cana-

dians to apply for the NEXUS card, because they're interoperable with PASS. Is that correct?

Secretary RICE. That's correct.

Senator LEAHY. But doesn't that require a background check?

Secretary RICE. It will—that requires a background check, but—

Senator LEAHY. You know, I—I'm going to Ireland and—Italy, briefly, at the end of this month. I can just see, if I had to go there, if they called me up and said, "Well, we've got to do a background check on you before you go." I'd say, "The heck with that."

Secretary RICE. Senator, it's—

Senator LEAHY. I mean, how do we do background checks on—

Secretary RICE. So, look at—

Senator LEAHY [continuing]. Canadians?

Secretary RICE [continuing]. Fingerprints, look for—look in records to see if there's a problem. But I—but, Senator, let me just say, I really—

Senator LEAHY. Like—

Secretary RICE [continuing]. Do believe—

Senator LEAHY [continuing]. Like Mahar?

Secretary RICE. I believe we can get this done if we put the right resources to it. We believe we can get it done. DHS—we are working very well with them. We did have a delay in determining which technology to use. That's now out for comment. The people who are working on this issue tell me we can validate the technology and have it ready to go by 2008. We think we ought to try to get this—

Senator LEAHY. So, in—

Secretary RICE [continuing]. Requirement fulfilled.

Senator LEAHY [continuing]. In June 2008, none of our businesses, none of—nobody else is going to have to worry about having these PASS Cards for—

Secretary RICE. Senator, I'm not going to—

Senator LEAHY. You're a very—

Secretary RICE [continuing]. Comment on what we—

Senator LEAHY [continuing]. Optimistic person, Madam Secretary. You know, I—

Secretary RICE. I am, Senator.

Senator LEAHY. I—

Secretary RICE. I'm not going to tell you that there won't—

Senator LEAHY. I belong to—

Secretary RICE [continuing]. Be problems.

Senator LEAHY [continuing]. A faith that believes in miracles, but even miracles—

Secretary RICE. Senator, I understand, and we've worked very hard with our Canadian counterparts, we've worked very hard with our Mexican counterparts, but we have a legal requirement, and we're trying to meet it. We're trying to meet it in a way that is going to make us safer on the border, but doesn't hold people up who need to get back and forth.

Senator LEAHY. Madam Secretary, you say we have a legal requirement. Nobody from this administration has asked anybody up here to do anything to modify or change the requirement the administration slipped into a law, or was slipped in at their request.

Makes me think of other things that have been done like that, one that allows for the easy firing of attorneys—of U.S. attorneys, for example. The—these are things—saying a legal requirement, with all due respect, is a bit of a copout, because you could ask for changes, if you want. Obviously, you’ve heard from the U.S. Chamber of Commerce and others, with their concern. I think there are justifiable concerns on this. I also am concerned about a signal we send to a country that has been a great friend, it becomes almost cliché to speak of the longest unguarded frontier in the world, but it is true—a friend and ally and supporter, our biggest trading partner, I believe. I believe it still is. We should talk some more about this.

If Senator Gregg will allow me, I’m just going to mention a couple of quick things, then I’ll yield to you whatever amount of time you want.

Much of your written testimony is devoted to Iraq, Afghanistan, and the Middle East, and, at the very end, you—and I understand the importance of those—at the very end, you mention other developing nations and vulnerable populations.

In Nepal, a country where years of fighting has cost thousands of lives, there’s a chance to end the Maoist insurgency, replace feudalism with democracy. But you propose to cut our aid.

Democratic Republic of the Congo, a huge country, with every conceivable problem one can think of, has had its first elections in 40 years. I think it’s going to influence central Africa for the next 20 years. Yet, we’re proposing to cut their aid.

Vietnam, a country of 80 million people, seeking closer ties, and the President went there last year, but, with the exception of HIV and AIDS, proposes to cut our aid. I’ve seen what even a little aid can help, the Leahy War Victims Fund that is used there.

Congress has worked hard to increase funding for global environmental programs, protect forests in the Amazon, central Africa, where they’re being destroyed, but you propose slashing funding for these programs and downgrading USAID’s Mission in Brazil, the most populous country in the hemisphere, after the U.S. USAID’s budget—operating budget is cut. I mean, I’m just worried. It seems like there’s this huge vacuum cleaner in Iraq and Afghanistan and I can debate what works and what doesn’t work there, sucking up all this money, and these other places are going to create either problems or opportunities for us for the next generation, but we’re cutting back our money.

Secretary RICE. Senator, this administration has almost tripled official development assistance since the President came to power. We have quadrupled assistance for Africa, and doubled assistance for Latin America. You can look at any given year, and whether we think there are specific programs that need funding or not in a particular place—and, in Brazil, for instance, yes, we have moved to a different kind of relationship with Brazil, which is a large and increasingly prospering country, where we’re engaged in more partnerships with Brazil than direct foreign assistance. But the numbers really do speak for themselves when you look at the commitment of foreign assistance by this President to the—to development.

Senator LEAHY. I’ve publicly praised the President—

Secretary RICE. We appreciate——

Senator LEAHY [continuing]. As you know——

Secretary RICE [continuing]. That.

Senator LEAHY [continuing]. On a number of areas, where he has, and where I have supported him. But the main increases are in AIDS and in the Millennium Challenge, and we still have questions that have been asked by both Republicans and Democrats, what the Millennium Challenge has accomplished.

The point is, in a number of these very specific areas, where we could be helpful, we've had private philanthropists who have given more money, whether it's been the Gates Foundation or others. AIDS has been our biggest increase, and that's—you've had strong bipartisan support for money there. We're also doing things, as you know, in the Judiciary Committee to make it more possible to change our patent laws and copyright laws and what not, to move drugs into these areas at a much lower cost, both to us and to the receiving countries, who are all working together on these.

But I worry about—whether it's Congo, Darfur, all these others—so——

Secretary RICE. Well, Senator, we're putting—in Africa—for instance, in Latin America, the doubling of aid is not MCC aid. That's less MCC aid. We really have put a great deal of financial—of foreign assistance into these places. Yes, sometimes a place will—like Brazil, will, in a sense, change the kind—we will change the kind of relationship that we have with a Brazil. But if you look at the amount of money that is going into the Great Lakes region, the amount of money in Africa, the amount of money that is going into Liberia, the amount of money that is going into countries in Latin America, this administration, thanks to the support of the Congress, has been extraordinarily generous.

We are trying to make better use of the resources, to go back to a point that we talked about early on, by being certain that the USAID and the State Department funds can create a total picture of what's going into any particular country. But the increases that I'm talking about are not in MCC—for instance, for Latin America.

Senator LEAHY. Secretary Rice, I've gone over my time, and you and I should probably chat about this a little bit further. You've—as I said, you've always been available, when I've——

Secretary RICE. Certainly. Anytime.

Senator LEAHY [continuing]. When I've called, and we will talk.

Senator Gregg?

Senator GREGG. Thank you, Mr. Chairman.

I wish to join you in your skepticism about the border cards crossing into Canada. Before I had the good fortune to become ranking member of this subcommittee, I was chairman of the Homeland Security Subcommittee, and this was a major issue. I think the jury's out on this technology. The responsibility for it is also—there's no clear line of responsibility, in my opinion. So, we've—we're going to need to—I'm very concerned that we're going to see a replication of the event when we stood up TSA, and it was basically, as the chairman alluded to, a real disruption in traffic, commercial traffic and individuals' traffic and in the lifestyle of Americans and Canadians.

So, we should do this through demonstration exercises. We should not just say, “x date, we’re going to move to this program.” We should try a demonstration exercise here, a demonstration exercise there, and work our way up to the Freedom Bridge in Detroit before we suddenly arrive there one day and say, “This is the way it has to be.” So, I do hope we’ll come at that in a different way. I don’t—it’s not really your responsibility, but you’re drawn into the exercise.

On another subject, I’d be interested in your thoughts on what’s happening in Turkey. This is a key country for us. They’ve always been a very strong ally. They’re somebody we rely on in the region for stability. Yet, they appear to be going through, as many of those states are in that region, a resurgence of religious movement that was inconsistent with their, certainly, 20th century history. What do you see happening there? What should be our role? Obviously, it’s internal domestic event, but what should—

Secretary RICE. Well, I think our role has to be to stand for the democratic processes there, the constitutional processes. The government that was elected by the people there has actually been a government that’s been dedicated to pulling Turkey west toward Europe. It has been the policy of that government, even though it is led by leadership from the AKP Party, which has Islamist—Islamic roots—it has been trying to integrate into Europe. It’s been changing its laws to try to become consistent with European Union requirements for laws on individual and religious freedom and other issues of that kind. So, I think it’s very important that we just—that we support their democratic processes. They are going to have new elections, and to stand for those elections to take place in the way that we would expect elections to take place in any democracy will be very important.

But I think the history of the last few years has been of a good relationship with Turkey, probably stronger support, for instance, for Turkey—from Turkey for the new democracy in Iraq than one might have expected, given the history of Turkey in Iraq. Good support for policies in Afghanistan. And, of course, they’re a strong NATO member.

But, again, I would just note that the last few years have actually not been years in which one could say that Turkey was pulling away from its European traditions, but, I think, trying to move more actively toward it, which is why we’ve also been very supportive of Turkey’s efforts to European Union accession.

Senator GREGG. Wouldn’t one of the potential consequences, which would be fairly dramatic and unfortunate, of leaving Iraq precipitously and having a breakdown in the stability, to the extent we can maintain it in Iraq, wouldn’t it be that there would be a huge pressure relative to the Kurdish relationships with Turkey and, potentially, a very significant military concern there?

Secretary RICE. Absolutely. Because Iraq sits as it does on the fault lines between Shi’a and Sunni, and with Kurds to the north, I think if you had a vacuum there, you would see that there—it would be pretty irresistible for Iraq’s neighbors to try and secure their interests by meddling in Iraq’s affairs.

Now, if you have a Iraq that’s able to manage its affairs, then I think those neighbors will be more likely to simply cooperate with

that stable government. That was very much the message, Senator, when I was at Sharm el Sheikh for the neighbors conference, that the Iraqis need, very much, to pursue urgently their national reconciliation and to bring the various groups together, but the neighbors need to allow them the space in which to do that; the neighbors need to be devoted to helping stabilize Iraq, not destabilize it; and the neighbors need to have, kind of, rules of the road, which is really what Sharm el Sheikh was about, about they're going to deal with a democratic and sovereign government in Iraq. Because I think if we were to leave precipitously, we would encourage not just chaos in Iraq, but we would encourage chaos in the region, as well.

Senator GREGG. On another subject, and then I'll—I know the Senator wants to move on—but independent of the issue of leadership right now, which is obviously in flux, for a variety of reasons, at the World Bank, do you believe the World Bank should be taking a different tack than what it's been taking in the last 20 years, that it should no longer—that it should restructure itself and refocus itself relative to poverty and alleviating poverty and addressing nations and—how it prioritizes nations, and how it prioritizes regions that it focuses on?

Secretary RICE. Well, we've had a very good working relationship with the World Bank, under the leadership of Paul Wolfowitz, and, before that, under the leadership of Jim Wolfensohn. I do think that the World Bank has been—has had an important anticorruption agenda. That's extremely important. I, myself, think that there needs to be discussion about how the World Bank's assets can best support what is a very changing—a changing profile of assistance to the developing world, where, for instance, we are learning that, in parts of the world, the biggest problem may be infrastructure development, issues like roads or electricity, and looking at that.

I think, also, for the World Bank, the fact that there are a number of countries that have graduated should be considered to be a very good thing, and to perhaps look, as has been the case when we've looked at debt relief, to what we can do for the poorest of countries that are not capable of dealing with debt—that often was brought to them by dictators or bad regimes—than leaving young democratic regimes with overwhelming debt. So, for instance, we had a joint donors conference for Liberia, just a little while ago, in which their—first and foremost, their biggest concern is to get debt relief.

So, I think there is an agenda out there for the World Bank, but, frankly, we are, in a sense, the World Bank, as well, since we're all members of the board and contributors, and it is a discussion that needs to go on, and needs to be, I think, accelerated among all of the big international financial institutions, because the landscape for development is changing.

Senator GREGG. Well, I just think we need to put some pressure on them to reduce their overhead and to actually get the money to where the rubber hit the road, as versus have it used up in the people between the road and the rubber.

Thank you, Mr. Chairman.  
Senator LEAHY. Thank you.

I will submit questions. But, you know, the Republican leader, Senator McConnell, and I have joined together for years on an amendment conditioning a portion of our aid to Serbia in its cooperation with the War Crimes Tribunal at the Hague, especially to transfer Ratko Mladic and Radovan Karadzic. The Serb army helped protect Mladic. He remains at large. They say that Karadzic is not in Serbia, but suggest he—they know where he is. I hope we'll continue to make clear to them that the United States will oppose their entry into NATO and other regional economic and security organizations until we find out what's going on. I'm going to ask you questions.

I'll submit questions about Cuba, which is listed as a state sponsor of terrorism. Your report said they did attempt to track, block, or seize terrorist assets, and I want to know what evidence we do have of terrorist assets actually being there. They did not undertake counterterrorism efforts. I would hope that is not the criteria, by itself, to make somebody a state sponsor of terrorism because they don't undertake counterterrorist activities. We have an awful lot of friendly nations that don't even have the ability to do that, would be on the list otherwise.

Then, your report says they continue to provide safe haven for members of Colombian rebel groups, but the Colombian Government says they've been a facilitator in talks between these groups and the Colombian Government. I just want to know which it is.

I have questions on aid to Russia, because of a whole host of problems there that we don't have to go into.

I've got a Middle East question about both the wall and the property held by Israeli settlements, and whether that's theirs or Palestinians'.

Peacekeeping force in Darfur—as you can see, quite a few things. But I would hope you'll ask your staff to get back to us as quickly as possible on those questions.

Secretary RICE. Of course, Senator, I will.

Senator LEAHY. Thank you.

Madam Secretary, thank you very much. I suspect you and I will be on the phone a lot in the coming weeks.

Secretary RICE. Anytime, Senator. I look forward to your call.

Senator LEAHY. Thank you.

Secretary RICE. Thank you very much.

#### ADDITIONAL SUBMITTED STATEMENTS

Senator LEAHY. We have received statements from the Alliance for International Educational and Cultural Exchange and the United States Conference of Catholic Bishops and Catholic Relief Services that will be made a part of the record at this time.

[The statements follow:]

#### PREPARED STATEMENT OF THE ALLIANCE FOR INTERNATIONAL EDUCATIONAL AND CULTURAL EXCHANGE AND THE ASSOCIATION FOR INTERNATIONAL PRACTICAL TRAINING (AIPT)

As Chair of the Board of the Alliance for International Educational and Cultural Exchange, I appreciate the opportunity to submit testimony in strong support of the budget request of \$486.4 million for the educational and cultural exchange programs administered by the Department of State's Bureau of Educational and Cultural Affairs (ECA) in fiscal year 2008. If additional funds are available, the Alliance urges

an increase in the investment in State Department exchange programs to \$500 million to further strengthen U.S. public diplomacy.

The Alliance comprises 78 nongovernmental organizations, with nearly 8,000 staff and 1.25 million volunteers throughout the United States. Through its members, the Alliance supports the international interests of 3,300 American institutions of higher education. The Alliance is the leading policy voice of the U.S. exchange community. We look forward to continuing our productive working relationship with the subcommittee, and appreciate the opportunity to offer this testimony.

U.S. ambassadors consistently rank exchange programs among the most useful catalysts for long-term political change and mutual understanding, and as our experiences since September 11, 2001, demonstrate clearly, we need public diplomacy and exchanges more now than ever. Poll after poll continues to indicate rising anti-Americanism, even in nations we count among our closest allies. We must work to build trust and understanding for our people and our policy goals not just in the Muslim world—an effort that is of critical importance—but around the globe. To defeat terrorism and address other critical global issues, we will need the help of our friends and allies in every region of the world.

The Alliance therefore urges the subcommittee to fund the Department of State's exchange budget at \$486.4 million in fiscal year 2008. If additional funds are available, we urge you to increase the allocation to \$500 million in order to deepen the public diplomacy impact of these important programs and to sustain and strengthen the Department's core exchange programs worldwide while continuing to develop new and innovative proposals. A \$500 million level of spending will allow robust funding for targeted, meaningful growth in every region of the world for the State Department's core exchange programs, provide additional resources for Islamic exchange, sustain funding for Eurasia and Eastern Europe, fund the administration's request for a new initiative for Latin America, and encourage the development of new and innovative programs worldwide, including the National Security Language Initiative (NSLI).

#### CORE EXCHANGE PROGRAMS

The following data define the context for increased exchange program funding:

- A recent BBC poll shows that just 29 percent of those polled in 25 countries feel the United States exerts a mainly positive influence on the world, compared with 40 per cent 2 years ago. We clearly are losing ground in world public opinion. Exchanges are a proven—means to change that impression. (\*BBC World Service poll of 26,000 people in 25 countries—mostly non-Arab)
- A Congressional Research Service review of 29 reports on public diplomacy revealed that the most common recommendation of these reports was to increase exchange funding.
- State Department evaluations repeatedly show that foreign exchange participants complete their programs in the United States with enhanced positive impressions of the United States, its people, and its values.

The administration has requested \$486.4 million in exchange program funding for fiscal year 2008. The Alliance urges the subcommittee to support the request, and if possible, to increase it to \$500 million. A funding level of \$500 million will allow for meaningful growth in the Department of State's time-tested exchange programs that remain at the core of our efforts to build mutual understanding and respect between the United States and critical nations around the world. These well-established programs—Fulbright and other academic programs, International Visitor Leadership, and citizen exchanges—continue to demonstrate their relevance and effectiveness in a rapidly evolving world.

The Fulbright Program has unique value in deepening mutual understanding between the United States and 150 countries. Visiting Fulbright students report the program's deep impact: 99 percent say the program increased their knowledge and understanding of the United States and its culture; 96 percent shared their Fulbright experiences in their home country through media or community activities; 89 percent report that their Fulbright experiences allowed them to assume leadership roles after their programs. U.S. Fulbright students strongly agree (97 percent) that the program strengthens bilateral relationships, and deepened their understanding of their host country (100 percent). By several indices, American Fulbright students say the program enhanced their leadership skills. Upon returning, U.S. Fulbright scholars make their campuses and communities more international: 73 percent have incorporated aspects of their Fulbright experience into courses and teaching methods. Visiting Fulbright scholars are also likely to incorporate their experiences in America into their professional lives at home: nearly two-thirds of those surveyed said that they "broadened the international aspects of their teaching and research

in general” and “became . . . a resource for their colleagues with regard to knowledge and skills learned.”

Approximately 279,500 United States and foreign nationals have participated in the Fulbright Program since its inception over 50 years ago. The Fulbright Program awards approximately 8,000 new grants annually. In 2007, over 6,000 U.S. students and young professionals applied for 1,400 available Fulbright grants, demonstrating the desire of U.S. citizens to be internationally engaged. One hundred and fifty students will receive on-the-ground training in critical languages in advance of their research grants. Of over 2,000 incoming foreign students from 135 countries, 300 are teaching their native languages at U.S. colleges and universities. Other recent program changes include: the cutting-edge research conducted by New Century Scholars, which provides deep focus on a single global problem by leading scholars from around the world; global expansion of the Fulbright Language Teaching Assistants for U.S. Students; and enrichment programs throughout the United States exposing students from abroad to local communities throughout the United States.

Other critical academic exchange programs include the Humphrey Fellowships Program, which provides powerful academic and professional training experiences for professionals in the developing world; Overseas Educational Advising, through which prospective foreign students receive reliable information about American higher education and professional assistance in the application process; the Gilman International Scholarship Program, which enables American students with financial need to study abroad; and English teaching and U.S. Studies programs, designed to enhance understanding of American society and values.

The International Visitor Leadership (IVLP) program continues to be ranked by many U.S. ambassadors as their most effective program tool. This results-oriented program allows our embassies to address directly their highest priority objectives by bringing emerging foreign leaders to the United States for intensive, short-term visits with their professional counterparts. The program also exposes visitors to American society and values in homes and other informal settings.

Thirty-three current heads of government and chiefs of state are alumni of the IVLP, including Prime Minister Tony Blair of the United Kingdom, President Hamid Karzai of Afghanistan, and Prime Minister Ehud Olmert of Israel. Georgian President Mikheil Saakashvili is an alumnus of the IVLP and Muskie programs, and many of his cabinet members either attended a university in the United States or participated in exchange programs. Saakashvili and his colleagues were among the leaders of the peaceful “Rose Revolution” in 2003 and Georgia’s subsequent transition to democracy.

According to State Department evaluations, IVLP alumni returned to their home countries with positive feelings about democratic values, overwhelmingly agreeing with the following statements: citizens should have equal rights (99 percent); rule of law is fundamental to democracy (99 percent); free and fair elections are cornerstones of democracy (98 percent); individuals and organizations have the right to free speech (97 percent); and independent media are important (95 percent).

Citizen exchanges continue to engage American citizens across the U.S. in productive international activities. In addition, these programs leverage their relatively modest federal dollars into significantly more funding through the participation of local communities, schools, businesses, and nongovernmental organizations. Increased funding for citizen exchanges would permit an expansion of these highly cost-effective activities, particularly in the critical area of capacity building in communities across the United States. There is no doubt that the United States needs more “citizen diplomats.”

#### REGIONAL PROGRAMS

The Alliance strongly supports growth in exchanges world-wide. Both public opinion polling and the global nature of most current issues—e.g., terrorism, the environment, public health—demand that we strengthen our public diplomacy in all world regions. In this brief testimony, however, we wish to draw attention to three particularly critical areas.

While the need for exchanges is worldwide, increased engagement with the Islamic world is particularly critical as we seek to enhance our national security and build understanding, trust, and a sense of shared interests between the people of the Islamic world and the American people.

The State Department has created a continuum of programs to reach out to Muslim participants, particularly diverse and underrepresented populations. The Department has instituted a very successful program of micro-scholarships to stimulate in-country English study by teenagers. In addition, the Youth Exchange and Study Program (YES), also known as the Cultural Bridges Program, brings high

school students from the Islamic world to live with American families and attend American schools for an academic year. For the 2006–07 academic year, the program includes nearly 675 students from 25 countries, the West Bank and Gaza. We urge funding of \$25 million for YES, which would allow the program to reach its long-term goal of 1,000 students.

The Department has devised a variety of undergraduate exchanges including summer institutes, community college programs, and semester and year-long programs at four-year institutions, and expanded the Humphrey fellowships for the Muslim world. Under the National Security Language Initiative (NSLI), the Department has used summer institutes and existing programs such as Fulbright and Gilman to increase U.S. capacity in Arabic, Farsi, and Indic languages. The International Visitor Leadership Program has targeted “key influencers” in predominantly Muslim nations, bringing hundreds of clerics, journalists, and women and student leaders to the United States for programs emphasizing tolerance, interfaith dialogue, and diversity. These programs have had remarkable and consistent impact, and U.S. embassies would welcome many more if funding were available.

We strongly support the Administration’s initiative to focus additional exchanges on Latin America. The Bureau of Educational and Cultural Affairs (ECA) intends to apply its continuum approach to Latin America to reach out effectively to non-elite groups in this very important region. Program elements would include micro-scholarships for English language study, summer institutes for student leaders, an expanded Youth Ambassadors program, “supplementary scholarships” covering incidental and travel expenses to allow talented but needy students to accept financial aid offered by U.S. colleges and universities, and scholarships to attend U.S. community colleges.

In addition, the Alliance supports continued funding for exchanges with the countries of Eurasia and Eastern Europe at no less than the fiscal year 2007 levels. Funding in this area of the world has dramatically declined in the last several years even as on-going transition and challenges to democratic change grab international headlines. The cuts for these programs have resulted in reductions of more than 50 per cent for some programs and the elimination of others.

Exchange programs have provided sustained opportunities to expose future leaders to American civil society and values, and to foster personal and professional relationships between Americans and citizens of the region. We must continue to employ exchanges to engage with a broad range of future leaders in these critical nations. Elections in recent years in Ukraine and Georgia are a testament to the need to keep active programs in this region. The peaceful government transition in Georgia demonstrates the ongoing value of vibrant exchange programs in this region. As political change continues to occur, the Alliance urges sustained U.S. engagement throughout the region.

Beyond the appropriations process, we wish to recognize and commend ECA for the creation of a new internship category within the Exchange Visitor Program. The opportunity for internships with U.S. companies, universities, and organizations will likely prove very attractive around the world, and will bring many students to the United States for substantive experiences at virtually no cost to the taxpayer. The State Department developed this creative regulatory package, now pending approval at OMB, in close consultation with the exchange community and private sector, and we believe the Department is to be commended for this initiative, which will enhance our public diplomacy with a new generation of leaders around the world.

Thank you again for this opportunity to voice the Alliance’s support for a robust appropriation for the educational and cultural exchange programs administered by the Department of State’s Bureau of Educational and Cultural Affairs in fiscal year 2008. We look forward to working with the Subcommittee throughout the year ahead to ensure that the United States continues to vigorously support the traditional exchange programs that have proven their success for the past 50 years, while also developing new and innovative programs.

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PREPARED STATEMENT OF THE UNITED STATES CONFERENCE OF CATHOLIC BISHOPS  
AND CATHOLIC RELIEF SERVICES

The United States Conference of Catholic Bishops (USCCB) and Catholic Relief Services (CRS), the relief and development agency of the U.S. Catholic Bishops, thank the Subcommittee for the opportunity to present testimony on the fiscal year 2008 International Affairs appropriations process.

Our Nation’s commitment to foreign aid is particularly important at this time when our country’s global role is a focus of intense discussion. We appreciate this opportunity to share the values contained within the Church’s social teaching that

underline our nation's moral responsibility to those in need around the world. In addition, our perspective is informed by the practical experience of the relief and development work of CRS in 99 countries throughout the world.

#### SPECIFIC PRIORITIES

Our specific priorities for international affairs appropriations in fiscal year 2008 seek to uphold human life and human dignity, support the development of poor nations, foster peace and improve our national and global security. They include:

- \$3 billion for the Millennium Challenge Corporation (MCC);
- \$2 billion for Title II Food Aid;
- \$5.78 billion (including funding from Health and Human Services appropriations) for morally and culturally responsible programs to combat HIV/AIDS, malaria and tuberculosis, with particular attention to Africa;
- substantial funding for humanitarian needs in Iraq, in addition to \$2.1 billion for reconstruction;
- \$1.1 billion for reconstruction needs in Afghanistan;
- priority funding for economic and social development in post-conflict countries transitioning towards better governance, including: Haiti, Liberia, the Democratic Republic of Congo (DRC), Sierra Leone (with substantial portions of the funding channeled through proven partners in the NGO community), as well as for continued implementation of the Comprehensive Peace Agreement in Southern Sudan;
- full funding for contributions to U.N. peacekeeping activities, especially in Sudan, Lebanon, the DRC and Haiti;
- an increased proportion of U.S. aid dedicated to social and alternative agricultural development and to victim assistance in Colombia, and strict human rights conditions on all U.S. military aid to Colombia and the Philippines;
- increased funding for the Migration and Refugee Assistance (MRA) and Emergency Refugee and Migration Assistance (ERMA) accounts to bring total funding to \$1.135 billion and \$90 million respectively to meet the needs of an ever-increasing global refugee population;
- \$1.06 billion for the International Development Association (IDA) for debt cancellation and poverty reduction programs in the world's poorest countries; and
- at least \$207 million for debt relief primarily for the DRC and Liberia whose huge debt burdens create a major obstacle to the efforts of their new democratically-elected governments to restart economies ravaged by war.

*Mexico City Policy.*—We reiterate our strong support for retaining the Mexico City policy, which prevents our foreign aid program from being misused to subsidize organizations that perform or promote abortions in developing nations. The Kemp-Kasten provision preventing the support of organizations involved in coercive population programs should also be retained. Under this provision, funding is denied to any organization determined by the President to be supporting or participating in the management of a program of coercive abortion or involuntary sterilization. To ensure that the President is free to make this determination the subcommittee should not earmark funds to the United Nations Population Fund (UNFPA), whose support for the coercive program in the People's Republic of China has rendered it ineligible for U.S. funds in recent years.

#### FOREIGN AID: OUR MORAL IMPERATIVE

Solidarity with those in need expresses a common hope for a stable and peaceful world. Despite the effectiveness of many U.S. foreign aid programs, much more needs to be done to respond to this challenge. Before us there is an opportunity to use our nation's wealth and resources to uplift human life and dignity around the globe and to work for the common good.

In this year's address to the Diplomatic Corps accredited to the Holy See, Pope Benedict XVI specifically focused on the level of international aid committed by the richer nations. He said, "[I]nitiatives have been undertaken to which the Holy See has not failed to pledge its support, at the same time reiterating that these projects must not supplant the commitment of developed countries to devote 0.7 percent of their gross domestic product to international aid."<sup>1</sup>

Achieving authentic human development requires that the basic human needs of all are met; that social, cultural, economic and political rights are protected; and that all peoples participate in shaping their own future. Meeting these moral obligations will help our nation build a safer and more secure world. As the late beloved

<sup>1</sup> Address of His Holiness Pope Benedict XVI to the Diplomatic Corps Accredited to the Holy See for the Traditional Exchange of New Year Greetings, January 8, 2007.

Pope John Paul II said: "Development ultimately becomes a question of peace, because it helps to achieve what is good for others and for the human community as a whole."<sup>2</sup>

Development is not just an aspiration but a right common to all people. It corresponds, then, to a duty imposed upon all of us, as peoples and nations, to collaborate in development, and in this, it is the responsibility of those who are stronger and richer to seek out, assist and empower those who are less so.

This teaching informs the work of two agencies of the United States bishops: Migration and Refugee Services (MRS) and Catholic Relief Services (CRS). MRS works to address the needs of those who flee terror in their homeland and seek international protection, and helps settle one-quarter of the refugees who enter the United States each year. CRS works in 99 countries throughout the world, including more than 30 in Africa, and provides programs to address HIV/AIDS, health, education, building civil society, food security, agriculture, emergency relief and peace building. With 60 years of development experience, CRS knows firsthand both the tremendous needs and also the great potential of millions who live in poverty. CRS knows from experience how effective development programs can bring very real hope for prosperity and peace.

With a greater awareness that our well-being as Americans is intrinsically linked to the well-being of those who live far from our shores, foreign aid is increasingly seen by many as capable of lifting up the weak and empowering people to realize their own dignity and destiny at the same time that it improves global security and peace.

#### FOREIGN AID REFORM AND TRANSFORMATIONAL DIPLOMACY

USCCB and CRS have repeatedly focused on the importance of the effectiveness of foreign aid programming with the Committee. We welcome efforts to promote coherence in foreign assistance through a country-driven process that addresses duplication, complex delivery and procurement procedures and other inefficiencies. We acknowledge the relationship of development programs to broader strategic objectives, and have been monitoring the reform process closely since Secretary Rice's articulation of the doctrine of transformational diplomacy in January 2006. However, we have always maintained that the interests of poor and vulnerable people lie at the foundation of all foreign aid. We welcomed, therefore, the modified Framework for U.S. Foreign Assistance Programs that now includes the goal of "reducing widespread poverty."

#### *Country-Focused, Objective-Based Framework: An Important First Step Forward*

Now that poverty reduction has become an explicit goal of foreign aid, we look forward to programs that give priority to the needs of the poor and vulnerable even for countries with limited relationships with, or little strategic importance to, the United States. The adoption of a country-focused approach and framing aid programs in terms of specific objectives are welcome improvements. We hope that the categorization of countries in the Foreign Aid Framework will help identify more clearly the specific challenges to progress in reducing poverty, promoting human development and building security in troubled parts of our world. We thus believe the new assistance framework represents an important first step in foreign aid reform, a step we hope will be followed by broader and deeper reforms.

#### *Concentration of Bilateral Aid in Too Few Countries*

We note that 40 percent of the entire bilateral aid program is concentrated in six countries important to U.S. strategic interests related to either the "War on Terrorism" or the "War on Drugs." Only two of the six (Afghanistan and Pakistan) are classified by the World Bank as low income. While we strongly support reconstruction and peace-building in Iraq and Afghanistan, we believe that a greater share of foreign aid should be assigned particularly to the very poor among the more than 150 other developing countries. If U.S. strategic interests will continue to require a major injection of foreign aid resources into the six priority countries, and if poverty reduction is in fact to be a fundamental objective of U.S. foreign aid, this inevitably means that the overall foreign aid budget must be substantially increased.

#### *Avoid Trade Offs in Funding*

With regard to the composition of country programs, we are pleased that there has been a substantial increase over fiscal year 2006 levels for activities related to the long-term development objectives:

<sup>2</sup>Pope John Paul II, *Development and Peace*, January 1, 1987.

Governing Justly and Democratically, Investing in People and Economic Growth. At the same time we note that this increase is attributable almost entirely to increases in funding for combating HIV/AIDS and other infectious diseases and for the Millennium Challenge Corporation. We support robust funding for these important initiatives, but we believe that a country-focused approach would require complementing HIV/AIDS funding with resources for other sectors. While HIV/AIDS funding for Africa, for example, is being increased, funding for basic education, safe water and economic growth on the continent actually decline from fiscal year 2006 levels.

We support full funding of the Administration's request for \$3 billion for the MCC. Any reduction in funding would undermine the MCC as channel of support for well-governed countries through multi-year funding. Disruption in this program through insufficient funding would pose serious setbacks for countries that have worked hard to prepare eligibility, in many cases by enacting difficult policy reforms. The United States must continue to play its part.

At the same time, the MCC should not be funded at the expense of the large number of non-MCC low income countries with critical needs, including those emerging from conflict and moving towards better governance, such as Liberia, Haiti, the DRC and Sierra Leone. Funding for basic education and other sectors critical to poverty reduction should be increasing. At a minimum, the President's promise that MCC resources will be in addition to, and not in substitution for, other development and humanitarian funding should be kept.

*Planning Cannot be Concentrated in Washington*

Finally, we are concerned by initial indications that the new process for determining priorities has resulted in decisions that are the byproduct of top-down decision making, as opposed to a truly country-driven process. Our counterparts at USAID missions have expressed frustration with the lack of meaningful participation in the planning process. We understand the abbreviated timeline involved this year, and the tremendous work done to coordinate this new process; but the decision to base program and budget decisions almost entirely on strategic priorities crafted at Headquarters risks failing to incorporate the rich expertise and experience developed in the field.

A related concern is the absence of a clearly defined role for civil society. Adopting a country-needs focus highlights the need to take into account the experience and insight of local organizations closest to the reality that foreign aid is intended to impact. While the host government has the central role in designing and implementing a country's development policies and programs, close collaboration is needed also with civil society organizations, especially those who work on a daily basis with the poor and marginalized and are thus in a unique position to give voice to the needs of the weakest members of society. CRS, through its network of partners in 99 countries, has the ability, through direct relationships with target beneficiaries, to provide USAID missions with information about the needs of the people most directly affected.

Experience both in Washington and in the field reveals an often deficient process of consultation. In the absence of close collaboration with civil society and governments in both planning and implementing foreign assistance programs, aid programs will fail to reach their goal of reducing widespread poverty. We urge you to ensure that robust consultation—especially with civil society—be not only mandated for foreign assistance programming, but meaningfully undertaken by U.S. Government agencies involved in the entire process.

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PREPARED STATEMENT OF HON. DOUGLAS BEREUTER, PRESIDENT, THE ASIA  
FOUNDATION

Mr. Chairman & Members of the Subcommittee: I will begin my testimony as President of the Asia Foundation, with a personal perspective which I thought the Members and staff may find interesting since I served 26 years in the U.S. House, 20 years on the Foreign Affairs Committee, led the Asia Pacific Subcommittee for 6 years, and also chaired the "International Institutions" Subcommittee of the Financial Services Committee. For fiscal year 2008, the Asia Foundation is requesting \$18 million.

When I announced I would not seek re-election to the 109th Congress I was unaware that the position of the presidency of The Asia Foundation would open, but I had long admired the work of the Foundation. In fact, I told my wife years earlier it was one of only two positions that would interest me after Congress. What I have found in my 2.5 years at the helm of the Foundation is what I hoped and expected

to find: there is a strong commitment to Asian development and a pervasive sense of altruism among the Foundation's experienced and highly professional staff. Its long-term, on-the-ground presence through 17 Asian field offices and its work with and through literally hundreds of established and emerging Asian partner organizations make it highly knowledgeable, effective, and trusted by Asians. This experience base, coupled with a staff of more than 80 percent Asian nationals who have a sensitivity and understanding of the local context, makes us different from nearly all other nongovernmental development organizations. We do not bring in our development staff for work on a short-term basis and then leave. We are there for the long term and we are committed to building and sustaining the kinds of institutions and practices that enable Asians to replicate these successes and thereby help themselves after a funded project ends. In short, The Asia Foundation is the premier development organization focusing on Asia.

Of perhaps particular interest to the Congress today is the fact we have been working with Muslims and Islamic civil and higher education organizations for more than 35 years. Generations of Asians know us from our education grants and exchange programs and through the more than 40 million English-language books we have provided in more than 20 countries (920,000 last year alone). The result is that Asians respect, trust, and like the Foundation at a time when much of what they hear and think about our country is not very positive. In short, The Asia Foundation has an unmatched credibility. It is an irreplaceable American and international asset.

My research has shown me that seven significant American task forces, commissions and blue-ribbon committees made policy recommendations to our country for the post-9/11 world. All recommended an accelerated and more effective public diplomacy program, especially for the Islamic world. All but one specifically suggested that the expertise of nongovernmental organizations and the private sector must be enlisted, suggesting explicitly or implying that effective public diplomacy was too important and nuanced to be the exclusive domain of the U.S. Government. Members of the subcommittee, much of what The Asia Foundation does properly may be categorized as public diplomacy. We don't advocate U.S. foreign policy; however, while pursuing effective development programs, our work and staff remind Asians of what they have liked most about America and Americans—that we are an innovative, opportunity-oriented country and people, with a respect for the rule of law, the freedom of expression, and an openness and expectation for citizen participation in a democratic society.

It is instructive to review the Foundation's appropriations history. Although the Foundation has been in operation since 1954, The Asia Foundation Act, which was passed in 1983, provides for an annual appropriation from the Congress. That Act acknowledged the importance of stable funding for the Foundation and endorsed its ongoing value and contributions to U.S. interests in Asia. For a decade until 1995, the Foundation's annual appropriation was at least \$15 million. In fiscal year 1996, during the government shutdown year, despite broad bipartisan support commending its work, the Foundation's appropriation was cut by two-thirds, to \$5 million. The Foundation painfully was forced to sharply cut back its programs, but struggled to maintain nearly all of its most important asset, its field operation structure. Since that low point, the Committee, in support of the organization's mission, has gradually expanded funding for the Foundation to its current level of nearly \$14 million. Past committee report language has commended our grant-making role in Asia, and the Foundation, at the Committee's encouragement, has expanded its programs in predominantly Muslim countries, including Afghanistan, Indonesia, and Pakistan. However, the Foundation has remained at a funding level below that of 10 years ago, despite its important contributions in support of democracy and reform in Asia, the escalating costs of maintaining overseas offices, the impact of inflation, the less favorable currency exchange rates, and growing needs in the region.

Despite a very positive attitude about the Foundation in the State Department, USAID, and especially among those U.S. ambassadors with deep Asian experience who often turn to our country representatives for information and advice, past and present administrations consistently have used previous year requests as the baseline for future requests, rather than the previous year Congressional appropriations. This has resulted in a low appropriation recommendation in the past and again for fiscal year 2008. We don't have nearly the U.S. funding base we once had—in either relative or absolute dollar terms. We have the experience, expertise, and office/staffing base to do so much more of great value to the United States and those Asians who need our help; we only need the resources to restore some of the funding base we once had. Our development counterparts in multilateral development organizations express their amazement at what we accomplish with what they regard as a paltry funding base. Therefore, I respectfully urge the Committee to sustain and in-

crease its support for the vital work the Foundation is engaged in on behalf of the U.S. interests in this complex region. The Asia Foundation is requesting a modest increase back to an earlier appropriations level of \$18 million.

In making this request, we are very cognizant of the fiscal year 2008 budgetary pressures on the Committee. However, an increase would enable The Asia Foundation to strengthen program investments it has begun in recent years with Congressional encouragement, notably in the areas of protecting women and children against trafficking; promoting women's rights; building democracy and critical government capacity in Afghanistan and East Timor; increasing tolerance in predominantly Muslim nations like Indonesia, Bangladesh and Pakistan; securing human rights in Cambodia, Sri Lanka, and Nepal; and strengthening good governance and civil society throughout Asia.

#### REGIONAL OVERVIEW

The United States and Asia face new challenges and pressing needs, complicated by the war on terrorism and fragile democracies. More than ever, we must support political stability and economic reform, and give attention to countries where recent events have exacerbated bilateral relations, specifically in the new democracies of Asia and in countries with predominantly Muslim populations. Challenges to governance in Thailand, the Philippines, Mongolia, Indonesia, and Sri Lanka require different approaches than in countries struggling to achieve democracy, peace and stability, such as Afghanistan, Pakistan, Nepal and East Timor. Potential ties to regional terrorist networks threaten regional stability. Human rights abuses continue with impunity in parts of Asia. Even though women have made gains in many places, such as Cambodia, Thailand, Nepal and India, they still face economic and political inequities, and in the worst cases, are victims of trafficking and abuse.

#### THE ASIA FOUNDATION'S MISSION, CAPABILITIES, AND APPROACH

We are committed to the development of a peaceful, prosperous, just, and open Asia-Pacific region. Our core capabilities and primary program concentrations are central to U.S. interests in the region. They are as follows:

- Democracy, human rights and the rule of law.*—Strengthening democratic and civil society institutions; encouraging an active, informed and responsible governmental sector; advancing the rule of law; and building institutions to uphold and protect human rights;
- Economic Reform and Development.*—Reducing barriers at the national and regional level to the formation and productive functioning of small business and entrepreneurship;
- Women's Empowerment.*—Encouraging women's participation in public life; protecting women's rights and supporting advocacy training; and prevention of trafficking and domestic violence, including supportive efforts to protect and provide shelter to victims;
- Peaceful and Stable Regional Relations.*—Promoting U.S.-Asian and intra-Asian dialogue on security, regional economic cooperation, law and human rights.

While the Foundation does considerable development work directly with its own staff, the Foundation remains faithful to its primary focus on its grant-making role, steadily building institutions and strengthening Asian leadership for democratic societies. Foundation assistance provides training, technical assistance, and seed funding for new, local organizations, all aimed at promoting reform, building Asian capacity and strengthening U.S.-Asia relations. Foundation grantees can be found in every sector in Asia, leaders of government and industry and at the grassroots level, and in an increasingly diverse civil society. The Foundation is distinctive in this role, not only providing the technical assistance necessary, but also in providing grants that cover the nuts and bolts necessities to support that capacity-building effort. Urgent political and security needs in Asia have increased the need for experienced and credible American actors in the region. The Asia Foundation is a well recognized American organization, but its programs are grounded in Asia, helping to solve local problems in cooperation with Asian partners.

#### PROGRAMS

The Asia Foundation makes over 800 grants per year, and facilitates programs, provides technical assistance and leverages funding from public and private donors, to increase program impact and sustainability. With additional funding in fiscal year 2008, the Foundation's expanded activities include:

*Legal Reform.*—In Afghanistan technical assistance on policy and management operations for the Office of Administrative Affairs of the President, Council of Ministers Secretariat and Ministry of Parliamentary Liaison, Independent Election

Commission, in East Timor access to justice programs and public consultation in lawmaking; in China legal aid services and worker rights education for migrant women workers; in Indonesia reform of the Supreme Court including civil society input into the reform process; in Nepal, supporting the new constituent assembly process, legal analysis of constitutional issues engaging citizens' groups, civic and voter education, and mediation programs in rural areas.

*Human Rights, Conflict and Islam.*—In Cambodia, Sri Lanka and the Philippines, human rights monitoring, and documentation through new information technology networking; in Indonesia, the International Center for Islam and Pluralism (ICIP) a unique regional center in Jakarta for progressive Muslim scholarship, exchange, start-up activities and action plans of the Thailand Center for Muslim and Democratic Development (TCMD), the Philippine Council for Islam and Democracy (PCID) and Jamaah Islah Malaysia (JIM) and International Islamic University (IIU) in Malaysia, to support regional Southeast Asian networking and strengthening democracy under Islam; education reform in 1,000 schools including training on pluralism, human rights and civic education for 160 madrassa (day schools) teachers; curriculum reform for 800 pesantren (boarding schools), part of the Foundation's education reform of 625 Islamic schools nationwide, with over 215,000 students; and in over 70 Islamic universities, for over 120,000 students where the Foundation has pioneered civic education on the role of democracy; in Bangladesh, groundbreaking training programs in development practices for over 4,000 imams, expanding their understanding of their role in national development through exposure to USAID programs, and advancing public diplomacy with this critical leadership group.

*Civil Society.*—In Afghanistan, support for the Ministry of Women's Affairs organizational strategic planning and communications strategies with regional Departments of Women's Affairs across the country, girl's education, and civic education; in Cambodia, human rights and legal services; in Indonesia, promote pluralism, tolerance and moderation by Muslim organizations, radio programs on religion and tolerance on community radio stations reaching 5 million listeners a week through radio talk shows and education reform.

*Women's Programs.*—Region wide, with particular emphasis on Indonesia, Cambodia, Thailand, Vietnam and Mongolia, anti-trafficking program including prevention, services for victims, legal drafting and advocacy to support increased prosecutions; technical assistance and grants for services and advocacy for women victims of domestic violence; in Afghanistan, India, Pakistan, Bangladesh, Sri Lanka, Indonesia, Nepal, Thailand, and Malaysia projects to advance women's rights within Islam through analysis, public education and outreach; in Afghanistan donation of 10,000 books to the Ministry of Women's Affairs; in Cambodia and Afghanistan, support for scholarships for girls' education.

*Economic Reform.*—In Indonesia, Vietnam, Nepal, Bangladesh, small and medium enterprise policy reform; in Indonesia and Vietnam pioneered economic performance rating tools for local governments; in Korea, Japan, China, Thailand and the Philippines, corporate governance reform and e-government efforts to counter corruption.

*International Relations.*—In China, Vietnam and India, scholarships for young Ministry of Foreign Affairs leaders, exchange and study programs for Southeast Asian and American young leaders, and support for programs on cross-strait relations and Council for Security Cooperation in the Asia Pacific (CSCAP).

A full listing of programs may be found on our website [www.asiafoundation.org](http://www.asiafoundation.org).

#### CONCLUSION

The Asia Foundation is first and foremost a field-based, grant-making organization, committed to maximizing program impact in Asia while keeping costs low, despite the growing challenge of providing security to field offices and protecting staff. If the Committee provides additional funding for Foundation programs in this fiscal year, we pledge to use those funds to expand programs that build democratic capacity, strengthen civil society, increase economic opportunity, protect women, and work with moderate Muslim groups as described above. The Foundation budget needs to grow in order to meet the growing challenges to American interests in the Asian region.

Public funds are critical to our capacity to do more to advance American interests in Asia. The Foundation has expanded its private funding, but potential private donors need to be assured that the U.S. Government supports the Foundation's efforts, and private funds are always tied to specific projects. Only public funding provides the flexibility that allows the Foundation to maintain its field presence and respond quickly to new developments, as we did in supporting the Emergency Loya Jirga

in Afghanistan, where we were the first U.S. organization on the ground in spring 2002.

The increase in funding to \$18 million that we seek is essential if the Foundation is to succeed in contributing to the development of stable, democratic and peaceful societies in Asia. I respectfully urge that the Committee sustain its support for the Asia Foundation, and demonstrate our shared commitment to addressing the challenges and opportunities in Asia today.

#### ADDITIONAL COMMITTEE QUESTIONS

Senator LEAHY. There will be some additional questions which will be submitted for your response in the record.

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

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

*Question.* The President's request significantly under-funds the United States assessed contribution to U.N. peacekeeping by projecting reduced costs for every mission except Sudan which is increased by only \$10 million. This is completely unrealistic—in fact, some of these missions are not only being extended but the costs are going to increase.

When this shortfall is added to approximately \$50 million in fiscal year 2007 arrears, the United States could have a shortfall of at least \$430 million owed to the United Nations. That is if the United States and the United Nations decide not to create any new missions in places that need assistance, like Somalia, Chad and the Central African Republic. The shortfall in fiscal year 2008 could grow to \$850 million if this happens.

The total fiscal year 2008 request for peacekeeping is \$1.1 billion, a decrease of \$28 million from fiscal year 2007. This is likely to fall short of our actual 2008 dues in every mission. How did the Department formulate the budget request for the U.S. assessed contribution to U.N. peacekeeping missions? How do we avoid going further into arrears?

*Answer.* The President's budget includes a request for \$1.107 billion for contributions to U.N. peacekeeping activities in fiscal year 2008. The exact requirements for U.N. peacekeeping funds for future years cannot be predicted, because the size and cost of U.N. peacekeeping missions depend on U.N. Security Council decisions based on conditions on the ground and U.N. General Assembly review of the financial implications associated with those decisions. Within the President's overall budget, our fiscal year 2008 request is based on our estimate of the requirements that take into account such relevant factors as uncertainties about the future size of missions, as well as the U.N. assessment rate and the 25 percent rate cap consistent with current law. The United States uses regular reviews to explore whether missions can be downsized or eliminated, and will continue to work with our partners and the United Nations to identify cost savings wherever possible. The request for fiscal year 2008 reflects assumptions that we will be able to reduce costs of many missions while maintaining the U.N.'s essential role in peacekeeping activities.

#### U.S. ASSESSED CONTRIBUTIONS TO U.N. PEACEKEEPING MISSIONS

*Question* In response to my question about U.S. assessed contributions to U.N. peacekeeping missions, you noted that "the request for fiscal year 2008 reflects assumptions that we will be able to reduce costs of many missions."

Does the Department still believe that the budget request levels are realistic given the current situation in each country? Please provide a justification for and the assumptions underlying the proposed reduction in each mission?

*Answer.* The fiscal year 2008 President's budget includes a request for \$1.107 billion for contributions to U.N. peacekeeping activities. The exact requirements for U.N. peacekeeping funds for future years cannot always be predicted and the fiscal year 2008 request was our best estimate of the requirements. Based on the U.N. approved budget for existing missions for the 12 month period from July 1, 2007 through June 30, 2008, and preliminary estimates for the cost of the U.N.-AU Hybrid Mission in Darfur (UNAMID) to be assessed to member states during fiscal year 2008, fully funding our assessments in fiscal year 2008 will be challenging. We are carefully reviewing these requirements and are having ongoing discussions with the United Nations regarding the Darfur costs as well as other U.N. mission costs for fiscal year 2008.

*Question.* Do you believe your fiscal year 2008 budget request contains sufficient funds to provide each U.S. embassy with the number of staff, equipment, vehicles and other resources necessary to effectively promote the myriad of U.S. foreign interests in each country?

*Answer.* The fiscal year 2008 budget request, including the \$230 million in program increases requested for State Programs would provide the Department with the necessary resources to further our world-wide diplomatic efforts. These operating resources are critical in ensuring diplomats are properly trained and equipped—most notably with enhanced foreign language skills—in order to advance U.S. national security efforts overseas. Additionally, continued construction of secure buildings overseas requires Embassy Security, Construction and Maintenance resources which the President has requested to increase the near and long term security of U.S. personnel overseas.

*Question.* Can you assure us that any foreign aid program implemented by the Department of Defense, whether humanitarian, reconstruction, train and equip, or other, will be subject to the prior concurrence of the Secretary of State?

*Answer.* Under the direction of our Director of U.S. Foreign Assistance, and based on the President's policy priorities for foreign assistance as informed by consultations with the Department of Defense, we formulate and submit our budget for Foreign Military Financing (FMF) and International Military Education and Training (IMET) as part of the State Department's Foreign Operations budget request. Once approved by the Congress, this State Department funding is transferred to the Defense Department for actual execution.

Select new Department of Defense authorities, coordinated closely with the Department of State, are an essential means of addressing rapidly evolving security challenges, particularly with respect to building the capacity of our global partners. The Secretary has expressed support for such select new authorities contingent upon the explicit preservation of her statutory role with respect to foreign assistance, through their exercise with the concurrence of the Secretary of State, and in practice through joint development procedures. Such new authorities should also be tailored toward the common goal of providing for closer integration of the administration's foreign assistance efforts, consistent with the Secretary's responsibility for the overall supervision and general direction of U.S. foreign assistance.

We continue discussions with the Defense Department regarding this issue.

*Question.* Please provide an accounting of funds appropriated for the Afghan Civilian Assistance Program, since its inception in 2002. Such an accounting should indicate the total amount obligated and disbursed, through which organization(s), for what types of activities. Please also provide your assessment of the merits of this program.

*Answer.* Since 2002, funding obligations for the Afghan Civilian Assistance Program (ACAP) have totaled \$8.6 million, of which \$8.3 million has been disbursed. In June 2007, an additional \$4.5 million will be obligated for the program. The International Organization for Migration has implemented the Afghan Civilian Assistance Program since 2002.

Afghan Civilian Assistance Program provides direct assistance to Afghan civilians or their families wounded or killed either by Coalition/NATO forces or improvised explosive devices targeting those forces. The program also supports communities to rebuild public infrastructure damaged or destroyed by Coalition or NATO forces. Program activities have included infrastructure rehabilitation, vocational training, psycho-social care, and medical prostheses distribution.

Afghan Civilian Assistance Program has been successful at providing rapid relief to civilian victims of war in Afghanistan. The program contributes to overall stabilization efforts in Afghanistan by redressing unintentional damage to civilian life and property, thereby reducing mistrust and resentment of military operations, the Afghan Government, and the international community.

*Question.* Aside from the reduction in size of the Guatemalan Armed Forces, what actions have been taken to redefine the mission and reform the Armed Forces?

*Answer.* The Guatemalan military has changed drastically since the days of the internal conflict. The size of the Guatemalan military has been reduced by two thirds since the 1996 Peace Accords and the military budget is under 0.38 percent of GDP, well below the level stipulated by the Peace Accords. The Guatemalan military abolished its territorial system of deployment and is now organized along functional, rather than geographical, lines. Many regional military bases were converted to civilian uses. The military developed a new military doctrine that eliminated internal security as a role of the military. The Guatemalan civil sector took part in the consultative process in formulating this new doctrine, as called for in the Peace Accords. The military's doctrine, training, and education all reflect the new limits on the Guatemalan military's roles to defense of sovereignty and territorial integ-

riety. Military training now includes mandatory human rights training as an integral part of the military education system. During the last 10 years, there have been no credible reports of human rights abuses by Guatemalan military units. The Guatemalan military is responsive to civilian political authorities and earned significant international and Guatemalan public respect for its excellent work in support of Hurricane Stan disaster response and recovery efforts. As allowed under the 1996 Peace Accords,<sup>1</sup> Guatemalan presidents over the last 10 years have deployed the military in joint patrols with the police in an effort to curb escalating and significant street crime. The military also plays a critical role in providing air and naval support for counter-narcotics operations, including through participation in two "Mayan Jaguar" operations in 2006 with DOD's Joint Interagency Task Force South. The Guatemalan military has also earned the respect of the international community for its professional performance in peacekeeping operations in Haiti and the Democratic Republic of the Congo, deployments that were frequently praised at the U.N. during Guatemala's 2006 candidacy for a rotating UNSC seat.

*Question.* Is the Embassy satisfied with the investigation and trial in the murder of Gilberto Soto in El Salvador? What progress has there been in solving this crime, and what efforts are currently underway?

*Answer.* On February 17, 2006, a sentencing tribunal exonerated two of the three suspects in the murder of Mr. Soto. The third suspect was convicted and sentenced to 25 years in prison. While we believe that the police and prosecutors carried out a professional and thorough investigation, the Department did express disappointment at the decision to exonerate two of the suspects.

The Embassy closely monitored all stages of the investigation and the trial itself. In addition, the Embassy established a hotline to collect additional information about the murder. Although the International Brotherhood of Teamsters offered a reward of \$75,000 to anyone providing information that would solve the crime, no credible tips have been received to date. The case is still open, and the Embassy is willing to facilitate the participation of any witnesses who choose to come forward.

*Question.* There are increasing concerns about the conduct of the Sri Lankan military. While it is fighting the Liberation Tigers of Tamil Eelam, an organization that has committed acts of terrorism against civilians, the military has also engaged in a pattern of violations of human rights. What amounts and what types of military equipment is the United States providing to Sri Lanka through the FMF program and through the FMS or other sales program?

*Answer.* U.S. military assistance to Sri Lanka is largely focused on maritime activities to improve Sri Lankan armed forces capabilities to defend their territorial waters and interdict arms shipments to the Tamil Tigers, a designated Foreign Terrorist Organization. Our fiscal year 2007 Foreign Military Financing funding totals \$890,000 and will be used primarily for providing equipment such as surveillance radars and communication linkages to the Sri Lankan armed forces. Our fiscal year 2007 International Military Education and Training funding totals \$518,000 and will be used for professional military education to include the staff college and Non-Commissioned Officer academy, human rights, counter-terrorism, and maritime interdiction training. International Military Education and Training funding will also fund training to increase interoperability with U.S. forces. Foreign Military Financing disbursed in 2007 to date totals \$310,000.

All recipients of military assistance undergo Leahy human rights vetting in accordance with the provisions of the Leahy Amendment and the Department's policies and procedures for Leahy vetting.

*Question.* In your response to this question, you noted that "all recipients of military assistance undergo Leahy human rights vetting in accordance with provisions of the Leahy Amendment and the Department's policies and procedures for Leahy vetting."

What are the procedures for vetting Sri Lankan recipients of U.S. military assistance, consistent with the requirements of the Leahy Amendment? Which, if any, units of the Sri Lankan military have been credibly alleged to have committed gross violations of human rights, and are therefore ineligible to receive U.S. assistance?

*Answer.* We look at Leahy requests on a case by case basis, using available information from a wide range of sources, including post reporting, intelligence reports, and publicly available information from human rights non-governmental organizations such as Human Rights Watch, the Asian Human Rights Commission and Amnesty International. As a practical matter, in the case of Sri Lanka, we normally vet individuals nominated for training.

<sup>1</sup>Article 45(a) of the Agreement on the Strengthening Civilian Power and Role of the Army in a Democratic Society, signed in Mexico on September 19, 1996.

The Human Rights Officer in Embassy Colombo's political section takes the lead in vetting. The Consular Section, the Defense Attaché, the Regional Security Office, and USAID also contribute to the vetting process. Each of these offices checks for evidence of gross human rights abuses by a proposed participant.

To date in 2007, two Sri Lankan candidates were denied training. One was refused because there is a criminal case pending against him for human rights violations allegedly committed in 1997. The other was denied because of credible information received from a reliable source about his actions as the Military Intelligence Commander in Jaffna.

We have given particularly close scrutiny to those individuals who have served in Jaffna or whose service records indicate they may have been in proximity to known, egregious human rights violations.

*Question.* Why did you only request \$300 million for a U.S. contribution to the Global Fund in fiscal year 2008, and why in the Labor, Health and Human Services budget which funds domestic programs, rather than through the State, Foreign Operations budget which funds contributions to international organizations?

*Answer.* The Global Fund is an important part of the strategic plan that guides implementation of the President's Emergency Plan for AIDS Relief (Emergency Plan/PEPFAR). The U.S. Government (USG) share of total Global Fund contributions has held consistently at approximately 30 percent. The USG initially made a 5-year pledge of \$1 billion for the Global Fund in years 2004–2008. If the \$300 million in the President's 2008 Budget is approved, the USG will have nearly tripled that commitment to the Global Fund by contributing about \$2.5 billion.

In order to provide adequate financial and human resources to complete the goals of PEPFAR as well as maintain U.S. leadership in the Global Fund, the President has spread the request for HIV/AIDS-related resources across the two appropriations bills (Foreign Operations and Labor-Health and Human Services).

We consider this interagency approach in representing the United States on the Global Fund to be one of our coordination success stories. Through the Global Aids Coordinator, who has overall responsibility for ensuring that all statutory benchmarks have been met before any USG contribution is made, USAID, State, and HHS regularly meet and fully coordinate on all aspects of the Global Fund.

The Department of Health and Human Services (HHS) was instrumental in the administration's efforts to establish the Global Fund and continues to have an active role on its Board. The National Institutes of Health (NIH) makes a significant contribution to global HIV/AIDS, TB, and Malaria activities. Requesting the USG contribution within NIH continues HHS' longstanding role in the advancement of the Global Fund.

*Question.* How does the United States maintain leadership in the Global Fund, as you maintain, if we cut our contribution from \$725 million in fiscal year 2007 to \$300 million in fiscal year 2008? Why does requesting the U.S. Government contribution within NIH, an agency focused on domestic health care, make more sense than within the Department of State, where the President's Global HIV/AIDS Initiative focuses on international HIV/AIDS?

*Answer.* Although the United States continues to be the largest single source donor to the Global Fund, leadership is not determined by the size of contributions. The United States is one of only three donors to hold its own Board seat (the other two are Japan and Italy); the Board operates on a one seat, one vote basis. The U.S. Government's leadership is based on our pro-active involvement with the Fund at all levels, starting with chairmanship of key Board committees. Ambassador Mark Dybul, the U.S. Global AIDS Coordinator, currently chairs the Fund's Finance and Audit (FAC) Committee, while Dr. William Steiger, Special Assistant to the Secretary for International Affairs at the Department of Health and Human Services, chaired the powerful Policy and Strategy Committee from 2005–2007. The United States also holds regular committee seats on both the FAC and the PSC, and our representatives have served on a variety of ad hoc sub-committees, e.g. to identify a new Executive Director for the Fund, to shape a documents disclosure policy for the Office of the Inspector General, and to develop performance indicators to measure overall Fund progress.

As mandated by Congress, the interagency Global Fund Core Group also works together with our U.S. Embassies and USAID Missions overseas to conduct a parallel review of new Global Fund grant applications, and the Global Fund Secretariat has commented more than once on the relevance and usefulness of insights gained during these reviews. The United States also conducts reviews of the Global Fund's Phase Two proposals, and frequently takes the lead in mobilizing Board opinion during this key stage in the Fund's performance-based process.

Furthermore, the United States provides significant technical assistance (TA) to Global Fund grants. PEPFAR bilateral programs in both Focus and non-focus coun-

tries include such TA in their country operating budgets, in amounts ranging up to \$1 million. Such TA is vital to the success of closely-coordinated programs in which PEPFAR and the Global Fund are often working together even at the site level. As part of this in-country coordination, U.S. Government representatives are well-represented on Global Fund Country Coordinating Mechanisms, including 59 percent of the CCMs that submitted round six grant proposals. U.S. country teams are also required to describe how they plan to coordinate with the Global Fund in their annual Country Operation Plans (COPs).

Finally, the United States is authorized by Congress to use up to 5 percent of the annual Global Fund appropriation to provide targeted, short-term technical assistance (TA) to Global Fund grants experiencing bottlenecks. Because of the success of this United States-provided TA in its first 2 years, the donor community is increasingly turning to the United States to provide leadership for global technical support efforts, including through the multilateral Global Implementation and Support Team (GIST).

As mentioned in my previous response, in order to provide adequate financial and human resources to complete the goals of PEPFAR as well as maintain U.S. leadership in the Global Fund, the President has spread the request for HIV/AIDS-related resources across the two appropriations bills (Foreign Operations and Labor-Health and Human Services).

We consider this interagency approach in representing the United States on the Global Fund to be one of our coordination success stories. Through the Global Aids Coordinator, who has overall responsibility for ensuring that all statutory benchmarks have been met before any USG contribution is made, USAID, State, and HHS regularly meet and fully coordinate on all aspects of the Global Fund.

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*Question.* The fiscal year 2008 budget proposes to shift a significant amount of funding from Development Assistance to the Economic Support Fund. This would enable the Department to reallocate funds more easily, without the consent of Congress.

Why do you need this added flexibility?

Answer. In the fiscal year 2008 budget request, we sought to maximize the use of account authorities and establish clear priorities in support of effective implementation of foreign assistance programs. We, therefore, matched accounts with country circumstances and the priorities the county categories are designed to address.

This means that, overall, funding for Development Assistance (DA), which has traditionally supported poor countries that demonstrate performance or a commitment to development, has been prioritized to Developing and Transforming countries. Economic Support Funds (ESF), which focus primarily on providing economic support under special economic, political, or security conditions, have been prioritized to support activities in the Rebuilding and Restrictive Country Categories.

Under the Foreign Assistance Act of 1961, as amended, Congress established the Economic Support Fund to provide "assistance to countries and organizations, on such terms and conditions as [the President] may determine, in order to promote economic and political stability." We are committed to working within current statutory authorities to use ESF and all other funds in a responsible, accountable manner that is consistent with the Secretary's transformational diplomacy goal and Congress' authorization.

The intent in shifting funds from DA to ESF is to draw cleaner lines around their use, as identified by country characteristics. These cleaner lines allow us to justify to Congress why we have requested amounts for each account. The primary goal of this shift is not increased flexibility, and we will of course continue to notify Congress of significant shifts in country funding and to comply with any and all notification requirements. The primary rationale for using ESF rather than DA resources in Rebuilding Countries is that conditions in these countries are not stable and the primary reason for providing these funds contributes to objectives beyond their development impact. Therefore, in rebuilding countries, it is more appropriate to hold State and USAID accountable for the shorter-term results typically associated with ESF-funded programs rather than the medium to long term results expected from DA.

*Question.* As you know I am concerned about the threats to scholars—university teachers, scientists, and other academics, in countries where they have been threat-

ened and killed. This is particularly the case in Iraq today, where many have been assassinated, including officials at the Ministry of Education.

The fiscal year 2007 supplemental appropriations bill includes some funding to resettle Iraqi scholars. I would appreciate it if someone in your office would stay in touch with me about the management and use of those funds.

Answer. The plight of scholars in Iraq is a concern for us, particularly because the skills they possess will be vital in rebuilding the nation and recreating the institutions of a civil society. We are determining the best implementation policy for the currently appropriated funds for refugees in the fiscal year 2007 Supplemental. These funds will be crucial to help ensure these scholars and others receive needed assistance and can return to Iraq when conditions permit. We will be happy to keep you informed as the program progresses.

*Question.* It would be a serious mistake to reduce USAID's mission and bilateral assistance programs in Brazil, a country of over 170 million people most of whom are impoverished which is facing immense environmental challenges of global importance. I strongly urge you not to do this and I would appreciate written justification for it and for any other USAID missions you plan to close or downgrade.

Answer. The reduction in USAID's assistance programs in Brazil reflects the prioritization of U.S. global foreign policy goals against available resources and competing demands. Under the new Foreign Assistance Framework, Brazil's solid level of economic and democratic progress warrants only a small USAID development assistance program. In fiscal year 2008, USAID's program will focus on reducing tuberculosis in Brazil.

The reduction in assistance from USAID does not signal a reduction in United States support for Brazil. While the fiscal year 2008 budget has diminished, significant resources have been leveraged from the private sector toward addressing issues such as renewable energy and social inequities. The U.S. mission is seeking to harness the energies of the private sector, including through a Chief Executive Officer forum, comprised of executives from both Brazil and the United States. We have developed a Corporate Social Responsibility (CSR) forum with the American Chamber of Commerce, the largest such entity in the world, to maximize our effectiveness in assisting those that are most in need of help in Brazil.

This approach is consistent with the principles of Transformational Diplomacy which is rooted in partnership, and reflects the important position of Brazil in the Western Hemisphere as well as the world.

*Question.* How much does the administration plan to allocate for environmental conservation activities in Brazil in fiscal year 2007, and for what purposes?

Answer. In fiscal year 2007 USAID is providing a total of \$9,269,000, which includes \$4 million from the Amazon Basin Conservation Initiative, to support Brazil's conservation efforts in the Amazon. USAID is helping Brazil save its unique biodiversity while simultaneously reducing greenhouse gas emissions from deforestation. We are implementing activities that empower indigenous peoples' organizations, promote environmental governance and support the sustainable management of natural resources. USAID supports efforts to create and disseminate information regarding public-private institutional alliances that are working to incorporate sustainable natural resource management practices and technologies into rural enterprises. Additionally, USAID assistance is helping the Government of Brazil consolidate forest conservation in both protected areas and productive landscapes.

*Question.* Your budget would cut USAID's Operating budget from \$641 million in fiscal year 2007 to \$609 million in fiscal year 2008. Your supplemental request for 2008 includes \$61 million for USAID Operating Expenses, but that is for only Iraq and Afghanistan. The rest of the world gets shortchanged, again.

If you ask anyone at USAID they will tell you that the agency's biggest weakness is the shrinking number of professional staff. Why have you cut USAID's Operating budget when we should be increasing it?

Answer. The fiscal year 2008 USAID budget request is a reflection of the many competing demands on resources in the current budget environment. We believe the President has requested the amount necessary to accomplish the mission of the agency.

USAID operates in some of the most difficult circumstances in the world and adequate resources are critical to implementing successful programs. USAID is currently reviewing its budget and structure to ensure that operations and staffing are appropriately funded to continue its mission and support our national security interests abroad. Specific attention is being paid to rationalizing the workforce as USAID needs appropriate staffing both in the field and in Washington. Programmatic and administrative resources must be allocated to ensure that operations are funded in a cost-effective manner, while preserving the integrity of USAID's mission.

*Question.* In your response to this question, you recognize that USAID operates “in some of the most difficult circumstances in the world and adequate resources are critical to implementing successful programs.”

How do you explain the substantial reduction in funding for USAID’s Operating Expenses from the President’s fiscal year 2007 budget request compared to the budget request for fiscal year 2008, for expenses outside of Iraq and Afghanistan?

*Answer.* The fiscal year 2008 Operating Expense (OE) request for expenses outside of Iraq and Afghanistan is 3 percent less than the fiscal year 2007 OE appropriation. At the time the President’s budget was submitted, USAID expected to have implemented structural and operational reforms during fiscal year 2007 that would allow the Agency to effectively perform at the operating expense level requested for fiscal year 2008. The fiscal year 2008 OE budget request reflected a strategy of repositioning resources and restructuring operations around the world, including Washington. With that strategy in mind, the OE budget request was judged sufficient to carry out the mission of USAID.

USAID is reviewing and refining its worldwide operations to better serve its mission. USAID will use all available authorities and resources in fiscal year 2008 to ensure that its programs are successful.

*Question.* The Congress has consistently provided increased funding for international environmental programs, both to protect biodiversity and to promote energy conservation and efficiency. These programs have bipartisan support, from the Russian Far East to Central Africa to the Amazon.

But your fiscal year 2008 budget would either eliminate completely or drastically reduce funding for environment programs everywhere. How do you explain this when forests, wildlife, water and other natural resources are being polluted or destroyed at a faster and faster pace on virtually every continent?

*Answer.* Our strategy is to link healthy ecosystems to sustainable economies, good governance, and equitable and just societies. The fiscal year 2008 budget request includes \$249 million for programs to protect natural resources, biodiversity, and support clean, productive environments. The decrease in resources to support the environment, down 17.5 percent from the fiscal year 2006 enacted level of \$302 million, is not a reflection of a lack of commitment but rather due to two changes. The first is the administration’s decreased request for DA. The second is our new allocation process which is a more demand driven process from our Embassies and Missions.

Countries were given their total budget number at the outset of the Operational Plan Process. In some cases, the total number was lower than last year or lower than their request. Under this year’s more demand focused allocation process, many of our country teams either did not request funds for environment or they requested funds in smaller amounts than previously in order to maintain or increase programs in sectors which they judged to be more critical to their objectives. A few countries did identify environment as needing a higher priority and chose to request more funds in the environment than they had in previous years. Haiti, for example, had no funds budgeted for environment in fiscal year 2006 and requested \$2.9 million for fiscal year 2008. As one of the most deforested countries in the world, Haiti’s need to address environmental problems was identified this year by our country team as needing funding. The Near East and Asia region saw a small overall increase in their environment budget due to a \$10 million increase in Lebanon’s and Jordan’s water programs. The country teams in these two countries identified the need to address and fund water scarcity and poor quality issues as an important factor in maintaining stability and security.

This year’s demand-driven process illustrates how the Department of State and USAID jointly determined a country’s need and drove the selection of funds into the various sectors; a process that we believe will produce more robust results in transformational diplomacy.

Sustainable conservation programs should not only be demand-driven, but focus on host country ownership by being developed in partnership with local governments, institutions, and the private sector. To encourage this, we will undertake an innovative approach to facilitate private sector investment on environmental issues. Beginning in fiscal year 2007, we will look to the Development Credit Authority (DCA) to facilitate private sector investment through partial loan guarantees for partnerships in environmental sustainability for commercially viable ventures.

The Development Credit Authority is a USAID partial credit guarantee mechanism that mobilizes private financing to achieve transformational development. By mobilizing private resources for market changing impact, USAID leverages an average of roughly \$25 of private capital for each \$1 invested by the USG. For example, in India, DCA raised nearly \$23 million from the local capital market through a

pooled municipal bond for water transmission and distribution networks in eight municipalities in Bangalore. The cost to the U.S. taxpayer for the loan guarantee was approximately \$1 million.

USAID can also provide DCA guarantees to engage private financial institutions in lending for steward projects led by communities. For example, a DCA guarantee can mobilize financing for community managed forestry concessions while encouraging the tree harvesting and marketing to be undertaken in a sustainable manner. Because the community is itself invested, the likelihood of the community working to make it sustainable is increased. Should such investments prove successful and profitable, our hope is that local financial institutions will look for similar investment opportunities without further credit guarantees from the USG foreign assistance budget. While this DCA experiment is not appropriate for most of the environmental programs needed by our partner countries, it illustrates an innovative and low cost approach to addressing the environment in those cases where facilitating such private sector ventures can be helpful additions.

#### FUNDING FOR INTERNATIONAL ENVIRONMENTAL PROGRAMS

*Question.* You responded to my question about cuts in funding for environmental conservation programs by saying that your new allocation process is “much more demand driven” from Embassies and Missions, and that you plan to look to the Development Credit Authority (DCA) “to facilitate private sector investment in environmental sustainability for commercially viable ventures.”

This suggests two things, first, our Embassies and Missions do not regard environmental conservation as a priority and are therefore not demanding the funds. Second, by putting so much reliance on the DCA and the private sector you appear to have a very limited approach to environmental conservation. Given the increasing threats to the environment and the implications this has for regional and global stability, how much do you expect to allocate through your demand driven approach, and in which countries?

*Answer.* In my previous answer, I did not intend to give the impression that the administration does not place a priority on environmental conservation. To the contrary, the administration is committed to helping developing countries address critical environmental threats, including climate change and biodiversity, and to achieving economic growth and poverty reduction that is based on sustainable use of natural resources.

President Bush’s major new Climate Change Initiative, announced on May 31 in his speech to the Global Leadership Council, is one example of how we are working to address environmental problems. The Initiative is designed to rapidly reduce global greenhouse gas emissions by engaging major developing country partners, who account for a large and growing share of greenhouse gas emissions. The President’s Climate Change Initiative will build on a number of existing global and regional programs, including the Asia-Pacific Partnership and the Methane to Markets initiative.

In this and other key environmental areas, our Embassies and Missions are working with diverse government, private sector, and civil society partners in more than 40 countries—and we are applying a broad range of country-based and regional approaches—to improve environmental protection and conservation.

Our new assistance process is also helping to address these issues. The After Action Review of the fiscal year 2008 budget process resulted in the adoption of Assistance Working Groups (AWGs). The AWGs are tasked with determining what approaches may be appropriate in a given country or region based on a holistic view of the critical development gaps and the perspective of the relevant host government(s). The purpose of the AWGs is to bring together expertise from across State and USAID to identify the most effective and efficient way to use USG foreign assistance to advance USG foreign policy priorities.

In the fiscal year 2009 budget allocation process, to consider how economic growth programs and activities, including the environment, could be implemented to advance our foreign policy priorities, an economic growth AWG, co-chaired by Office of the Director of U.S. Foreign Assistance with State and USAID Functional Bureau leadership, was assembled. This AWG also considered other USG global, regional, and bilateral resources, such as fiscal year 2009 anticipated MCC allocations, and were encouraged to reach out to other implementing agencies with questions or a request for additional details. Taking into account this information and the Mission Strategic Plans from the field, the economic growth AWG provided program allocations to the program element and account level, and, where possible, attributed funds to specific countries and/or programs.

In developing our foreign assistance budget in the constrained budget environment that is our reality, there are numerous competing demands in supporting development, including security and governance issues, and raging health crises. In setting our budgets, we are looking to address immediate problems in a sustainable way and to find the best opportunities to impact the lives of the most people. At the same time, we recognize that addressing stability and governance can achieve environmental results, as conflict, poverty and poor governance are significant contributors to environmental degradation in the developing world. The fiscal year 2008 budget request includes \$249 million for programs to protect natural resources, biodiversity, and support clean, productive environments although final allocations for fiscal year 2008 will be impacted by the fiscal year 2008 appropriations bill. We anticipate that the heightened cooperation arising from the AWG process may well result in a fine tuning and perhaps even expansion of regional and country environmental programs in the fiscal year 2009 request which we are currently working on with the Office of Management and Budget.

*Question.* I am leading a CODEL to the Middle East over Memorial Day recess, including to Israel and the West Bank. Since the beginning of this administration I and others have called for sustained, high level engagement with Israelis and Palestinians, but for the most part the administration's focus has been elsewhere. Your recent efforts are welcome, but it is very late in the game. In the past 6 years the situation has, if anything, become more intractable. We need to see real progress in resolving the key issues that underlie this conflict.

When was the last suicide bombing for which Hamas was responsible?

Which Palestinian faction(s) are responsible for recent rocket attacks against Israel?

The Arab countries have proposed an initiative which offers Israel full recognition by the 22 members of the Arab League in exchange for Israel's withdrawal to its pre-1967 borders. Does the administration support this proposal? If not, what aspects of it does the administration not support?

Who is responsible for recent rocket attacks from Gaza into Israel? In 2007, what if any acts of terrorism against Israeli targets are credibly attributable to Hamas?

Answer. In his September 19, 2006, UNGA address, President Bush said that fulfilling his vision of two states—Israel and Palestine—living side by side in peace and security, was one of his greatest priorities. Internationally, the Quartet—made up of the United States, EU, United Nations and Russia—has declared repeatedly the need to make progress toward peace in the Middle East.

During my repeated trips to the region over recent months, I have emphasized the importance of continued bilateral discussions between Prime Minister Olmert and President Abbas both on day-to-day practical issues such as security, movement, and access, as well as on elements of a political horizon for Palestinian statehood. I traveled to the region on March 23rd to continue discussions with the parties as well as with our Arab partners in the region. This trip resulted in agreement by Olmert and Abbas to hold regular meetings addressing practical issues affecting the quality of life of Israelis and Palestinians, as well as beginning to discuss some of the characteristics of a future Palestinian state, such as governing institutions and economic relations with Israel. These discussions should build confidence between the parties and begin to lay the foundation for meaningful negotiations leading to the establishment of a Palestinian state, consistent with the Roadmap.

The last suicide bombing for which Hamas was responsible took place on January 18, 2005 in Gaza, killing an Israeli security officer and injuring eight other soldiers and security agents. In March of this year, Hamas claimed responsibility for shooting an Israel Electric Corporation worker near the Karni/al-Mintar crossing between the Gaza Strip and Israel, moderately wounding him. According to press reports, that same month, Egyptian authorities detained an alleged would-be Hamas suicide bomber next to the Israeli border as he awaited instructions to carry out a terrorist attack inside Israel.

Individuals linked to Hamas were involved in the September 21, 2005 kidnapping and murder of an Israeli citizen in the West Bank. According to claims by Hamas, al-Aqsa Martyrs Brigade, and the Popular Resistance Committees (PRCs), a number of terrorist attacks were perpetrated by one or more organizations acting together, including the January 13, 2005 truck bombing of the Karni/al-Mintar cargo crossing terminal on the Israeli-Gaza border, which killed six Israeli civilians and wounded another five.

In November 2006, President Abbas and Prime Minister Olmert agreed to a ceasefire in Gaza. Following this announcement, Hamas stopped launching rocket attacks into Israel. No action was taken, however, by the forces of the Hamas-led Interior Ministry to stop rocket attacks launched against Israel by Palestinian Islamic Jihad (PIJ) and the al-Aqsa Martyrs Brigade. Over recent weeks, as intra-Pal-

estinian violence escalated, Hamas disavowed the ceasefire and Hamas and PIJ have been responsible for much of the recent spate of Qassam rocket attacks against Israel.

The United States welcomes the Arab Peace Initiative, which provides a regional political horizon for Israel, complementing the efforts of the Quartet and of the parties themselves to advance towards peace.

*Question.* According to recent press reports a current Israeli Government registry shows that more than 30 percent of property held by Israeli settlements in the West Bank is actually private Palestinian land. I have also read that the separation wall exacerbates this problem because in many places it does not follow the 1967 border and instead encroaches into the West Bank, cutting off villagers from their fields or access to water, and in some places dividing Palestinians from their neighbors. I've not heard anything from the administration on either of these issues. What is your position?

Has the administration completed its review of Israel's use of cluster munitions in Lebanon last year, particularly during the final 3 days of the conflict, and has it taken any action as a result of the findings of that review?

*Answer.* The President stated in April 2005 that "Israel has obligations under the roadmap. The roadmap clearly says no expansion of settlements. And we'll continue to work with Israel on their obligations. Israel should remove unauthorized outposts and meet its roadmap obligations regarding settlements in the West Bank."

The Government of Israel has legitimate defense needs to secure its border in response to attacks and infiltrations by those who commit suicide attacks against citizens. Our view remains that the barrier should be a security rather than a political barrier, should be temporary rather than permanent, and should therefore not prejudice any final status issues including final borders, and its route should be taken into account, consistent with security needs, its impact on Palestinians not engaged in terrorist activities.

Regarding cluster munitions, the Department provided a report to Congress on this matter in January, and will continue to update the Senate Appropriations and Foreign Relations Committees staffs on this issue through additional briefings, including the results of the Government of Israel's ongoing internal investigation. As the contents of our agreements with Israel are classified, we are not in a position to provide further information in this letter.

*Question.* Last year, when the White House announced that its survey indicated a slight rise in the price of cocaine in the United States over a period of 6 months, the State Department claimed it was proof that Plan Colombia was finally beginning to show the results we were promised. When this year's report was released and the survey showed that the price of cocaine had fallen to a new low, the administration said nothing.

Since then, the only argument the administration makes that its counterdrug policy is working is that if the cocaine that has been seized or eradicated had made it to the United States, the drug problem would be worse. But that ignores the fact that the flow of cocaine is determined by the demand. There is no evidence that Plan Colombia, after \$5 billion in U.S. aid, has made a dent in the availability or price of cocaine in this country.

Your fiscal year 2008 budget request for Colombia is almost exactly the same amount for the same purposes as it has been for the past 5 years. Isn't it time to evaluate why it isn't working, and try another approach?

*Answer.* This question provides an important opportunity to examine and clarify what we are doing in Colombia and why we are doing it. The U.S. Government strategy against cocaine is based on the underlying principle of action against the early stages of drug production—to disrupt activities, eradicate crops and interrupt materials flow as much as possible in the source zones.

A key goal of Plan Colombia's comprehensive approach, which encompassed our strategy plus the strengthening and expanding of government presence, eradicating and interdicting the drugs that fueled the conflict, and implementing alternative and social development programs, was to reduce significantly the supply of cocaine to the United States. Although these measures arrested, and temporarily reversed, the almost unfettered increase in coca cultivation that occurred through 2001, they did not permanently diminish the supply of cocaine to the degree necessary to increase its price significantly or reduce its purity on U.S. streets.

Contrary to the assertion in the question, cocaine supply is not solely determined by demand. The supply of a substance as addictive and as aggressively marketed as cocaine itself influences the level of demand. Suppliers are in the business of expanding their market, and they use whatever means available to them. Also, one explanation for the reported lack of progress on price and purity could be that be-

cause U.S. cocaine use has steadily declined over the same period, it simply takes less product to meet market demand.

We continue to believe that the removal of hundreds of metric tons of cocaine from the supply chain every year (approximately 500 MT in 2006 alone) through United States-supported eradication and interdiction efforts has a very real and positive impact on cocaine availability, as well as a very real reduction in illicit drug finances. Conversely, because those eradication and interdiction efforts place the illicit drug industry under great pressure, abatement of those efforts would yield real and negative results.

More broadly, we do not believe that the price and purity of cocaine in the United States should be the primary benchmark by which the success of foreign assistance to Colombia in general, and support for Plan Colombia in particular, is measured. Colombia's democratic security policy—and the paramilitary demobilization—has strengthened Colombia's democratic institutions, and led to substantial improvements in human rights protection. Murders are down almost 40 percent, from 29,000 in 2002 to 17,300 in 2006. Colombia's aggregate homicide rate is at its lowest level since 1987. Kidnappings fell 75 percent over the same time period, from 2,885 to 687. Victims of massacres fell from 680 in 2002 to a little over one third that amount in 2006. The dispersion and decentralization of the coca crop in Colombia is a reflection of the dispersion and weakening of the cartels and terrorists that once threatened to overrun the country.

The improved security climate has promoted Colombians' freedom to travel, work, socialize, and invest. Economic growth has averaged over 5 percent since 2002. Civil society and political parties operate more openly than ever before. The labor-affiliated National Unionist College reported that murders of unionists fell by over 60 percent between 2001 and 2006. The number of human rights defenders killed or missing dropped from 17 to 4 over this same time period. Much of this improvement can be attributed to greater government control and participation, brought about by the improved security situation generated by our eradication and interdiction efforts.

In most categories by which we can measure the success of our foreign assistance investment, Colombia is vastly improved over its pre-Plan Colombia days. Indeed, it is difficult to imagine another country in which U.S. foreign assistance has produced more impressive returns. Of course, many serious challenges remain, including bringing perpetrators of crimes against humanity to justice and providing alternative livelihood opportunities for those now compelled by coercion or economic circumstance to collaborate with drug traffickers or to engage in armed actions against the legitimate government. However, exclusively defining foreign assistance success in Colombia by the price and purity of cocaine in the United States, or by the number of hectares under coca cultivation, overlooks these broader successes.

Moreover, eradication and interdiction are reasonable law enforcement efforts in their own right. Growing coca is illegal in Colombia. Transporting and processing coca, coca base, and cocaine are also illegal. The terrorist groups and others which these illegal activities fund are a threat to Colombia's democratic society.

We are not advocating continuance of the status quo without critical review and development of more effective strategies. Indeed, we have been engaged with the Government of Colombia for over a year in developing a new strategy that would carry through fiscal year 2013 and that, subject to yearly Congressional approval, would shift funding to social programs and reduce by one third U.S. funding to law enforcement and military ("hard side") programs. In the near term, we are looking for ways to strengthen the Prosecutor General's office and produce movement on longstanding cases. In addition, we are continually reviewing operational strategy and tactics to find more efficient and effective methods. A prime example is the change to our aerial eradication strategy in which we stay longer in the three primary growing areas, instead of trying to spray every major and minor growing area once a year. This new strategy is designed to directly address replanting and break the cultivation cycle.

However, as long as illicit drug trafficking remains a highly profitable enterprise, this battle will require the full array of law enforcement, military, alternative development, social, judicial, and economic assistance. The fiscal year 2008 budget request is similar to fiscal year 2007 in part because it is necessary to maintain aviation asset availability to keep eradication apace (including manual eradication, which is also partially dependent on United States-supported aviation assets).

Aviation-intensive counternarcotics and counter-terrorism programs have filled a critical need in Colombia's war against drugs and terrorist groups. The Colombian Government has clearly stated that continued U.S. support for these programs remains critical, and that, for now, our proposed mix of U.S. assistance continues to reflect their most urgent needs.

*Question.* You recently certified that the Colombian Government and military have met the human rights conditions in our law. According to information we have received from the United Nations, the Procuraduria, and the Colombian Commission of Jurists, extrajudicial killings by the Army rose sharply last year, to between 150–250 depending on the source of the information. Did the Embassy discuss these cases with the United Nations, the Procuraduria, or the Colombian Commission of Jurists prior to making the certification? If so, what conclusions did the Embassy reach as a result of those discussions? Why, given this negative trend, did you certify substantial progress? Has anyone been convicted of any of those crimes?

The United Nations and the Colombian Commission of Jurists also estimate over 800 targeted killings by paramilitaries, despite the demobilization, last year. Has anyone been convicted of any of these crimes?

What has the Embassy done to determine whether paramilitary commanders in the Itagui prison are continuing to engage in criminal activity? In light of recent revelations that they were apparently using cell phones to continue committing killings and other crimes, has the Colombian Government ordered the cell phones removed? Was the Colombian Government legally monitoring paramilitaries' calls?

We are told that Mancuso has confessed that General Rito del Rio collaborated with the AUC, and that he told the AUC which areas of the country they could control. Is it true that President Uribe publicly praised Rito del Rio in a ceremony organized to honor del Rio after the United States revoked his visa and after he was fired from the Army? What is the Fiscalía doing to investigate the allegations against del Rio? What is the Fiscalía doing to investigate other members of the military named by Mancuso?

*Answer.* The Embassy discussed the issue of alleged extrajudicial killings with the U.N. High Commissioner's Office on Human Rights, the Colombian Commission of Jurists (CCJ), and the Inspector General's Office (Procuraduria), as well as with the International Committee of the Red Cross (ICRC). The Embassy has also emphasized to the Prosecutor General's Office (Fiscalia), the Minister of Defense, the Armed Forces and Army Commanders, and the Procuraduria the need to investigate these cases in a rapid and thorough manner and to review military practices, training, and doctrine to prevent such cases from occurring.

The CCJ provided the Embassy with information that showed 93 people were allegedly killed or disappeared by paramilitaries in the first half (Jan-July) of 2006. During the period June 2005 to July 2006, the CCJ reported 354 individuals were allegedly killed by paramilitaries, down from the 1,234 reported during the comparable period from June 2003 to July 2004. The Fiscalía told us it currently has multiple cases open against former paramilitaries, but was not able to provide an exact nationwide figure. The Fiscalía also said there have been convictions over the past year, but that the Human Rights unit does not have centralized statistics on the exact number of convictions.

The Fiscalía has 77 cases of extrajudicial killings open at the moment, with a total of 133 victims. According to the Fiscalía, there are 48 members of the military now in preventive detention in connection with these cases. The Procuraduria has since told the Embassy that 131 cases of alleged forced disappearance committed by the military have been reopened. We will continue to follow these cases.

There is an ongoing investigation by a USG law enforcement agency, in cooperation with the Colombian authorities, of criminal activities allegedly being committed by former paramilitary commanders currently in Itagui prison. The Colombian government reports that paramilitary leaders held in Itagui—who have the formal status of negotiators in the paramilitary process—enjoy access to cell phones similar to that provided to ELN negotiators Francisco Galan and Juan Carlos Cuellar. Colombian law enforcement agencies are investigating the alleged involvement of paramilitary commanders in Itagui in criminal activities, but have not ordered the cell phones be removed. Colombian National Police Commander Oscar Naranjo has since told the Colombian Congress that the Police's monitoring of communications in Itagui was legal. The Fiscalía and the Procuraduria are reviewing the monitoring and will make a determination regarding its legality.

According to the Fiscalía, currently there are no active investigations linked to Mancuso's testimony. In particular, General Rito del Rio is not presently under investigation by the Fiscalía. However, the Fiscalía plans to follow-up with Mancuso regarding his testimony that concerns General del Rio; it will make a decision on whether to reopen the case and undertake a formal investigation at that time.

We understand that the Inspector General has reopened its investigation into General del Rio's actions while serving as commander of the 17th Brigade, as a result of disclosures from the paramilitary investigations. The reported praise of del

Rio by President Uribe occurred at a dinner at the Hotel Tequendama in Bogotá in May 1999. This was 2 months before the United States revoked his visa.

*Question.* What will it take to get a U.N. peacekeeping force deployed of sufficient size to stop the genocide in Darfur? Is it just a question of how much international pressure the Sudanese Government can withstand? Where does that pressure need to come from? What is the administration doing, since past efforts have failed?

*Answer.* The United States and the international community are firmly committed to resolving the crisis in Darfur and bringing sustainable peace to Sudan. Transition of the current African Union Mission in Sudan (AMIS) to a more robust United Nations/African Union (U.N./AU) hybrid peacekeeping operation remains a policy priority for the United States and its allies. However, President Bashir continues to defy his international obligations and reject the deployment of an U.N.-led hybrid force in spite of previously stated support for the Addis Ababa framework of a three-phased peacekeeping plan to Darfur.

We believe that continued unified multilateral pressure from key players, including members of the U.N. Security Council, European Union, AU, and Arab League is required to convince the Government of Sudan (GoS) to accept the U.N./AU hybrid force with U.N. command and control structures that conform to U.N. standards. We continue to reach out to international partners in the United Nations and European Union to urge sustained pressure on Khartoum. We believe that all options must remain on the table. This includes possible multilateral and further bilateral sanctions.

In preparation for the hybrid deployment, we are also working with the United Nations and our international partners to accelerate implementation of the Addis Ababa framework and to mobilize potential Troop Contributing Countries (TCCs) to contribute to a stronger Darfur peacekeeping mission. This includes U.S. logistical support for the United Nations Light Support Package to AMIS to bolster the current mission on the ground and facilitate transition to a robust hybrid operation as well as training and equipping of additional TCCs through the African Contingency Operations Training and Assistance (ACOTA) program.

*Question.* Do we have any evidence of the existence of terrorist assets in Cuba? Your [U.S. State Department Country Report on Terrorism] report says Cuba did “not undertake any counterterrorism efforts.” Does that make them a state sponsor of terrorism? Your report says Cuba continued to provide “safe haven” for members of Colombian rebel groups. But according to the Colombian Government, Cuba has been acting as a facilitator for peace talks between the government and these groups. How does this make them a state sponsor of terrorism?

*Answer.* Cuba has been on the State Sponsors of Terrorism list since 1982. The decision to place Cuba on that list was originally based on Cuban support for terrorist insurgencies attempting to overthrow democratic governments in Latin America.

Cuba has provided on-going safe haven to several U.S. designated terrorist organizations such as the FARC, ELN, and ETA. If Cuba were serious about fighting terrorism, it would renounce the support it offers to these terrorist groups, arrest members and seize their assets. The fact that the Cuban government allows the presence of these groups in Cuba is an indication that terrorist assets or support structures exist as well. Cuba’s role in dialogue between Colombian terrorist organizations and the Colombian government does not discount the support it provides these terrorist organizations.

Cuba also remains on the list since it continues to harbor fugitives from U.S. justice, including Joanne Chesimard, who escaped from prison after her conviction for the murder of a New Jersey State Trooper while a member of a domestic terrorist group. In addition, Cuba provides shelter to Victor Manuel Gerena, an FBI Top-Ten Most Wanted fugitive. Gerena, a member of the “Macheteros” terrorist group, participated in the 1983 armed robbery of an armored car that netted \$7 million.

*Question.* Why are we backing a general who seized power in a coup and has used his position to weaken democracy and the rule of law in Pakistan, without clear benchmarks with which to measure progress on democracy and human rights?

*Answer.* We have made it clear to the Pakistan Government that we expect Pakistan’s upcoming national elections, which are likely to take place in late 2007 or early 2007, to be free and fair. In those elections, Pakistani voters will have the opportunity to select the government that will lead the country forward.

We have also been clear to the Pakistan Government about our appreciation for the enduring, substantial support that President Musharraf has provided in the Global War on Terror—and we have been clear that we believe that his vision of “enlightened moderation” represents a positive future for Pakistan.

During meetings in Islamabad in March 2006, President Musharraf and President Bush agreed the United States would support Pakistan as it builds strong and

transparent democratic institutions and conducts free and fair elections to ensure sustainable democracy. We continue to support these goals.

President Musharraf has stated that his plan remains the same—to move toward a civilian-controlled democracy. We have seen some positive progress in Pakistan in key areas such as electoral reform, women's rights, local governance, and—despite recent setbacks—freedom of the press.

To take a few examples: in the area of election reform, Pakistan—with USAID assistance—is assembling the highest-quality and most-reliable electoral roll in its history, to be finished in time for the upcoming national elections. In the civil liberties arena, in December 2006 President Musharraf signed the Women's Protection Act amending the Hudood Ordinance, marking a significant step toward improving the legal rights of women in Pakistan by allowing criminal courts (rather than religious courts) to try rape cases. The act marks the first time in nearly three decades that a Pakistani government has rolled back discriminatory laws that have stood virtually untouched since the time of General Zia-ul-Haq. In the area of local governance, the devolution reforms implemented by the Government have increased public access to local government, and government accountability.

We have also seen, over the past 6 or 7 years, significant increases in the freedom of the Pakistani press and in the Pakistani public's access to reliable information and outspoken views in the media. We have made our views clear that this is a trend that must continue, and that cannot be set aside or reversed. We urge the Pakistan government to continue their progress by holding free and fair multi-party elections as scheduled in 2007 or early 2008 that meet international standards.

As the President recently stated, "We have a fundamental interest in the success of Pakistan as a moderate, stable, democratic Muslim nation."

*Question.* When Speaker Pelosi met recently with Syrian President Assad, the White House accused her of meddling in foreign policy and undermining the administration's efforts to isolate Syria. However, when other Members of Congress, including Republicans, met with Assad, the White House said nothing. And in Egypt recently you met with Syria's foreign minister in what were described as substantive and professional discussions. Is the administration's position that it is okay for Republicans to meet with the Syrians, but not Democrats? Or that it is okay for the administration, but not Congress?

*Answer.* In an effort to ensure that the legislative and executive branches of the U.S. Government deliver the same message that Syria must change its behavior on a broad range of issues, the Department continues to advise against Congressional travel to Damascus. High-level United States visits to Damascus are exploited by the Syrian regime to demonstrate a degree of legitimacy and international acceptance that Syria has not yet earned.

The United States remains committed to maintaining peace and security in the region. To this end, we continue to review what tools are available to pressure the Syrian regime into changing its behavior.

The Syrian Foreign Minister and the Secretary's discussion on the margins of the Expanded Iraq Neighbors' Conference meeting in Sharm el-Sheikh was limited to Iraq. Moreover, the Secretary relayed to the Syrians that we have no desire to have bad relations with Syria. As the Secretary said, "the Syrians clearly say that they believe that stability in Iraq is in their interest, but actions speak louder than words we will have to see how this develops." Before we can accept Syria into the international community, "there need to be concrete steps that show that on the Iraqi issue, for instance, that there is actually going to be action."

*Question.* You have already heard many of us mention China this morning. China is our fastest growing competitor on every front, but the rule of law is often violated by Chinese authorities and civil society has few rights. The courts are not independent and there are almost no checks on government power.

Each year, Senator McConnell when he was Chairman and I, as well as Senator Specter, have tried to increase our assistance for rule of law and justice programs in China. Yet each year, the administration proposes to cut these programs. For fiscal year 2008 you propose only \$1.3 million. How can we have a meaningful impact on issues as important as these in a country of over 1.2 billion people with such a tiny amount of money?

*Answer.* We share Congress' support for rule of law, public participation and civil society programs in China.

We concur with your assessment and concerns that China's authoritarian system and a lack of judicial independence pose enormous challenges for reform. However, within these constraints, our China programs are working to foster judicial independence and legal reform; improve citizen access to legal services; increase the capacity of legal professionals; and help to produce better laws through public participation and strategic assistance from outside experts.

We hope to have a long-term impact because these programs foster the growth of civil society both as a counterweight to the government and a provider of public services.

A substantial amount of Governing Justly and Democratically programming in China is supported by funds from the Human Rights and Democracy Fund, administered by the Bureau of Democracy, Human Rights, and Labor (DRL). By the end of this fiscal year alone, DRL will have openly competed and awarded \$19.8 million in 25 grants using fiscal year 2006 appropriated funds. While democracy and rule of law development are long-term efforts, programs have already produced concrete successes that are indicative of greater changes to come. For example, in the area of women's rights, provincial level stakeholders used DRL-supported technical assistance to advocate and win passage of refinements to workplace sexual harassment laws in six provinces—including definitions and forms of sexual harassment that provide greater clarity than national law. DRL assistance is also helping to clarify judicial interpretations on sexual harassment claims. These clarifications and refinements will afford women greater protection from sexual harassment and form the foundation for future legal reform.

For fiscal year 2008, DRL intends to dedicate \$5 million out of the \$35 million requested for the global Human Rights and Democracy Fund to programs in China. This figure is a product of the new Foreign Assistance Framework and the USG's prioritization of China as a country of high importance. DRL will continue to include rule of law issues in its competitive calls for proposals to support the best initiatives proposed by partners in the NGO and academic communities.

Additionally, our Bureau for International Narcotics and Law Enforcement Affairs continues to use International Narcotics and Law Enforcement funds to support a Department of Justice Resident Legal Advisor (RLA). The RLA provides Chinese government officials, jurists, and academics with expertise on U.S. criminal law and procedure, and to promote long-term criminal justice reform in China consistent with international human rights. To this end, the RLA seeks to facilitate contacts between the United States and China, and introduce Chinese officials to U.S. justice sector values and practices.

USAID also is carrying out significant rule of law programs in China through partnerships between United States and Chinese universities. In 2006, USAID provided \$5 million, in line with the Congressional mandate, to university partnerships in the area of rule of law and the environment. A partnership between Vermont Law School and Sun Yat-sen University is strengthening environmental rule of law in China, focused on application and enforcement of environmental regulations. A consortium including the University of the Pacific McGeorge School of Law and American University's Washington College of Law with the South China University of Technology and Zhejiang Gongshan University focuses on the application of law in practice. Another premier college of law in China is expected to join the consortium in the coming year.

In 2007, USAID will be providing another \$2 million for rule of law and \$3 million for environmental governance programs, and has requested another \$5 million for fiscal year 2009.

*Question.* You propose to cut our aid to Russia from \$84 million in fiscal year 2007 to \$52 million in fiscal year 2008. If this aid was for the Russian Government I would agree with that. But most is to support Russia's beleaguered democratic forces and for health and other programs to help the Russian people, who number over 140 million. So far, your efforts to strengthen democracy in Russia seem to have failed. What is your policy toward Russia today?

By comparison, you propose \$71 million for Ukraine with 46 million people and \$35 million for Armenia with 3 million people. Given Russia's problems, why do you believe that \$52 million is adequate?

*Answer.* Our policy toward Russia is to cooperate when we can and to push back when we must. We work well and closely with Russia on counterterrorism, many non-proliferation issues, and nuclear issues. We have discussed our concerns over Russia's backsliding on democracy issues and relations with its neighbors.

This decline in the request for Russia reflects, in part, Russia's high economic growth rates and the related decision to phase out economic reform assistance for Russia. fiscal year 2008 is the first year where no funds are budgeted for assistance in this area. Democracy programs in Russia remain a top U.S. priority, with particular focus on helping to strengthen civil society, democratic institutions, independent media, and the rule of law. As in previous years, over half of the Russia budget (in fiscal year 2008, approximately \$26.2 million) will continue to be devoted to supporting efforts to promote democracy and rule of law.

The reduced request for civil society programs this year is based on the expectation that support for democratic development will be bolstered by over \$180 million

recovered from previous activities: The U.S.-Russia Investment Fund (TUSRIF) will invest its profits in a new foundation that will give grants to support entrepreneurship, the rule of law and the free flow of information in Russia. Funds recovered through the settlement of a civil lawsuit against a USAID contractor will be programmed to bolster Russian civil society groups.

Combating HIV/AIDS is also a priority, given that Russia has one of the fastest growing epidemics in the world. President Putin joined President Bush in recognizing HIV/AIDS as a threat to Russia's national security and has made fighting the disease a priority. As a result of programs in this area, United States and Russian lab specialists are working side by side to strengthen HIV/AIDS laboratory capacity in Russia and Africa. Funding in this area will increase to \$11 million in fiscal year 2008. U.S. programs also support joint efforts with Russia to combat transnational threats such as organized crime, drug smuggling, trafficking in persons, cyber-crime, and terrorist financing.

In the North Caucasus, the Russian Government's unwillingness to meet the needs of internally displaced persons exacerbates regional instability and creates an environment ripe for extremism. Fiscal year 2008 funding will also support conflict mitigation programs in the region as well as humanitarian assistance to help stem the spread of violence and promote health, sanitation, and community development.

*Question.* Your fiscal year 2008 budget would cut aid for Guatemala, Honduras, and Nicaragua, three of the poorest countries in the hemisphere. Each of these countries is a source of illegal immigrants to the United States. Why does this make sense?

*Answer.* The Americas are an important priority for the administration. Overall foreign assistance to the region has nearly doubled since the start of this administration, from \$862 million in fiscal year 2001 to \$1.5 billion in fiscal year 2008 (requested). This amount does not include MCA compacts.

The traditional bilateral assistance programs for Guatemala, Honduras, and Nicaragua in fiscal year 2007 are reduced from their fiscal year 2006 levels. However, pending the final fiscal year 2007 allocations, we expect that all three bilateral programs will be increased in fiscal year 2008. It is important to note that our bilateral programs do not reflect the totality of our assistance. For example, in fiscal year 2008, we requested \$40 million for the regional CAFTA-DR TCB program focused on helping these economies take full advantage of the benefits of the CAFTA-DR Free Trade Agreement. USAID also administers several significant development programs focused on health, education, and environment throughout Central America. The Peace Corps is also very active with robust programs in all three countries.

In addition to traditional foreign assistance programs, the United States contributes to the region through innovative mechanisms such as the Millennium Challenge Account (MCA) and debt relief programs. The Millennium Challenge Corporation (MCC) has approved five-year compacts for Nicaragua (\$175 million) and Honduras (\$215 million), and we are working closely with Guatemala to help them qualify for future MCA assistance.

In his March 5 speech to the Hispanic Chamber of Commerce, the President announced several additional development initiatives for Latin America, including a \$385 million expansion of a \$100 million OPIC program that helps underwrite mortgages to families in the countries of Central America, and an agreement with the IDB to extend debt relief to the most highly indebted countries in the region (including Honduras and Nicaragua) by \$3.4 billion. The latter would be in addition to an earlier agreement with the Group of 8 industrialized nations to reduce the debt of Latin America and Caribbean nations by \$4.8 billion. That works out to about \$110 for every man, woman, and child in these countries, monies that their government should use to invest in the education and health of their citizens.

In 2006, the United States spent nearly \$3 million and conducted 70 medical readiness and training exercises, or MEDRETEs, in 18 countries throughout Central and South America and the Caribbean at an estimated cost of nearly \$3 million. In 2007, we have already conducted 65, in 15 countries, including activities in Guatemala, Honduras, and Nicaragua. Combined, the MEDRETEs provide medical care to more than 200,000 individuals—in many cases the only professional medical care they will receive.

Additionally, Health and Human Services Secretary Mike Leavitt and his Panamanian counterpart just inaugurated during the OAS General Assembly the "Initiative for Health Diplomacy in the Americas," which is providing technical and financial resources from the U.S. Government and private-sector to improve health care for people in Central America. One of the main objectives of this initiative is to train community health workers and nurses from across Central America in providing basic preventive care and in responding to infectious disease outbreaks. We

remain committed to assisting governments to address the needs of their peoples, and are now taking advantage of non-traditional ways to do so.

*Question.* The Millennium Challenge Corporation was established in 2003, and since then we have appropriated \$5.9 billion for it. The MCC has signed 11 compacts to date and six more are projected in 2008. To date, \$3 billion obligated and only \$68 million has been disbursed to governments, much of which has not actually been used yet to purchase anything. What has actually been accomplished with the funds?

*Answer.* Early year MCC disbursements have been admittedly modest, but we are working with MCC to match disbursements with expectations. During a typical 5-year Compact, MCC generally expects to disburse less than 8 percent of total funds during the first year, nearly 28 percent the second year, around 31 percent the third year, 22 percent the fourth year, and 11 percent during the final year as projects and related contracts are completed. This is consistent with large project implementation even in the private sector. While actual disbursements are modest at around \$84 million, contracts and commitments (administrative reservations of funds not taken on legally binding transactions or documents) are nearly double that amount. In Madagascar, MCC's first Compact partner country, 23 percent of the total Compact amount has been committed.

MCC has every intention of using the entire amount obligated to each and every Compact and Threshold partner country, but in many cases MCC's high standards—on procurement processes, environmental and social impact mitigation, monitoring and evaluation—have slowed down the process. In some cases, disbursements are triggered only when conditions precedent, as spelled out in Compact and Threshold documents, are met. Indeed, we often remind countries that MCC should not be taken for granted, since continued engagement is conditional on good policy performance. That is one of the core principles of the Millennium Challenge Account, distinguishing it from foreign assistance policies of the past.

However, MCC's high standards are not the only reason behind modest disbursements. In some cases, MCC overestimated country capacity or misjudged the political independence of the programs. MCC works with host countries as partners, but sometimes those partners are slow to establish key structures, have complex plans or government systems, or lack the full technical capacity to manage and implement the programs they propose.

To address these problems, MCC is offering better guidance to partner countries and developing standard operating documents. MCC is also conducting up-front analysis of host country capacity and developing explicit capacity-building plans, which include specialized training. In addition, MCC is using 609(g) authority to provide pre-Compact funds to establish systems and structures needed to get a Compact implemented. Finally, MCC is developing more realistic first-year disbursement projections.

To date, MCC has signed 11 Compacts worth a total value of \$3 billion. MCC expects that two more will be approved and signed within the coming weeks, another before the end of the fiscal year, and four more early in fiscal year 2008. MCC hopes to conclude another four later in fiscal year 2008. Indeed, the eight Compacts in the pipeline for fiscal year 2008 total roughly \$3 billion, the amount the President put forward for MCC in his fiscal year 2008 budget request.

As MCC Board Chair, I plan to follow-up with MCC on the issue of disbursements and budget pipelines to ensure that MCC budget requests are fully aligned with these realities and, just as importantly, so that partner country expectations regarding rewards for good policies and consequences for bad behavior are met. This will ensure that the MCC's positive multiplier effect will continue to influence host country actions and encourage constructive policy reforms within MCC partner countries and beyond.

*Question.* For years, an amendment Senator McConnell and I wrote has conditioned a portion of our aid to Serbia on its cooperation with the war crimes tribunal at The Hague, including apprehending and transferring to The Hague former Bosnian Serb leaders Ratko Mladic and Radovan Karadzic.

We know the Serb Army helped protect Mladic, and he remains at large. The Serbs say Karadzic is not in Serbia, but that suggests they know where he is. The Hague prosecutor says he is there. How is it possible that two of Europe's worst war criminals have escaped justice for so long? Can we count on you to make clear to the Serb authorities and to the European governments that the United States will oppose their entry into NATO and other regional economic and security organizations unless these men are turned over?

*Answer.* We continue to make clear publicly and privately that Serbia needs to fully cooperate with the International Criminal Tribunal for the Former Yugoslavia before it can completely integrate into Euro-Atlantic institutions. While I am fully

supportive of Serbia becoming part of a united Europe, whole, free, and at peace, and while many reforms have been successfully implemented, Serbia simply cannot complete its process of integration without several final changes. Fundamental to this is the full establishment of the rule of law, including the establishment of accountability for war criminals.

Our policy has been a balanced one. By constructively engaging Serbia, encouraging integration, and offering some forms of assistance, we have increased our influence, given impetus to reformers within Serbia, and have moved our bilateral relationship forward. At the same time, we have made clear to the Serbian leadership that their ultimate goal of full integration and membership will not come to pass until they deal with this issue. This is a point we make in virtually every meeting we have with their political and military leadership. And we have consistently encouraged our European allies to do the same.

Ensuring accountability for war criminals is a priority for this administration. In March of this year, we critically re-examined our efforts to secure the capture of the remaining ICTY fugitives in light of recent developments. I can assure you that I continue working to realize justice for the victims of atrocities in the Former Yugoslavia. As one example, we are currently working towards the establishment of mechanisms through which each of the five remaining ICTY fugitives will face justice even if their capture eludes us by the time the ICTY closes, currently scheduled for the end of 2010. This will send a clear signal that fugitives cannot out-wait justice.

But we are not idly waiting for the remaining fugitives to turn themselves in. We are actively encouraging their apprehension. The State Department's Office of War Crimes Issues, in coordination with the Bureau of European and Eurasian Affairs, has been facilitating better cooperation among security services in the region in the handling of investigations of fugitives. To that effect, we have designated a regional liaison officer to assist war crimes cooperation.

While it is a disappointment to me that Ratko Mladic and Radovan Karadzic remain at large, ultimately, responsibility lies with local authorities to apprehend those fugitives who are on their territory. We have seen progress recently, including, notably, the recent arrest of Zdravko Tolimir, one of the architects of the Srebrenica genocide, but we remain focused on the capture of Ratko Mladic and Radovan Karadzic.

*Question.* In November 2006 an Indonesian court found Antonius Wamang guilty of leading an attack that left two Americans dead and eleven people wounded near the gold and copper mine of Freeport McMoRan in Timika, West Papua. The conviction of Wamang represents the success of years of diplomacy—only after years of pressure from your good offices did the Indonesian authorities bring anyone to justice for this assault on Americans. Six other men were charged in November as Wamang's accomplices. But questions remain about the evidence that links some of these men to the murders. Reverend Isak Onawame, a local human rights advocate who has met with congressional offices and State Department officials, helped convince Wamang to surrender. Reverend Onawame accompanied Wamang when he surrendered to FBI special agents in Timika. The FBI delivered Wamang, Onawame, and other men to the custody of Indonesian police officers. Alleged police mistreatment led to a "confession" of involvement by Reverend Onawame: he told the interrogators that he supplied the attackers with rice. Onawame and others have since recounted their statements, saying that they were made under duress. Is the administration aware of any credible evidence linking Reverend Onawame to the murder of American citizens?

According to the ballistics evidence, 13 guns were fired in the attack, including M-16's, yet only three shooters were accounted for. The police who conducted the initial investigation concluded the military was involved, but the case was taken away from them. Does the administration know who supplied the bullets? Does the administration have any idea who fired the 10 other guns? What effort is being made to find out?

Answer. The Department also welcomed the conviction of Antonius Wamang and his accomplices. The defendants were afforded legal counsel and a public trial. It is our understanding that, while the FBI continues to pursue investigative leads, it typically does not disclose details regarding pending investigations. To the extent the Committee is seeking other information regarding this matter, we suggest the Committee seek this information from the FBI.

*Question.* There have been several cases recently of domestic employees, such as housekeepers and gardeners, working at embassies in Washington being exploited and abused, their passports seized, and being detained against their will by foreign diplomats. I understand that in 2000 the State Department informed foreign embassies that visas for domestic staff would only be considered if the embassy has a con-

tract with the staff person and steps have been taken to ensure they understand the terms.

What is the role of the State Department in ensuring the fair treatment of domestic staff at foreign embassies located in the United States?

How is the Department monitoring and enforcing the requirement that foreign embassies have a written and understood contract with domestic staff?

Have any visas been denied because of a lack of such contracts, or because of prior violations?

Has the State Department ever pressured a foreign government to waive the immunity of any diplomats when there was credible evidence that they were involved in a serious crime? Could that be done in cases of abuse of embassy domestic employees?

Answer. The State Department has implemented several measures to address complaints that diplomatic personnel exploit foreign domestic workers. The Department has issued periodic diplomatic notes to diplomatic missions containing model employment contracts and underscoring the importance of humane treatment of domestic staff. In particular, the Department requires that in order for a visa to be issued to a foreign domestic worker to come to the United States to work for diplomatic or consular personnel, or persons working for an international organization, the worker and employer must have agreed to a contract that provides fair terms of employment. The contract must be in the worker's language and must provide that the worker will be paid minimum or prevailing wage, whichever is higher. The contract must also have other provisions intended to ensure fair treatment of the worker, e.g., a requirement that the worker be given his or her passport. If a visa is issued, the issuing consular facility also gives the worker a brochure explaining some basic rights of persons in the United States; that brochure has a "hotline" telephone number that can be called if a worker suffers abuse.

Following issuance of the contract requirement, the numbers of visas issued have dropped:

Fiscal year 1999: A-3/2,279 G-5/1,737

Fiscal year 2000: A-3/2,486 G-5/1,737

Fiscal year 2001: A-3/2,228 G-5/1,645

Fiscal year 2005: A-3/1,227 G-5/998

Fiscal year 2006: A-3/1,017 G-5/940

Although there may be several reasons for this, inquiries received from consular officers concerning issuance of these visas suggest that the contract requirement, coupled with instructions from the Department concerning treatment of these workers, has caused fewer visas to be issued.

Recent complaints of abusive conditions that have been brought to the Department's attention have prompted Department offices to examine what additional steps may be appropriate. The Department plans to increase its efforts to obtain better compliance by embassy personnel with the registration requirement of the Vienna Convention on Diplomatic Relations and to draw to the attention of the diplomatic community the importance the Department and other U.S. agencies place on compliance with U.S. laws and fair treatment of these workers. Additionally, the Department is reviewing the visa issuance process for these workers.

When potential cases of abuse arise, it is the Department's policy, stated in internal regulations (2 FAM 234), to request a waiver of immunity of a diplomat if a prosecutor informs the Department that "but for immunity" the prosecutor would bring criminal charges against a diplomat. This rule is equally applicable to cases of abuse of domestic staff. It is important to underscore, however, that many members of the diplomatic community, e.g., most consular personnel and employees of international organizations, will likely not have immunity from either criminal prosecution or civil suit involving abuse of domestic staff, so that no waiver of immunity is required for criminal and civil actions.

*Question.* I understand that when Deputy Secretary Negroponte was in Libya last month he raised the case of the Bulgarian nurses and Palestinian doctor who were re-sentenced to death last year for allegedly infecting children with HIV. Many scientists and physicians are concerned that the trial ignored evidence that the virus was spread through lack of safe hygiene in the hospital, which may deter other health professionals from working in the developing world where they might be subject to unfair prosecution. They believe it is important that the nurses and doctor not only be released but be exonerated.

Is it the United States position that they should be exonerated? Did the Deputy Secretary ask that the Libyans exonerate them or just release them?

Answer. Deputy Secretary Negroponte met with Libyan Foreign Minister Shalgam and other senior Libyan officials during his April 18-19, 2007, visit to Tripoli. In each of these meetings, the Deputy Secretary called upon the Libyan government

to find a way to release the five Bulgarian nurses and Palestinian doctor imprisoned on charges of deliberately infecting over 400 Libyan children with HIV. The U.S. Government, including President Bush, has repeatedly expressed its view that there is no evidence to suggest that the medical personnel conspired to infect the children.

At the same time, we recognize the human tragedy posed by the infection of more than 400 children. The United States is working with the EU, UK, and Bulgaria, to help Libya provide necessary medical and psychological care to the children and their families.

*Question.* There has been a continuing failure to achieve accountability for crimes against humanity committed in East Timor in 1999. At the end of April 2007, Indonesian General Noer Muis participated in a joint military exercise with the U.S. Army in Indonesia. On February 24, 2003, Muis was indicted with other senior officers by the U.N.-backed serious crimes process in East Timor. General Muis was tried and convicted for crimes against humanity by Indonesia's Ad Hoc Human Rights Court in 2003 for his role in brutal attacks on East Timor's Dili Diocese, Bishop Belo's residence and the Suai Church massacre in September 1999. However, his conviction, like most involving Indonesian military officers, was overturned on appeal.

Did the State Department know that the U.S. Army was collaborating with General Muis, an indicted human rights violator? What does this say about the Department's ability to effectively vet lesser known military officers to weed out human rights violators, as required by U.S. law? What if any steps have been taken to prevent the recurrence of a mistake like this?

*Answer.* The State Department knows Indonesian General Noer Muis has been indicted for war crimes for his role in the events in East Timor in 1999. General Muis did not participate in the two-week tabletop exercise that was recently conducted in Indonesia by elements of the U.S. Pacific Command with members of the Indonesian First Infantry Division Strategic Reserve Command (KOSTRAD). Rather, as commander of the KOSTRAD, General Muis observed a portion of the exercise for a single day. KOSTRAD provided most of the 850 Indonesian soldiers who deployed to Lebanon last year as part of the U.N. Interim Force in Lebanon (UNIFIL) and is expected to deploy another battalion to Lebanon later this year to replace the current battalion. Such exercises serve to prepare the Indonesian military (TNI) for peacekeeping duties. It is manifestly in our national interest and the interests of the United Nations that Indonesia participate in this and other peacekeeping operations.

As required by law, all foreign security force personnel involve in State Department-funded training and assistance are subjected to vetting for past human rights violations, and known human rights violators are not provided such training. In the past 3 years we have denied 122 Indonesian applicants training, DOD requests vetting when they deem it necessary to comply with their statute and State responds to their requests.

Our interaction with the TNI necessarily means that American military and civilian personnel work with those in positions of authority. When, in the course of our duties, we must engage with TNI leaders with troubling human rights backgrounds, we limit that engagement to official business and do not engage in social activities. We do not, however, refuse to engage with such individuals in the ordinary course of official business nor to accord them the normal courtesy that is due official counterparts; such actions would be counterproductive. The Department and Embassy Jakarta are working with Pacific Command to ensure that in the future such engagement is not publicized in a manner that appears to imply USG assistance or support for individuals with suspect human rights backgrounds.

The extraordinary democratic transformation of Indonesia is one of the world's great successes of the past 10 years. As integral elements of Indonesian society, the Indonesian military (TNI) must be part of this transformation. Our interaction with the TNI facilitates the adoption of democratic norms such as greater transparency, respect for human rights, civilian control, and builds capacity to address immediate threats such as terrorism and natural disasters. Indeed, these democratic principles are a key component of all training that we provide to TNI, after vetting to ensure that gross human rights violators are excluded. Our normalized relationship with the TNI is producing enormous dividends, both in terms of improving respect for human rights and in promoting regional stability. The TNI is out of politics, is under civilian leadership, has abolished the "dual function" role under which military leaders often held positions in local civilian government, and is moving to divest itself of business interests. Allegations of human rights abuses in Papua and elsewhere have fallen steadily.

We continue on a regular basis to insist in all appropriate fora for accountability for past human rights abuses, including during the recent Indonesian-U.S. Strategic

Dialogue talks conducted by DOD, in public remarks, and in meetings with the country's senior leaders. Our consistent message is that Indonesia's partners will have more confidence in the deep and genuine reforms the Indonesian military has undertaken and continues to undertake if credible steps are taken to address widespread perceptions that a culture of impunity continues to exist.

*Question.* Last year on October 27, a young American journalist, Bradley Roland Will, was killed as he was filming a political demonstration in Oaxaca, Mexico.

There are photographs and video footage of municipal officials including police officers in civilian clothes shooting at demonstrators with rifles and pistols, the same day that Bradley Will was shot. At least 2 others were killed and 23 were wounded that day. More than 20 people were killed during the many months that the demonstrations took place, and some of those who were arrested were reportedly physically and sexually abused in the custody of state and federal police officers.

My office has tried unsuccessfully to get any information from the Mexican Government about the killings of civilians in Oaxaca, including Bradley Will. Are you satisfied with the investigation of Bradley Will's murder? Have any of the municipal officials or police been charged with any of the killings of civilians? Is there any hope for a thorough, independent investigation into the police conduct in Oaxaca during the demonstrations last year?

*Answer.* The U.S. Embassy in Mexico City and the Department of State have been monitoring the ongoing investigation into the death of Mr. Will from the beginning. Embassy officials, including U.S. Ambassador to Mexico Antonio Garza, have expressed the concerns and interests of the U.S. Government and of the Will family to the Mexican federal and Oaxacan state authorities and have offered assistance to ensure a complete and proper investigation. The Mexican Government has conducted an investigation into the conduct of law enforcement during last year's demonstrations, but to date has not filed any charges against local or municipal police. The investigation remains ongoing. At this time no one has been charged in Mr. Will's death. We hope the involvement of the federal Attorney General's Office will move this case forward. The Embassy will continue to express our interest in the case at the highest levels of the Mexican Government until it is completed.

*Question.* In March 2003, Rachel Corrie, a young American woman, was run over by an Israeli bulldozer and killed as she was peacefully protesting the destruction of a Palestinian family's property. An investigation was conducted by the Israeli military, who concluded it was a tragic accident. However, the Israeli investigation, which was neither thorough nor independent, satisfied neither the State Department nor Ms. Corrie's family. As far as I know, there has been no follow up. What is being done to obtain a thorough, independent investigation of this case involving the death of an American citizen?

*Answer.* The Government of Israel conducted two separate investigations, one by the Israeli Defense Forces and the other by the Military Advocate General's Office. While the second investigation was more thorough, we nonetheless made clear to the Government of Israel that the investigation failed to meet the standard of thoroughness we would expect in such a case. The Corrie family has informed us that they are pursuing legal options with the courts in Israel against the Israeli Defense Forces. We continue to maintain contact with the Corrie family regarding the death of their daughter.

*Question.* Despite two separate investigations into the death of Rachel Corrie by the Government of Israel, you noted that the Government of Israel's investigation "failed to meet the standard of thoroughness we would expect in such a case."

Given that this case involved the death of an American citizen, and the inadequacies of the investigation by the Government of Israel, what further action is the administration taking to obtain an investigation that is thorough and credible?

*Answer.* The U.S. Government takes matters involving American citizens abroad very seriously. In late October, representatives from the Department of State met with the Corrie family, along with Congressman Baird, to discuss concerns that they have with respect to the tragic death of Rachel Corrie.

The U.S. Government continues to raise this issue with senior level officials in the Israeli Government. On her recent trip to Israel and the Palestinian territories, Assistant Secretary of State for Consular Affairs Maura Harty raised the issue of Rachel Corrie's death with her counterpart at the Israeli Ministry of Foreign Affairs, Mr. Yigal Tzarfati. Assistant Secretary Harty gave Mr. Tzarfati a letter reiterating the U.S. Government's request that a full and transparent investigation of the incident be conducted. She has asked the U.S. Embassy in Tel Aviv to follow up with the Government of Israel in obtaining a response to her inquiry.

*Question.* The Senator Paul Simon Water for the Poor Act of 2005 commits the United States to support international clean drinking water and sanitation. The act calls on the United States to increase support for sustainable drinking water sup-

plies and adequate sanitation in countries with the greatest need where aid can be used most effectively. Yet the State Department's June 2006 "Report to Congress" showed that U.S. aid for drinking water and sanitation is overwhelmingly spent on short-term emergency relief efforts and in a few strategically important countries like Afghanistan. Only \$24 million, less than 10 percent of the total, was used for long-term development projects. What plans does the administration have to allocate increased funds to support long-term, sustainable drinking water and sanitation projects, as called for by the act?

Answer. USAID's fiscal year 2005 Report to Congress showed actual obligations of \$161 million for drinking water supply projects and related activities. Of this amount, \$96 million was obligated in the International Disaster and Famine Assistance Account (IDFA). While some of the IDFA resources are used for short-term relief efforts, these funds are also used to establish permanent wells and sanitation facilities or other facilities necessary for the longer-term provision of water and sanitation services. All of the remaining resources were used for long-term sustainable activities regardless of the account.

In fiscal year 2006 (this report will be delivered to Congress shortly) USAID increased total water and sanitation obligations to \$203 million. Of this amount, \$86 million came from the IDFA account. USAID hopes to maintain this increase in fiscal year 2007.

Most of the countries with the greatest need are located in Sub-Saharan Africa. The attached spreadsheet shows that USAID non-IDFA funding for water and sanitation in Sub-Saharan Africa increased each year from 2002 thru 2006. Again, USAID hopes to maintain this upward trend in fiscal year 2007.

#### 2002–2006 USAID WATER OBLIGATIONS IN AFRICA

[In millions of dollars]

	Fiscal year					Total
	2002	2003	2004	2005	2006	
Water Supply and Sanitation (non-IDFA) .....	8.758	9.785	15.385	19.444	22.544	75.916
IDFA-funded Water Supply and Sanitation .....	12.383	29.449	35.230	63.926	59.738	200.726
Sub-Total—Water Supply Projects & Related Activities .....	21.141	39.234	50.615	83.370	82.282	276.642
Water Resources Management .....	6.151	14.227	14.452	9.615	4.227	48.672
Water Productivity .....	3.790	11.056	14.640	12.912	5.119	47.517
Grand Total—All Water Funding Categories .....	31.082	64.517	79.707	105.897	91.628	372.831

*Question.* I am concerned about human rights in Ethiopia. Ethiopia is a strategic ally, but that should not prevent us from expressing our concern about the well-being of Ethiopia's restive and increasingly alienated majority populations. From the populous and economically rich Oromo region to the vast oil rich Ogaden region, economic and political tensions seem to be rising.

The leaders of Ethiopia's most important opposition party are still in prison. What is the evidence against them?

Answer. Between May 8, 2006 and November 29, 2006, the prosecution introduced one audio tape, 19 video tapes, 179 documents, and 54 witnesses in support of the charges against opposition, civil society, and media leaders in Ethiopia's main trial of opposition leaders. This evidence described opposition party strategies and deliberations, speeches, rallies, press reports, and activities of the defendants. On April 9, 2007, upon reviewing the witnesses' testimony and evidence submitted, the court dismissed the charges against 25 defendants and dismissed all charges of treason and attempted genocide. The court found that the evidence submitted in support of the remaining charges against the remaining defendants warrants proceeding with the defense phase of the trial, which is expected to resume in June 2007. The U.S. Government continues to monitor every phase of the judicial proceedings.

*Question.* Even as the Ethiopian military ends its occupation of Somalia, the ethnic Somali people of the Ogaden region feel they are oppressed and exploited by the government in Addis Ababa. The largest group in this diverse country is the Oromos, and they, along with other political groups, are losing patience with what they see as a repressive central government.

We have spent a lot of money to help promote stability in the Horn of Africa. Can you assure us that the administration is standing up for democracy and human rights even when they are being threatened or violated by allies against terrorism like Ethiopia?

Answer. Significant work remains to be done to strengthen democratic institutions and practices and to ensure for the protection of human rights in Ethiopia. While our annual Human Rights Report is the most public assessment of Ethiopia's performance in protecting the human and political rights of Ethiopians, democracy and human rights issues remain a permanent element in our bilateral dialogue with Ethiopian leaders and civil society.

The United States has developed a strong partnership with Ethiopia to foster progress in these areas. While our foreign assistance contributes to capacity building efforts targeting the legislature, judicial independence, executive functions, and human rights awareness and protection, American diplomats in Ethiopia and Washington urge Ethiopian officials to create the environment where improvements in these sectors can continue.

While significant work remains, the Government of Ethiopia has taken steps to improve respect for human rights and democratic practices following the setbacks in 2005. Through U.S. diplomatic and development engagements, we are contributing positively to this effort and will continue to encourage important reforms.

*Question.* You noted that "while significant work remains, the Government of Ethiopia has taken steps to improve respect for human rights and democratic practices following the setbacks in 2005."

How has the administration responded to recent reports by journalists and NGOs of widespread human rights abuses by Ethiopian security forces in the Ogaden region?

Answer. We take very seriously any and all allegations of human rights abuse. Our Embassy staff in Addis Ababa is working to verify credible allegations to the extent possible. The Ethiopian Government has committed publicly to investigate such allegations.

We will continue to insist that credible allegations be investigated and, where appropriate, that violators are punished. The Government of Ethiopia is working with Mr. Kassa, Chairman of the Ethiopian Human Rights Commission, to investigate allegations of abuse in the Ogaden. Mr. Kassa's team is in Jijiga, on the edge of the Ogaden, investigating reports. We are in close contact with the Human Rights Commission and will work with this and other groups on any human rights enquiry. The United Nations has called for an independent investigation of human rights abuses in the Ogaden.

*Question.* With the G-8 summit coming up in June, some of our allies are focusing on global education. In particular, on May 2, 2007, the European Commission and the World Bank hosted a conference on basic education in Brussels, entitled "Keeping our Promises on Education", where they announced a number of new funding commitments to be carried forward to the G-8. Are any new U.S. commitments for education planned for the G-8 or otherwise along these lines?

Answer. USG has increased its support for basic education five-fold, from less than \$100 million in fiscal year 2000 to more than \$500 million in fiscal year 2006, and in the same time period more than doubled the number of countries receiving basic education support from 25 to more than 50.

As a founding partner of the Education for All Fast Track Initiative, and signatory to the Paris Declaration on Aid Effectiveness, USG has in the past and will continue to align with other donors behind country-driven education plans and priorities to best meet the human capital needs for the sustainable development of each country.

On May 31, 2007 President Bush called for Congress to fund \$525 million by 2010 or \$173 million more a year in fiscal years 2008-2010 for an estimated \$638 million a year for basic education—a 37 percent increase over current spending and a 425 percent increase over fiscal year 2002 (\$150 million) when the President's administration started. He also expanded his African Education Initiative, started in 2002, from \$300 million to \$600 million by 2010.

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QUESTION SUBMITTED BY SENATOR TOM HARKIN

*Question.* Polio Eradication efforts are clearly working as we have seen the number of countries with indigenous polio drop to four, two billion children have been immunized, five million have been spared disability and over 250,000 deaths have been averted from polio. However, until the world is polio-free, every child, even those in the United States, is at risk.

In fiscal year 2007, both the House and Senate included \$32 million for polio eradication in their respective Foreign Operations Appropriations bills.

A. What amount is included for polio in your fiscal year 2007 projections?

B. What is included for polio in your fiscal year 2008 budget submission?

Answer. For fiscal year 2007, USAID intends to provide \$31,680,000 for polio eradication, which meets the House and Senate request level minus a 1 percent rescission.

For fiscal year 2008, the administration will fund polio eradication but specific funding levels are still under consideration.

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QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

*Question.* For the coming fiscal year, the President requested only \$300 million for the Global Fund to Fight AIDS, Tuberculosis, and Malaria in his budget and all of that in Labor Health and Human Services rather than the Foreign Operations account. The Global Fund estimated need for the U.S. contribution is \$1.3 billion. Why is the President continuing to lowball this important multilateral program that leverages U.S. contributions? Why did the President omit the Global Fund entirely from his Foreign Operations request and place the entire request in the Labor, Health and Human Services account?

Answer. The Global Fund is an important part of the strategic plan that guides implementation of the President's Emergency Plan for AIDS Relief (Emergency Plan/PEPFAR). The U.S. Government (USG) share of total Global Fund contributions has held consistently at approximately 30 percent. The USG initially made a 5-year pledge of \$1 billion for the Global Fund in years 2004–2008. If the \$300 million in the President's 2008 Budget is approved, the USG will have nearly tripled that commitment to the Global Fund by contributing about \$2.5 billion.

In order to provide adequate financial and human resources to complete the goals of PEPFAR as well as maintain U.S. leadership in the Global Fund, the President has spread the request for HIV/AIDS-related resources across the two appropriations bills (Foreign Operations and Labor-Health and Human Services).

We consider this interagency approach in representing the United States on the Global Fund to be one of our coordination success stories. Through the Global Aids Coordinator, who has overall responsibility for ensuring that all statutory benchmarks have been met before any USG contribution is made, USAID, State, and HHS regularly meet and fully coordinate on all aspects of the Global Fund.

The Department of Health and Human Services (HHS) was instrumental in the administration's efforts to establish the Global Fund and continues to have an active role on its Board. The National Institutes of Health (NIH) makes a significant contribution to global HIV/AIDS, TB, and Malaria activities. Requesting the USG contribution within NIH continues HHS' longstanding role in the advancement of the Global Fund.

*Question.* When Beijing exercises its considerable influence, Khartoum appears to listen and we see progress such as the agreement to allow 3,000 peacekeepers. But then China provides assistance to build a new presidential palace and wants to develop expanded military cooperation in all areas. How do you evaluate China's role in Darfur?

Answer. China has an important role to play in ending the genocide in Darfur. China's leverage is not absolute, but there is much that it can do. For example, China can do more to persuade Khartoum to accept the full deployment of the U.N./AU hybrid peacekeeping force under U.N. command structures, and to convince Khartoum to engage seriously in a peace process that involves all parties to the conflict. China's lead diplomat at the United Nations, Wang Guangya, helped broker the November agreement in Addis Ababa in which the Government of Sudan accepted, in principle, the three-phase deployment of the U.N./AU force. As you mention, China's diplomacy was likely influential in convincing President Bashir to accept the 3,000-person "heavy support package" (HSP) under phase two of the deployment. Perhaps most significantly, Beijing recently agreed to send a 275-person engineering unit as part of the HSP. Special Envoy Natsios, Deputy Secretary Negroponte, and Assistant Secretary Frazer have all had serious, in-depth discussions on Sudan with the Chinese, as have I.

President Bashir has reneged on a number of his commitments and continues to obstruct the full deployment of the U.N./AU force under phase three. Full deployment is the key, and we are committed to working with China and our other international partners to apply pressure on President Bashir to accept the full U.N./AU force unequivocally.

China is not where we would like it to be on Darfur. The no-interest loan to build a palace in Khartoum that you mention is one clear example. We have also communicated our serious concerns to China that weapons sold to the Government of Sudan have contributed to the violence in Darfur. At the same time, we do see movement in China's position and believe that Beijing has made a decision that it must join with the international community in insisting that the atrocities in Darfur must stop.

*Question.* How is the Department of State addressing the geopolitical implications of global warming?

*Answer.* We recognize the seriousness of global climate change and the importance of reducing greenhouse gas emissions, enhancing energy security and promoting sustainable development.

Two years ago, G8 leaders agreed that tackling climate change, promoting clean energy and achieving sustainable development globally are serious and linked challenges. The President announced on May 31 U.S. support to develop by the end of 2008 a new post-2012 framework on climate change based on the principles that climate change must be addressed by fostering both energy and economic security and by accelerating the development and deployment of transformational clean energy technology.

Secure, reliable and affordable energy sources are fundamental to economic stability and development. One-third of the world's people lack access to modern energy services. This blocks their path to better health and prosperity.

In consultation with our developing country partners, G8 leaders committed to reduce greenhouse gas emissions, improve the global environment, and enhance energy security in ways that promote human development.

The United States plays an integral part in promoting the advanced energy technologies that are helping people, while protecting the global environment.

The President has in place a comprehensive strategy to address climate change that incorporates incentives, mandatory programs, and international partnerships all that will help us meet the President's goal to reduce greenhouse gas intensity 18 percent by 2012. This policy is working as we are well on track to meet that goal. The U.S. Department of State supports the President's strategy in international fora and works closely with our international partners to implement innovative climate change partnerships.

For example, we are working with Brazil to advance biofuels. We facilitated an agreement with China to install the largest coal mine methane power facility in the world. Through the Asia-Pacific Partnership for Clean Development and Climate, we are expanding investment and trade in cleaner energy technologies.

Our development assistance program, through USAID, dedicates about \$180 million a year to build resilience to climate variability and change in developing countries. Our efforts include analyzing data from Earth observations, developing decision support tools, and integrating climate information into development programs.

All of these activities are part of a broader development agenda that encourages global collaboration to improve energy security, address greenhouse gases and reduce air pollution, while ensuring continued economic growth. These activities aim to achieve a secure energy supply and a cleaner global environment.

The most effective way to bolster security and stability, however, is to increase the capacity of states to govern legitimately and protect basic human freedoms. States that can govern effectively can best anticipate and manage change.

Stresses associated with energy shortages or climate impacts may be among factors putting pressure on government capacity in this century, as might population growth, natural disasters, but absence of these stresses will not eliminate civil strife.

Successful long-term development strategies must also focus upon education, rule of law, good governance, and the protection of human freedom and economic reforms. The State Department works with countries across the globe to promote this integrated development agenda and support countries in making choices that will provide strong and functioning institutions and policies, and promote just governance and rule of law. Such choices are a much more important determinant of peace and security independent of any specific climate or environmental impact.

The United States has a long history of extending a helping hand so that people can live in democratic societies with strong and stable governance.

The Millennium Challenge Corporation (MCC) is a global investment fund based on the principle that aid is most effective when it reinforces good governance, economic freedom and investments in people. Since its establishment in 2004, MCC has provided nearly \$3 billion to 11 countries to help them reduce poverty and stimulate economic growth.

Around the world, the United States is promoting free and fair election processes, full participation of all citizens, civil societies, and media freedom. With our international partners, these efforts are strengthening governance and international security.

The State Department will continue to promote the United States' leadership role of engaging with other nations on these issues of vital importance through our bilateral and regional initiatives and in appropriate multilateral fora, such as the G8 and the United Nations.

*Question.* What about the anticipated consequences for health and development? Some of the most economically vulnerable and politically fragile countries are also those most at risk from global warming. What steps are you taking to assist adaptation EFFORTS?

#### HEALTH AND DEVELOPMENT

*Answer.* On the potential health implications of climate change, impacts are difficult to discern due to adaptation and many non-climatic drivers. In addition, research continues to focus on effects in high income countries, and there remain important gaps in information for the more vulnerable populations in low- and middle-income countries.

According to the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report, "projected climate change-related exposures are likely to affect the health status of millions of people, particularly those with low adaptive capacity, through:

- increases in malnutrition and consequent disorders, with implications for child growth and development;
- increased deaths, disease and injury due to heat waves, floods, storms, fires and droughts;
- increased burden of diarrhoeal disease;
- increased frequency of cardio-respiratory diseases due to higher concentrations of ground level ozone related to climate change; and,
- altered spatial distribution of some infectious disease vectors (high confidence).

"Climate change is expected to have some mixed health effects, such as the decrease or increase of the range and transmission potential of malaria in Africa (high confidence). Studies in temperate areas have shown that climate change is projected to bring some benefits, such as fewer deaths from cold exposure. Overall it is expected that these benefits will be outweighed by the negative health effects of rising temperatures world-wide, especially in developing countries (high confidence). Most projections suggest modest changes in the burden of climate-sensitive health outcomes over the next few decades, with larger increases beginning mid-century. The balance of positive and negative health impacts will vary from one location to another, and will alter over time as temperatures continue to rise. Critically important will be factors that directly shape the health of populations such as education, health care, public health prevention and infrastructure and economic development (very high confidence)."

#### ASSISTING ADAPTATION

Climate shapes a wide range of activities and decisions, from the types of crops grown to the design and construction of buildings, water delivery systems, and other infrastructure. In countries that are already at risk from food insecurity, ecosystem degradation, or weak institutional capacity, short- and long-term changes in the climate pose an additional challenge to sustainable development. A diverse, robust, and open economy can better withstand many types of disruptions, including those related to climate events.

The United States collaborates with developing country partners in a broad range of activities designed to better understand climate and its implications for development and to build resilience to climate variability and change. These activities include analyzing data from Earth observations, developing decision support tools, and integrating climate information into development programs and projects.

All of these activities assist countries in developing stronger institutional capacity and more flexible and resilient economies that have the capacity to address both the challenges and the opportunities presented by changing climatic conditions.

In addition, the United States encourages all developing countries to establish their own national development plans with the view to create thriving, prosperous economies in recognition that successful growth must be predicated upon education, rule of law, good governance, the protection of human freedom and economic reforms. This successful and proven approach underpins our wide range of programs and activities that assist all developing countries through our trade policies, devel-

opment assistance programs, and international environmental initiatives, as well as our support for such internationally-agreed strategies as the Doha Development Agenda, the Monterrey Consensus, the Johannesburg Plan of Implementation, and the Delhi Declaration.

#### MILLENNIUM DEVELOPMENT GOALS

On the issue of whether climate change will negatively impact our ability to implement the Millennium Development Goals (MDG's), it is important to understand that the MDG's are set for 2015, while projected climate change impacts span a much larger time scale. According to the IPCC Working Group II Report (Chapter 20): "The anthropogenic drivers of climate change, per se, affect MDG indicators directly in only two ways: in terms of energy use per dollar GDP and CO<sub>2</sub> emissions per capita. While climate change may, with high confidence, have the potential for substantial effects on aspects of sustainability that are important for the MDG's, the literature is less conclusive on whether the metrics themselves will be sensitive to either the effects of climate change or to progress concerning its drivers, especially in the near-term."

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#### QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

*Question.* How could such valuable assistance be turned away in such a great time of need? What are your reasons for turning away the offered foreign aid? How did this happen?

*Answer.* Katrina generated an unprecedented outpouring of assistance from allies and friends around the world. All of these offers of assistance were greatly appreciated, and, in fact, many of the offers were accepted and directed to hurricane recovery efforts. At the same time, not all offers of material and personnel assistance was or could be accepted for reasons set forth below. Moreover, as explained more fully below, not all offers of financial assistance were directed to the U.S. Government. With our encouragement, a considerable amount of financial assistance was donated directly to NGOs working in the affected areas. While some other pledges did not materialize, all financial assistance that was received by the U.S. Government was directed toward hurricane recovery efforts.

The Department of State moved to support the Federal Emergency Management Agency (FEMA), the Department of Homeland Security (DHS) and other Federal partners that were leading in the response to the disaster. One of the Department's mandates is to help American citizens in trouble/need overseas. This was a unique opportunity to help American citizens within the United States. The State Department acted as an intermediary for foreign offers of assistance to the U.S. Government and worked with FEMA, USAID, and other agencies to respond to such requests and expedite delivery of assistance.

We had two main objectives:

- Provide all possible support requested by Federal partners.
- Protect the American people by maintaining U.S. health and safety standards as directed by Federal regulators.

The U.S. Government encouraged foreign donors to direct their cash assistance to private organizations from the beginning, consistent with the consensus among aid professionals that cash assistance to relief organizations in the affected region was the best way for donors to help. The amount of cash actually donated to the U.S. Government from international sources totaled \$126 million, all of which has been distributed by the Department of State to other USG agencies. Not all pledges of cash resulted in actual donations—over \$450 million in pledges were not fulfilled.

Working with imperfect information from first responders on conditions and needs on the ground, the Department of State worked with FEMA and other agencies to identify and arrange transport of commodities, equipment, experts and other in-kind assistance that could be utilized quickly and efficiently.

Not all international material assistance offered was needed. Disaster logisticians at FEMA and USAID evaluated the commodities and services offered by foreign governments and organizations, and accepted only those that made sense given all of the normal considerations during a disaster—e.g. transport, storage, and processing. In many cases, material assistance was more readily available from within the United States. Furthermore, some of the foreign commodities offered were not approved for entry into the United States by U.S. regulators, especially foodstuffs and medical equipment and supplies. Similarly, some offers of medical services and emergency medical teams were also not accepted due to state-based licensing requirements and related issues. We did not want to accept goods which could or

would not be used. In total, the Department of State, working with USAID and FEMA, coordinated the donation of over 5 million pounds of relief supplies.

*Question.* Was an internal investigation conducted on this mishandling? Was any action taken against employees who were identified in trying to cover-up or hide mishandling of situations, specifically the individual just quoted in regards to the Italy debacle?

*Answer.* Hurricane Katrina was an unprecedented disaster that presented unique challenges to domestic agencies and foreign governments trying to assist. The State Department, working with other agencies, responded to foreign offers of assistance as quickly and flexibly as circumstances permitted.

The State Department has participated in extensive interagency lessons learned reviews and exercises that addressed problems identified during Hurricane Katrina. As a result, the U.S. Government has developed significantly improved policies, procedures, and plans for managing international assistance for future domestic disasters.

The Homeland Security Council (HSC) led an after action review of the U.S. Government response to Katrina, including how we handled offers of assistance from foreign governments. The HSC and key agencies, including the State Department, reviewed the response, both what went well and what we can do better, and updated the National Response Plan to guide agency actions if another major disaster were to strike the United States. The State Department, USAID, FEMA, the Defense Department and others contributed to the plan.

USG officials did the best they could under unprecedented circumstances. There was no cover up of the Italy medical supply contribution. State Department officials were in regular contact with Italian authorities regarding the contribution, including on the disposal of the spoiled supplies.

GAO reviewed the handling of foreign assistance in its report on Hurricane Katrina International Aid (GAO-06-460, April 2006). In its report, the GAO recognized that "although DOS's procedures were ad hoc, they did ensure the proper recording of international cash donations that have been received to date, and [GAO was] able to reconcile the funds received with those held in the designated DOS account at Treasury."

*Question.* I know \$60 million of the \$126.4 million has been allocated to Louisiana and Mississippi K-12 and Higher Ed institutions and that \$66 million was contracted to a consortium of 10 faith-based and charity groups, but how much has actually been distributed/used to date? What is holding up the distribution of the remaining funds?

*Answer.* The Department of State transferred \$66 million to FEMA on October 20, 2005 and \$60 million to the Department of Education (DoEd) on March 17, 2006. Although State is not directly responsible for managing the distribution of these funds, we understand from FEMA and DoEd that:

FEMA awarded \$66 million to The United Methodist Committee of Relief (UMCOR) as a grant to provide case management services.

FEMA facilitates the UMCOR grant. UMCOR established Katrina Aid Today (KAT), a consortium of 10 non-profit relief organizations, to provide case management services in Louisiana and Mississippi. To date, KAT has utilized \$33 million and are on track to utilize the balance of the \$66 million in the remaining time of the grant.

DoEd awarded grants totaling \$30 million available to 14 Higher Education institutions in Louisiana and Mississippi. These institutions have been able to draw on those funds according to their own reconstruction timetables. We understand that as of April 27, 2007, some institutions had utilized their entire grants; others were still drawing on the available funds as they proceed with their rehabilitation plans.

DoEd asked the Louisiana DoEd to develop a program to award grants totaling \$25 million. On April 19, 2007, the Louisiana Board of Education approved grants of \$190,000 each to 130 private and public schools. The current award period for use of these funds runs until November 30, 2007. Funds would be available on a year to year basis until all funds have been expended.

DoEd distributed \$5 million to the Greater New Orleans Educational Foundation for the planning and implementation of a long range strategy for K-12 educational services.

*Question.* Also, some questions were raised surrounding the terms in the contract proposal for the \$66 million consortium contract. Are you conducting oversight on this proposal, to ensure it is being used solely for its intended purposes?

*Answer.* The Department of State distributed \$66 million to the Federal Emergency Management Agency (FEMA) in October 2005, to finance a social service case management system for Katrina's victims. In December 2005, DHS/FEMA granted the \$66 million to the United Methodist Committee on Relief (UMCOR), which es-

tablished Katrina Aid Today, a case management consortium of ten social service and voluntary organizations.

FEMA has assured State that it is conducting oversight of the contract to ensure appropriate use in accordance with standard auditing practice/procedures. State officials met with officials from FEMA's Office of Inspector General when that entity was developing its auditing plans.

FEMA requires quarterly reports that address both financial and programmatic information as well as weekly reports detailing the number of cases and case managers. FEMA has appointed a liaison to Katrina Aid Today that not only monitors reports but attends meetings at all levels (national, regional, grass roots) and consults with Katrina Aid Today on all programmatic and informational exchanges.

*Question.* What is the progress/status of the State Department's progress on completing all 9 recommendations from the Federal Government Katrina Lessons Learned exercise? If you have completed all recommendations, were they finished before June 1, 2006?

*Answer.* Below are the recommendation and status of the nine items identified for the State Department from the Katrina Lessons Learned exercise:

Recommendation 89. DOS should lead the revision of the International Coordination Support Annex (ICSA) to the National Response Plan (NRP), clarifying responsibilities of Department of State (DOS), Department of Homeland Security (DHS), Department of Defense (DOD), and other supporting agencies in response to domestic incidents. This revision should begin immediately.

Status: Completed. A State Department-led interagency group completed the first revision of the ICSA in February 2007 in consultation with the Homeland Security Council. The revisions clarify expanded roles and responsibilities of USG agencies in managing the international aspects of a domestic incident. The group also included representatives from the Departments of Homeland Security, Defense, Health and Human Services, Agriculture, and Transportation, and the Agency for International Development.

Recommendation 90. DOS and DHS should lead an interagency effort that will quickly develop procedures to review, accept or reject any offers of international assistance for a domestic catastrophic incident.

Status: Completed. An interagency group consisting of the Department of State, USAID/Office of Foreign Disaster Assistance (AID), DHS/FEMA, DOD, and the American Red Cross (ARC) has developed a system for managing international assistance during a domestic disaster. The system outlines policies and procedures to systematically manage offers of, or United States requests for, international material assistance during a United States domestic disaster. It also specifies the roles and responsibilities of participant agencies, provides standard operating procedures for managing offers of foreign assistance and domestic requests for foreign resources, and outlines the process for receiving and distributing international assistance that is accepted by the U.S. Government. The core procedures and arrangements detailed in the manual were agreed informally among participants by June 1, 2006.

Recommendation 91. DHS should lead an interagency effort to create and routinely update a prioritized list of anticipated disaster needs for foreign assistance and a list of items that cannot be accepted.

Status: Completed. The interagency has established procedures for coordinating with USG regulatory agencies for the entry, handling, and use of foreign resources during a disaster. Regulatory agencies provide technical advice and review offers of international assistance prior to FEMA acceptance. The procedures include guidance on acceptable and unacceptable items to assist the Department of State in communicating with the international community.

Recommendation 92. DOS should establish an interagency process to: determine appropriate uses of international cash donations; to ensure timely use of these funds in a transparent and accountable manner; to meet internal Federal Government accounting requirements; and to communicate to donors how their funds were used.

Status: Completed. Procedures have been established to manage the receipt, distribution, and use of foreign cash donations made during a domestic disaster. An interagency Working Group will be convened as necessary to address fund management issues and make recommendations on funding disaster recovery projects. Immediate needs would be pre-identified by FEMA, with the understanding that certain donations may be directed to longer term disaster recovery.

Recommendation 93. Public and Diplomatic Communications during domestic emergencies should both encourage cash donations—preferably to recognized non-profit voluntary organizations with relevant experience—and emphasize that donations of equipment or personnel should address disaster needs.

Status: Completed. As was done during Katrina, the State Department provides instructions to all U.S. diplomatic missions abroad advising them to encourage foreign entities wishing to assist to make cash donations directly to appropriate NGOs rather than the USG.

Recommendation 94. The Department of State and the Department of Homeland Security should jointly develop procedures to ensure that the needs of foreign missions are included in domestic plans for tracking inquiries regarding persons who are unaccounted for in a disaster zone.

Status: Completed. The Department of State has worked with DHS/FEMA and the ARC to ensure that, during a domestic disaster, the USG honors its international obligations under the Vienna Convention on Consular Relations. Although the USG is not required to track down and find missing foreign nationals during a disaster in the United States, under the Convention it is obligated to assist foreign missions in obtaining "appropriate consular access" to their nationals.

The Department of State's Office of Public Affairs has designated personnel to work with DHS/FEMA during domestic emergencies. These personnel will train with DHS/FEMA and will be part of FEMA's information operation from the outset of a major domestic crisis, in order to ensure efficient handling of queries from and consistent messaging to foreign missions and foreign media.

The Department of State's Office of Foreign Missions and the ARC have discussed with foreign missions in Washington, DC how foreign missions can best utilize the ARC's missing persons' registry to locate missing foreign nationals in the United States.

Recommendation 95. DHS and DOS should revise the NRP to include DOD and Department of Agriculture (USDA)-Food Safety Inspection Service as cooperating agencies to the International Coordination Support Annex. Including DOD more directly in foreign assistance management would leverage existing relationships with partner military establishments and help to ensure that staging areas for the acceptance of foreign aid are preplanned and quickly available.

Status: Completed. The revised ICSA Annex to the NRP includes both DOD and USDA as cooperating agencies. Within the IAS, regulatory agencies such as the USDA provide technical advice and review offers of international assistance prior to FEMA acceptance.

Recommendation 96. DHS should include DOS and foreign assistance management in domestic interagency training and exercise events. Inclusion in the new National Exercise Program (NEP) should occur before the end of fiscal year 2006.

Status: We refer you to DHS regarding its training and exercise events. We understand DHS is developing an international assistance training module for use in future exercises. DHS can provide more detailed information.

Recommendation 97. DHS should provide daily disaster response situational updates through the Secretary of State to all Chiefs of Mission or Chargé d'Affaires. These updates should improve situational awareness and provide information to address host government concerns or questions.

Status: DHS has assured State it will provide appropriate updates to inform U.S. Missions overseas and, by extension, foreign governments.

*Question.* What is the timeline of when an amendment to the International Coordination Support Annex to the National Response Plan may take place? What else must be completed to reach this goal?

*Answer.* An interagency group completed the first revision of the ICSA in February 2007. The group included representatives from the Departments of State, Homeland Security, Defense, Health and Human Services, Agriculture, and Transportation, and the Agency for International Development. Within the Department of State, we continue to ensure that relevant bureaus are familiar with the changes to the National Response plan and prepared to act in the event the National Response Plan is activated.

*Question.* With DOS designated the lead agency, can I get from you, in writing, the status of where all affected agencies are in completing the nine recommendations. If they are complete, I want to know their status on completing final recommendation for amending the International Coordination Support Annex to the National Response Plan?

*Answer.* Below are the recommendation and status of the nine items identified for the State Department from the Katrina Lessons Learned exercise:

Recommendation 89. DOS should lead the revision of the International Coordination Support Annex (ICSA) to the National Response Plan (NRP), clarifying responsibilities of Department of State (DOS), Department of Homeland Security (DHS), Department of Defense (DOD), and other supporting agencies in response to domestic incidents. This revision should begin immediately.

Status: Completed. A State Department-led interagency group completed the first revision of the ICSA in February 2007 in consultation with the Homeland Security Council. The revisions clarify expanded roles and responsibilities of USG agencies in managing the international aspects of a domestic incident. The group also included representatives from the Departments of Homeland Security, Defense, Health and Human Services, Agriculture, and Transportation, and the Agency for International Development.

Recommendation 90. DOS and DHS should lead an interagency effort that will quickly develop procedures to review, accept or reject any offers of international assistance for a domestic catastrophic incident.

Status: Completed. An interagency group consisting of the Department of State, USAID/Office of Foreign Disaster Assistance (AID), DHS/FEMA, DOD, and the American Red Cross (ARC) has developed a system for managing international assistance during a domestic disaster. The system outlines policies and procedures to systematically manage offers of, or United States requests for, international material assistance during a United States domestic disaster. It also specifies the roles and responsibilities of participant agencies, provides standard operating procedures for managing offers of foreign assistance and domestic requests for foreign resources, and outlines the process for receiving and distributing international assistance that is accepted by the U.S. Government. The core procedures and arrangements detailed in the manual were agreed informally among participants by June 1, 2006.

Recommendation 91. DHS should lead an interagency effort to create and routinely update a prioritized list of anticipated disaster needs for foreign assistance and a list of items that cannot be accepted.

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Recommendation 93. Public and Diplomatic Communications during domestic emergencies should both encourage cash donations—preferably to recognized nonprofit voluntary organizations with relevant experience—and emphasize that donations of equipment or personnel should address disaster needs.

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The Department of State’s Office of Public Affairs has designated personnel to work with DHS/FEMA during domestic emergencies. These personnel will train with DHS/FEMA and will be part of FEMA’s information operation from the outset of a major domestic crisis, in order to ensure efficient handling of queries from and consistent messaging to foreign missions and foreign media.

The Department of State’s Office of Foreign Missions and the ARC have discussed with foreign missions in Washington, DC how foreign missions can best utilize the ARC’s missing persons’ registry to locate missing foreign nationals in the United States.

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Status: We refer you to DHS regarding its training and exercise events. We understand DHS is developing an international assistance training module for use in future exercises. DHS can provide more detailed information.

Recommendation 97. DHS should provide daily disaster response situational updates through the Secretary of State to all Chiefs of Mission or Chargé d'Affaires. These updates should improve situational awareness and provide information to address host government concerns or questions.

Status: DHS has assured State it will provide appropriate updates to inform U.S. Missions overseas and, by extension, foreign governments.

#### QUESTIONS SUBMITTED BY SENATOR JACK REED

*Question.* The START Strategic Arms Reduction Treaty expires December 2009 but either side must notify the other one year in advance. The Russians have expressed an interest in beginning discussions, but the United States does not appear to be interested. When will the United States begin discussions on START I extension?

The Moscow Treaty, even though it is a Treaty of no duration beyond the day in 2012 when it comes into force and expires, relies on the inspection provisions of START I. Unless START I is extended there is no transparency or semblance of verification under the Moscow Treaty.

Would the administration support multiparty talks along the lines of those suggested by Senator Nunn, George Schultz, and Henry Kissinger, to substantially reduce total stockpiles of nuclear weapons?

Why should other nations not be worried about the U.S. decision to pursue a Reliable Replacement Warhead? How is this program consistent with the U.S. obligations under Article VI of the NPT? (Article VI directs the nuclear weapons states to work toward the elimination of nuclear weapons)

Answer. The START Treaty was valuable in a time when the United States and Russia had a relationship based on enmity and distrust. The Moscow Treaty took the first step in formalizing our new strategic relationship. As a result, by the end of 2012, both sides will have reduced their strategic nuclear warheads to no more than 1,700–2,200, the lowest levels in decades and less than one quarter of their cold war peak. In addition, the United States and Russia have both stated their intention to carry out strategic offensive reductions to the lowest level consistent with their national security requirements, including commitments to allies and friends.

By its terms, the START Treaty is scheduled to expire in December 2009. In anticipation of the expiration, the United States and Russia have begun to consider and discuss what type of arrangement will follow START. Both sides believe that it is important for a follow-on arrangement to provide predictability for the sides in strategic matters. We need to understand the trends and directions of each others' strategic nuclear forces. Neither side believes that extension of the START Treaty is the most effective way to achieve the predictability we seek, although both are drawing upon the START Treaty to find the best tools to either employ or modify for gaining the predictability our two nations seek.

Former Under Secretary of State for Arms Control and International Security Affairs, Robert Joseph, met several times over the past year with his Russian counterpart, Deputy Foreign Minister Sergey Kislyak to explore a post-START arrangement. At their meeting on January 29 in Moscow, they agreed to hold experts talks to continue the exchanges on this subject.

The first of these meetings was held in Berlin on March 28. The United States effort is led by Assistant Secretary of State for Verification, Compliance and Implementation, Paula DeSutter. The Russian effort is led by Ministry of Foreign Affairs Director of Security and Disarmament Affairs, Anatoliy Antonov.

The United States and Russia are now engaged in discussions aimed at developing transparency and other measures to provide continuity and predictability regarding strategic nuclear forces in a post-START arrangement, including exchanges of information, notifications, visits, and other mutually agreed measures.

With respect to the Reliable Replacement Warhead (RRW), RRW will enable us to fulfill the President's goal of achieving a credible deterrent with the lowest possible number of nuclear warheads consistent with our national security needs, including our obligations to our allies. RRW is not a new military capability, but is a means to incorporate new technology for safety, security, and to ensure long-term reliability of the U.S. nuclear stockpile. RRW is fully consistent with our obligations under the Nuclear Nonproliferation treaty—including Article VI—and would eventually enable further reductions in the stockpile. RRW will reduce the likelihood of the need to return to underground nuclear testing. It will also strengthen extended deterrence and our commitment to allies and friends.

*Question.* In its fiscal year 2008 budget request, the administration breaks the parity between Armenia and Azerbaijan, in favor of Azerbaijan, in both Foreign Military Financing (FMF) and International Military Education and Training (IMET). What is the rationale for the divergence from military parity between Armenia and Azerbaijan?

Would a break in military parity in Azerbaijan's favor undermine the Nagorno-Karabakh peace process and negate the role of the United States as an impartial broker of peace?

*Answer.* In light of the ongoing conflict over Nagorno-Karabakh, U.S. military assistance to both Azerbaijan and Armenia is carefully considered to ensure that it does not undermine or hamper ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan or be used for offensive purposes against Armenia. In fiscal year 2008, the administration looks forward to a robust program of military cooperation with both Azerbaijan and Armenia, based on activities tailored to U.S. interests and local capabilities in each country.

Specific increases for Azerbaijan are linked to U.S. priorities in the war on terror, building Azerbaijan's peacekeeping capabilities, and enhancing Caspian maritime security. The administration believes that building the maritime capabilities of Caspian Sea countries including Azerbaijan is important to prevent the transit of dangerous materials, to deter and prevent terrorist activity, and to support the growing contribution of the Caspian basin to world energy supplies.

We do not believe that the differences in security assistance in the fiscal year 2008 budget requests undermine prospects for peace or compromise our ability to serve in good faith as an impartial mediator for the Nagorno-Karabakh conflict. As a mediator, we consistently deliver the message to both sides that only a peaceful solution for the conflict is acceptable. We hope that the presidents of Armenia and Azerbaijan will endorse as soon as possible the set of Basic Principles for the peaceful settlement of the conflict that they have been negotiating for the past several months. It is longstanding U.S. policy that we support the territorial integrity of Azerbaijan and—through our role as one of the three OSCE Minsk Group Co-Chair countries, along with Russia and France—seek to help Armenia and Azerbaijan reach a peaceful negotiated settlement of the Nagorno-Karabakh conflict. A peaceful resolution of the conflict will increase regional security and allow for the opening of trade and communications links that will be important for the future prosperity of the South Caucasus region.

*Question.* On what grounds has the administration sought a substantial reduction in economic assistance to Armenia?

Does the Millennium Challenge Account continue to supplement and not replace traditional economic assistance to Armenia?

*Answer.* The administration considers the totality of U.S. assistance resources available when formulating its bilateral budget requests. The fiscal year 2008 budget request for Armenia decreased by 48 percent (over \$35 million) from fiscal year 2006. This decline reflects in part reduced need as a result of Armenia's successful indicators and performance, particularly in promoting economic growth and addressing rural poverty, but also Armenia's 5-year, \$236 million Millennium Challenge Corporation (MCC) Compact. If estimated MCC disbursements (over \$60 million) for fiscal year 2008 are taken into account, the actual fiscal year 2008 funding level for Armenia increases by 34 percent to more than \$98 million.

Armenia's MCC Compact is focused on irrigation systems and rural road rehabilitation. While the country's recent economic growth and standard of living surpass most developing countries, the sustainability of this performance may be weakened by the government's inconsistent approach to implementing democratic reforms. In line with the MCC Compact signed in March 2006 and Armenia's good indicators and performance, we have shifted some investments from Economic Growth and In-

vesting in People and increased our focus on Ruling Justly to promote the sustainability of reform.

Existing development funding in the economic sector is therefore targeted to providing support for small- and medium-sized enterprise development, financial sector development, and regulatory reform to complement the MCC program and maximize its impact.

*Question.* One of the most useful tools in Afghanistan and Iraq has been the “Commanders Emergency Response Program”, or CERP funds, which gives military commanders unrestricted, undedicated funds to immediately address relief and reconstruction issues. I have heard during my visits that it would be very useful if the State Department has an equivalent program—that there is too much bureaucracy in State Department funding and the State Department has to go the DOD for needed funds. Is it true State personnel ask for CERP funds? Should the State Department institute a CERP-like program—particularly since State Department and USAID workers will be in Iraq and Afghanistan long after the military leaves?

*Answer.* The Department of State and USAID coordinate with DOD at the Provincial Reconstruction Team (PRT) level on the use of Commanders Emergency Response Program (CERP) funds. Department of State and USAID foreign assistance currently incorporates a number of programs to expediently respond to local needs in places like Iraq and Afghanistan. In Iraq, these programs, coordinated through the Provincial Reconstruction Teams, include Provincial Reconstruction Development Councils (PRDC), the Community Action Program (CAP) and the Community Stabilization Program (CSP). In close coordination with Iraqi officials, the Provincial Reconstruction Development Councils (PRDCs) in all eighteen governorates in Iraq identify critical projects that fulfill immediate community needs and implement those programs. Coordinated project selection by the PRTs and PRDCs fosters consensus-building among Iraqi officials, while helping to enhance the position of moderate officials and to isolate extremists. This program has already started to show impressive results and is accelerating with an additional \$600 million appropriated in the fiscal year 2007 supplemental.

The PRDC program is complemented by two USAID programs, also coordinated through the PRTs, which reach out to neighborhoods and transform communities. USAID’s CAP program establishes neighborhood councils to conduct small scale infrastructure projects and community revitalization. The CSP targets conflict-prone neighborhoods and works to revitalize the economy through job creation and infrastructure projects. CSP recently reached its target of establishing 40,000 jobs in Baghdad.

While USAID and State do not have a precisely CERP-equivalent mechanism by which we can obligate funds without procurement and other restrictions, each of these is a flexible, quick response program that enables the U.S. Government to respond to relief and reconstruction needs in Iraq.

We are eager, however, to continue to work with Congress to determine the most effective mechanisms to respond fully to relief and reconstruction needs worldwide. At present, we work to use existing authorities and funds to be as flexible and responsive as possible in states characterized by political, economic, and security instability.

For example, we appreciate Congress’ support for funding accounts like International Disaster and Famine Assistance (IDFA), Peacekeeping Operations (PKO), and Transition Initiatives (TI) that address urgent humanitarian and post-conflict needs. The President also requested funding in fiscal year 2008 within the PKO account to bolster flexible reconstruction and stabilization capability in places such as Lebanon and Sudan. In addition, as you are aware, the Department of State has created the Office of the Coordinator for Reconstruction and Stabilization, with the intent to foster rapid response capabilities and programming. We appreciate the Senate’s support in its passage of \$50 million in the fiscal year 2007 supplemental (contingent on specific authorization in a subsequent act of Congress) to support and maintain a Civilian Reserve Corps, whose expertise and rapid deployment will allow us to further ensure effective use of post-conflict assistance.

Finally, the fiscal year 2008 budget request is built to support and implement stabilization strategies in such countries as Iraq, Afghanistan, Sudan, Liberia, and the Democratic Republic of the Congo. The request carefully considered the appropriate amount, account authorities, and purpose for the funds requested, such that stabilization strategies could be supported with the appropriate tools. Earmarks and account shifts limit our ability to effectively employ funds within current authorities to achieve success in difficult and rapidly transitioning environments. We appreciate Congress’s consideration of these factors as you evaluate the fiscal year 2008 request.

*Question.* Report on the Need to Improve Interagency Support to National Security Efforts.

Madam Secretary, section 1035 of the Fiscal Year 2007 National Defense Authorization bill directed the President to submit a report on improving interagency civil-military support for U.S. national security missions, including peace and stability operations. The report was due on April 1, but the Armed Services Committee has not received it. When will it be submitted? Tell us, please, why it has been delayed.

*Answer.* The National Security Council tasked the Department of Defense with drafting the report called for in section 1035 of the Fiscal Year 2007 National Defense Authorization bill, in coordination with the State Department. Given the complexity and importance of the report's topic, Defense and State have worked closely together in its preparation. We regret the delay in its submission; the report is in the final stages of review and we anticipate that it will be transmitted to Congress shortly.

*Question.* Madam Secretary, the Fiscal Year 2007 National Defense Authorization bill also directed the President—in section 1211—to appoint a senior coordinator for North Korea policy by December 16, 2006. This is similar to action Congress took in 1998 when it directed President Clinton to review his North Korea policy and appoint a special coordinator. President Clinton appointed Former Secretary of Defense William J. Perry. Secretary Perry launched a comprehensive review, and established new unity among Republicans and Democrats and, the United States managed to keep most of North Korea's nuclear and missile activities frozen. I understand that last December diplomatic efforts—that led to the February 13 agreement—were ongoing. But since then, 3 months have gone by. This action is 5 months overdue, and our negotiations are stalled.

Why have we had a 5-month delay, and when can we expect a coordinator to be appointed?

*Answer.* As noted in your question, the Six-Party Talks have made progress—marked by the February 13 Initial Actions agreement to implement the September 2005 Joint Statement, the March 13–14 visit of IAEA Director General ElBaradei to North Korea and the March inaugural meetings of the Six-Party working groups. Assistant Secretary Hill and the interagency delegations supporting the Talks and its five constituent working groups continue to engage our Six-Party partners, as well as the IAEA, on the way forward on DPRK denuclearization. Interagency coordination and attention to North Korea issues also continues on a regular basis with the engagement of senior State Department officials.

The 2007 National Defense Authorization Bill directed the President to appoint a senior coordinator for North Korea policy. The interagency is continuing to deliberate on this and will send its recommendation to the President shortly. The State Department will continue to concentrate its efforts on this important issue.

*Question.* How does the U.S. position on Nagorno-Karabagh in the human rights report differ from the Azerbaijani position?

Could you please explain the decision process behind crafting and introducing this new language?

The State Department did post revised language on its website but then restored the original language a few days later. Can you please walk me through that process—who was involved in the initial revision, then the subsequent return to the original text, and the justifications they used to guide their actions?

The press widely reported that the Azerbaijani government lodged protests with the administration on this issue—and even went to the extent of postponing a planned bilateral security meeting until the text of our human rights report was changed to its satisfaction. Is it the case that the Azerbaijani government has been in touch with the administration on this matter? If so, did the Azerbaijani government indicate that it would like to see the language changed in any way?

In light of this recent controversy, I think it would be constructive for the Department of State to clearly articulate the role that the self-determination of the people of Nagorno Karabagh should play in the settlement of this conflict. Do you agree?

Does the report's language describing Armenia as an occupier of Azerbaijani territory and Nagorno Karabagh reflect U.S. policy?

*Answer.* Some mistakenly interpreted the language in the human rights report as a change in U.S. policy concerning the Nagorno-Karabakh conflict. There has been no change in U.S. policy. The United States remains deeply committed to finding a peaceful settlement of the Nagorno-Karabakh conflict as an honest broker in the OSCE's Minsk Group process. As a result of the conflict over Nagorno-Karabakh, Armenian forces control most of that region, as well as large portions of surrounding territory. We support the territorial integrity of Azerbaijan and hold that the future status of Nagorno-Karabakh is a matter of negotiations between the parties.

The language on Nagorno-Karabakh was intended only as a brief backdrop to the description of human rights issues as covered in depth by the country report. After the report was published a number of questions arose about the implications of the passage in question. We attempted to clarify the language. In so doing, however, we encountered additional questions over terminology, and realized that we had only added to the confusion by adding new language. We therefore restored the original language to that of the version submitted to Congress, while assuring both the Government of Armenia and the Government of Azerbaijan that our policy had not changed.

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QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

*Question.* A. Secretary Rice, how long is this war going to last, and how, specifically, are you measuring “progress?” What evidence can you give us that this time is different, and we are about to see progress in Iraq?

B. Secretary Rice, can you explain to the Committee why a coordinator for Iraq policy—what has been dubbed a “war czar” by the media—is necessary? I thought, according to the Constitution, the President was the “war czar.” Who has been managing Iraq policy in the administration in the absence of this position? How do you foresee working with the new “war czar,” if one were to be appointed?

*Answer.* A. We measure progress along three tracks—security, political, and economic—and remain fully committed to helping the Iraqi Government meet “benchmarks” it has articulated. This includes passing key legislation, including a hydrocarbons law, De-Ba’thification reform, constitutional review, and provincial elections. The Iraqi Government understands the importance of meeting these benchmarks and is working towards that goal. We have already seen some progress, but much hard work is yet to be done. For example, Iraqi political leaders are actively negotiating a de-Ba’thification Reform Law and a hydrocarbon package of laws.

B. As the White House has said, an Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan is necessary because the President’s “New Way Forward” in Iraq requires greater coordination and involvement from across the Government. The individual named to fill this role will handle, full-time, the implementation and execution of our strategies for Iraq and Afghanistan, and will lead the policy development process for these two theaters. He or she will report directly to the President and, as an Assistant to the President, will work closely with National Security Advisor Steven Hadley, who provides overall leadership of the National Security Council staff. He or she will also be empowered by the President to request and receive information and assistance from the Federal Departments and Agencies, including the Department of State, needed to carry out the President’s strategies. For our part, the Department of State will work closely with the new Deputy National Security Advisor for Iraq and Afghanistan to make sure he or she has the tools and information needed to carry out the duties of the position.

*Question.* Secretary Rice, on April 30, 2003, the State Department reported that the number of international terrorist attacks worldwide decreased 44 percent and anti-U.S. terrorist attacks decreased 65 percent from the previous year. A year and a half after September 11, we were apparently doing some things right. Unfortunately, 4 years later, the picture is not so bright: the latest “Country Report on Terrorism” issued by the State Department on April 30, 2007, concluded that terrorist attacks in Iraq had increased 91 percent from 2005 to 2006 and that 65 percent of global fatalities from terrorism occurred in Iraq during 2005–2006. In the words of the April 2006 National Intelligence Estimate, Iraq has become “the ‘cause celebre’ for jihadists.” Looking back, and based on those figures, would you argue that the Iraq war has been a positive development for U.S. national security interests?

*Answer.* The war in Iraq resulted in the removal of a brutal dictator who terrorized his people, threatened the region and the international community, sanctioned the massacre of more than 300,000 Iraqis, and launched the invasion and occupation of Kuwait. The international community tried to counter the threat posed by Saddam Hussein by imposing sanctions on his regime. However, the sanctions did not have their intended affect, and Hussein continued his course unabated, which prompted the administration to pursue other avenues of action. On balance, U.S. national security interests have been strongly enhanced by the removal Saddam Hussein.

We would advise against placing too much emphasis on any single set of incident data to gauge success or failure against the forces of terrorism. Tallying incident data necessarily involves relying exclusively on frequently incomplete and ambiguous information that is not derived from Federal Government collection programs

created or operated specifically to obtain the data. Simply counting terrorist incidents provides an incomplete measure of our counter terrorism efforts; this does not account for the large number of terrorists arrested, plots disrupted, and potential recruits and sympathizers who are persuaded to reject the violent ideology and misinformation spread by terrorists.

Clearly, Iraq has a significant terrorism challenge. A paramount strategic objective in Iraq and the region is preventing al-Qaida, its affiliates or other terrorists from establishing safe haven in al-Anbar or anywhere else in Iraq. Groups like al-Qaida in Iraq (AQI) and Ansar al-Sunna are attempting to drive the United States out of Iraq in order to establish a safe haven from which to train and plan attacks. Together with the Iraqi Government and our Coalition partners, we are destroying terrorist networks and helping the Iraqis secure their territory so al-Qaida cannot do in Iraq what they did in Afghanistan before the fall of the Taliban.

Although Iraq is a proven ally in the War on Terror, Iraq's developing security and armed forces will require further training and resources before they can effectively address the terrorist groups already operating within their borders without international assistance. Iraq's intelligence services continue to improve in both competency and confidence but will require additional support before they can adequately identify and respond to internal and external terrorist threats. The international community's support is critical to ensure that the Government of Iraq's plans to reduce violence, improve services, and increase economic opportunities are successful.

Prospects for increasing stability in Iraq will depend on: the extent to which the Iraqi government and political leaders can establish effective national institutions that transcend sectarian or ethnic interests and, within this context, the ability of the Iraqi Security Forces to pursue extremist elements of all kinds; the extent of international assistance to the Government of Iraq to do so; the extent to which extremists, most notably AQI, can be defeated in their attempt to foment inter-sectarian struggle between Shia and Sunnis; and the extent to which Iraq's neighbors, especially Iran and Syria, can be persuaded to stop the flow of militants and munitions across their borders.

*Question.* Secretary Rice, we have received reports from former Ambassadors and Foreign Service Officers serving overseas that U.S. policy toward detainees—particularly in Guantanamo Bay—is impacting our diplomatic credibility and placing our personnel at risk. There is now a widespread belief in the rest of the world that the United States routinely tortures prisoners and denies them due process when it suits us. The global perception that this is our policy makes it more likely that our own citizens could face the same treatment if they are detained overseas. Would you agree that it is in our national security interests to reverse this perception? What steps would you take in order to do so?

*Answer.* The administration is acutely aware of concerns that have been raised both at home and abroad about detentions of individuals at Guantanamo Bay. Our challenge has been to explain to the world that the United States and other nations around the world share a common problem in dealing with dangerous terrorists intent on harming our civilian populations, while at the same time being mindful of the need to operate lawfully and in a manner that preserves our commitment to principles of human rights and international humanitarian law.

Unfortunately, the detention facility at Guantanamo Bay has become a lightning rod for international criticisms stemming from the misperception that detainees there are in a “legal black hole.” In fact, detainees at Guantanamo enjoy a robust set of procedural and treatment protections. All detainees at Guantanamo have received or will receive a Combatant Status Review Tribunal to confirm that they are properly detained as enemy combatants. Under the Detainee Treatment Act of 2005, detainees have the opportunity to challenge these status determinations in the U.S. Court of Appeals for the D.C. Circuit.

In addition, the administration remains committed to trying by military commission those who have violated the laws of war or committed other serious offenses under the Military Commissions Act of 2006 (MCA). After the Supreme Court in *Hamdan v. Rumsfeld* set aside the original system of military commissions, we worked with the Congress to create a new set of military commission procedures in the MCA that are fully consistent with U.S. law and Common Article 3 of the Geneva Conventions.

The Detainee Treatment Act, the Department of Defense Detainee Directive, and the revised Army Field Manual on interrogation collectively provide detainees at Guantanamo a robust set of treatment protections that are fully consistent with, and in some respects exceed, our international obligations, including Common Article 3 of the Geneva Conventions. The success of these legal protections in creating an environment at Guantanamo that meets international standards is reflected in

the reports of visitors to Guantanamo, such as the Special Representative of the OSCE Parliamentary Assembly President for Guantanamo, Belgian Senator Anne Marie Lizin and the U.K. House of Commons Foreign Affairs Committee. These groups have found that conditions there mirror, and in some respects improve upon, those of high security prisons in Europe and the United States, with no evidence of ongoing detainee abuse. Where allegations are made of detainee abuse, those allegations are investigated fully, and if true, those responsible are held accountable.

Given the national security imperative to dispel these misimpressions, the Department has made dialogue with our allies on these difficult issues a priority. The Department has undertaken extensive bilateral and multilateral efforts to discuss with our international partners a common approach to legal issues arising out of asymmetric armed conflicts, such as the one we are now in with al-Qaida. In addition, we have made explanation of our detainee policy a cornerstone of our public diplomacy efforts through the use of media events, editorials, and outreach to academia and international opinion makers. The result of these efforts has been a growing international recognition that the threat posed by al Qaida does not neatly fit within existing legal frameworks, and that the need exists to work on common approaches to difficult international legal questions posed by this conflict.

In the long run, the President has stated that he would like to move towards the day when we can eventually close the detention facility at Guantanamo Bay. We have worked hard with the Department of Defense to reduce the population of Guantanamo by more than half. Although our critics abroad and at home have called for Guantanamo to be shut immediately, they have not offered any credible alternatives for dealing with the dangerous individuals that are detained there. We are frequently unable to transfer or release approved detainees because of the human rights or security conditions in the detainees' home countries. And with few exceptions we have been unable to resettle these detainees in third countries because other nations are unwilling to accept them for resettlement. Moving forward, it is critical that the international community recognize, as the UK Foreign Affairs Committee recently did, that many of the detainees at Guantanamo pose a threat not just to the United States but to its allies, and that the longer-term solution to Guantanamo, including resettlement of detainees who cannot be repatriated, is a responsibility shared between the United States and those allies.

*Question.* Secretary Rice, I'm sure that you were as disgusted as I was to see in the latest SIGIR report that out of eight rebuilding projects in Iraq recently investigated, which cost approximately \$150 million and were declared successes, seven are now in disrepair or have been abandoned. Seven out of eight projects that the U.S. taxpayer has built in Iraq are now falling apart. What are you doing to ensure this waste does not continue? Are you investigating other reconstruction projects that have been completed, to verify that they are still operational? Have any lessons been learned from the failure of these efforts?

*Answer.* We share your concerns about operations and maintenance of our completed reconstruction projects in Iraq. Adequate operations and maintenance are essential to ensure that U.S. funded reconstruction projects are used to the maximum benefit of the Iraqi people. The Special Inspector General for Iraq Reconstruction (SIGIR), Stuart Bowen, has repeatedly acknowledged the progress that has been made in improving our management efforts and has stated that the majority of U.S. reconstruction programs have been completed on time and as planned.

Initially, we anticipated that the Government of Iraq would assume responsibility for operations and maintenance of completed reconstruction projects. As SIGIR points out, however, there is a clear need for assistance in increasing the Iraqis' capacity to operate and maintain completed reconstruction projects. To address this need, we shifted the emphasis of our assistance programs away from large scale reconstruction projects toward capacity development programs. We programmed \$285 million within the fiscal year 2006 Supplemental Appropriations to contribute to the operations and maintenance of completed reconstruction projects and another \$60 million for capacity development for Iraqi technicians and plant managers.

We continue to work closely with SIGIR, the GAO, and our Inspector General to improve management and oversight of U.S. reconstruction projects in Iraq. We have benefited from SIGIR's recommendations on how we can better manage our reconstruction projects in Iraq.

We are working closely with the Iraqi government to ensure that Iraq's own resources are used to provide essential services such as oil, water, and electricity for the Iraqi people. Despite repeated attacks, the Iraqis have been able to maintain key infrastructure facilities in extremely difficult circumstances. Our continued assistance will help Iraq improve the security, operation, and maintenance of these critical facilities.

## QUESTIONS SUBMITTED BY SENATOR SAM BROWNBACK

*Question.* The State Department request for FMF to Ethiopia is only \$850,000. In your estimation, does the Ethiopian Government have the resources it needs to continue fighting the war against the Islamic Courts and their allies in Somalia?

Does the administration plan on increasing FMF for Ethiopia in the near future? If so, for what specifically will the money be used?

*Answer.* Fiscal year 2008 funding request levels were determined in early 2006 before the Council of Islamic Courts in Somalia had begun to pose a threat to the Horn of Africa region. Ethiopia's ongoing intervention in Somalia to promote the Transitional Federal Government and to support the establishment of security and national reconciliation have significantly depleted its hard currency reserves and taxed its budget. The Ethiopian Government does not have sufficient resources to continue at its current pace indefinitely.

In light of recent developments in the Horn of Africa region and Ethiopia's needs, the administration is reassessing assistance to Ethiopia.

*Questions.* Recent news reports have indicated that the Iranian regime has targeted and harassed NGO's and human rights groups inside Iran in response to the announcement of the U.S. allocating \$75 million for democracy programs in Iran. Are such reports credible, and if so, what kinds of steps are being taken to avoid doing harm to the very groups we are trying to empower?

Where does the administration place the issue of the Iranian regime's human rights violations in the context of the regime's ongoing nuclear proliferation and state sponsorship of terrorism?

Is there any downside to establishing a special envoy to coordinate human rights and democracy promotion for Iran along the lines of Sudan and North Korea?

*Answer.* The Department of State's monitoring of Iranian regime's reaction to dissidents and activists indicates that the number of arrests has remained consistently high, with no noticeable increase following our announcement of the \$75 million for democracy programs in Iran. We are sensitive to the fact that democracy and human rights advocates face risks in Iran. Recent criticism of the USG's Iran democracy programming activities has missed the mark; it is the actions of the Iranian regime that put its own people in danger, not USG support for freedom and personal liberty. We must be clear: the Iranian government, like other authoritarian and totalitarian regimes, views democracy and human rights activists as a threat. The Islamic Republic has little tolerance for those encouraging reform, irrespective of the origins of their funding. But that has never been a justification for us to stop supporting democratic actors around the world. Our programming remains important to encourage the development of personal liberty and freedom in Iran and we have safeguards to ensure the confidentiality of those with whom we work. We would be happy to discuss these safeguards with you.

While the nuclear debate overshadows other categories of our Iran policy, we maintain a strong message on human rights, including not only the condemnation of random arrests and tyrannical actions, but also support for the universal rights of speech, assembly, press and religion—as a crucial element of the President's policy of support to the Iranian people.

Undersecretary for Political Affairs Nick Burns coordinates the Department's Iran efforts, including human rights issues. We do not see the need for a separate human rights envoy. Human rights need to be advanced in the overall policies, which we are following. Since ultimately the Iranian people must determine their future, public outreach, support to Iranian civil society and people-to-people exchanges provide the United States the best opportunity for encouraging democratic reform in Iran.

*Question.* What is the timeline for taking more coercive, bilateral and multilateral, action against the Sudanese Government if they don't accept U.N. peacekeeping troops and take real steps toward ending the genocide?

*Answer.* The United States continues to engage with partners to press Sudan to fully cooperate in the peaceful resolution of the crisis in Darfur. We have repeatedly made clear to the Sudanese Government that all options remain on the table should Khartoum continue to defy the will of the international community.

President Bush announced on April 18 the USG's intention to impose increased bilateral sanctions on Sudan and pursue additional multilateral sanctions through the United Nations if President Bashir does not take significant political, humanitarian and peacekeeping actions to improve the situation in Darfur. The USG agreed to allow United Nations Secretary-General Ban Ki-Moon more time to urge President Bashir to honor his commitments, but our patience is not open-ended. We continue to work towards concerted international pressure on Khartoum. This includes possible multilateral and bilateral sanctions.

*Question.* What action are you, and the State Department as a whole, doing to engage China to play a more productive role in getting a robust peacekeeping force into Sudan and ending the genocide?

*Answer.* One of the central objectives of our diplomatic engagement with China has been to persuade Beijing to assume responsibilities commensurate with its rising influence and stature. Nowhere is this more the case than on Darfur. China's leverage with Khartoum is not absolute, but there is much that China can do to persuade the Government of Sudan to accept the full deployment of the U.N./AU hybrid peacekeeping force under U.N. command structures, and to convince Khartoum to engage seriously in a peace process that involves all parties to the conflict. Special Envoy Natsios, Deputy Secretary Negroponte, and Assistant Secretary Frazier have all had serious, in-depth discussions on Sudan with the Chinese, as have I.

Let me be clear. China is not where we would like it to be on Darfur. The no-interest loan to build a palace in Khartoum that President Hu announced on his February visit to Khartoum is one example. We have also communicated our serious concerns to China that weapons sold to the government of Sudan have contributed to the violence in Darfur. At the same time, we do see movement in China's position and believe that Beijing has made a decision that it must join with the international community in insisting that the atrocities in Darfur must stop.

For example, China's lead diplomat at the United Nations, Wang Guangya, helped broker the November agreement in Addis Ababa in which the Government of Sudan accepted, in principle, the three-phase deployment of the U.N./AU force. China's diplomacy was likely influential in convincing President Bashir to accept the 3,000-person "heavy support package" (HSP) under phase two of the deployment. Perhaps most significantly, Beijing recently agreed to send a 275-person engineering unit as part of the HSP. These are important steps, taken with our active diplomatic encouragement and support.

President Bashir has reneged on a number of his commitments and continues to obstruct the full deployment of the U.N./AU force under phase three. While China's support for the preliminary deployments is welcome, the critical element, as you suggest, is the full deployment of the U.N./AU force under robust U.N. command structures. China has said publicly (and to us in private) that it supports this. We are committed to working with China and our other international partners to apply pressure on President Bashir to accept the full U.N./AU force unequivocally.

*Question.* Are Baghdad's mixed neighborhoods still mixed, or are they continuing to become mostly Sunni and mostly Shi'a enclaves? What about other previously mixed areas of Iraq?

*Answer.* Some mixed neighborhoods still remain in Baghdad, and, although demographic shifts in Baghdad's neighborhoods and throughout Iraq continue to occur as a result of sectarian violence, such shifts have been slowed (and in some areas halted) by Operation Fardh al-Qanoon (Baghdad Security Plan). Older neighborhoods in Baghdad, which have been historically mixed for generations, are feeling pressures from rival terrorist, insurgent, and militia groups who are trying to win territory in these old neighborhoods, but we are working with the Iraqis to try to overcome these sectarian problems.

*Question.* What is the strategy to diffuse tensions between the Iraqi Kurds and Turkey? Are you getting sufficient cooperation from the Iraqi Kurds on fighting the PKK terrorists based in the Kurdish region?

*Answer.* We are engaged in intense diplomatic efforts to prevent an escalation in tension between Turkey and Iraq. Our efforts are led by General Joseph Ralston, the Secretary of State's Special Envoy for Countering the PKK. The General continues to work closely with his Turkish and Iraqi counterparts, as well as officials of the Kurdistan Regional Government, on this issue. His conversations have focused on building confidence between Turkey and Iraq and obtaining cooperation to fight against the terrorist Kurdistan Workers Party (PKK), which is using Northern Iraq as a base of operations for attacks against Turkey. Iraq and Turkey share a long border and have many common problems—including ending PKK terror attacks in Turkey—and interests; we are hopeful that leading figures in both countries will focus on solving problems and advancing mutual interests rather than exploiting differences.

*Question.* After receiving reports that USAID was supporting programs in occupied Cyprus without consultation with the Government of the Republic of Cyprus, the Senate Appropriations Committee included in its fiscal year 2006 Report the following: "The Committee is concerned that funds made available for bi-communal projects on Cyprus have been obligated without appropriate notification and participation of the Government of Cyprus. The Committee believes that if such funds are to improve the prospect for peaceful reunification of the island, they must be allo-

cated transparently and in full consultation with the [Government of Cyprus] and other interested parties.”

How does USAID engage and consult with the Government of the Republic of Cyprus as Congress directed in the 2006 appropriation? What has USAID done to address the concerns expressed by Congress?

Since 1993, Congress has imposed a statutory restriction on the use of ESF monies: “to be used only for scholarships, administrative support of the scholarship program, bi-communal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.” Has USAID or the State Department used funds outside of ESF for programs on Cyprus, thus avoiding Congress’s statutory restriction?

Answer. The United States is committed to consultation and transparency with “the Government of Cyprus and other interested parties” on the U.S. foreign assistance program for Cyprus, consistent with the fiscal year 2006 Senate Appropriations Committee report. Embassy Nicosia has made it a priority to increase the frequency and breadth of consultations since 2005. The Ambassador, Public Affairs Officer and USAID Representative in Nicosia have had numerous meetings with Cypriot Government officials to discuss U.S. foreign assistance in Cyprus. USAID has also regularly provided the Government of Cyprus with written information on existing and planned activities, and we have taken into account in our programs both U.S. policy and concerns expressed by Cypriot officials. For example, we have been careful to avoid any implication of recognition of Turkish Cypriot authorities, and we have chosen locations for our programs, including for contractor offices, to ensure that they do not raise any questions of property claims.

We support and consistently offer the Government of Cyprus consultations on our assistance programs, although the government has not always accepted our offers. Obtaining government approval for each project, however, would effectively cede decision-making authority to the Government of Cyprus and in so doing would nullify the basic premise of over 30 years of bi-communal programming. This would jeopardize the Turkish Cypriots’ pro-solution leadership and discourage Turkish Cypriots from participating in our programs. Although we welcome consultations with the Government of Cyprus, the U.S. Government maintains full authority over and accountability for U.S. assistance programs in Cyprus to ensure that they remain consistent with U.S. law and U.S. Government policy in support of the reunification of Cyprus as a bi-zonal, bi-communal federation.

USAID conducts its activities in Cyprus in a manner consistent with Congressional concerns and statutes. USAID programs in Cyprus are conducted exclusively through use of Economic Support Funds (ESF) and for the purposes outlined in the Congressional statutory restriction. The U.S. Embassy uses ESF as well as funds from the Department of State’s International Information Program Office, the Education and Cultural Affairs Office, and the European and Eurasian Affairs Press and Public Diplomacy Office, for cultural and bi-communal programs in Cyprus, including Fulbright Scholarships. In addition, the Embassy uses Export and Border Security funds to help establish fully effective export controls and nonproliferation investigations and prosecutions in Cyprus. We use all of these funds transparently, and offer to the Government of Cyprus consultations on the use of these funds. Use of ESF funds in Cyprus complies fully with the 1993 restriction; non-ESF funds are expended in a manner fully consistent with the objectives of that restriction.

*Question.* There have been several instances recently of Eastern European governments allowing excavation of and construction on historic Jewish cemeteries. This has taken place in Grodno, Belarus; Vilna, Lithuania (Snipiskes Jewish cemetery); Pilsen, Czech Republic; and Thessalonika, Greece.

It has come to my attention that in some countries—particularly Lithuania—the U.S. embassy staff has assisted in the protection of Jewish cemeteries, while in other countries the U.S. mission has not gotten involved. Does the administration have a comprehensive plan to address the desecration of Jewish cemeteries abroad? What is being done to ensure that this issue is consistently on the agenda of U.S. Missions in Europe?

Is the U.S. Mission to the European Union involved in this issue, and if so, how?

Answer. The Department and our Embassies have been very much involved in the effort to protect historic Jewish cemeteries in Europe. Belarus, the Czech Republic, Greece, Ukraine and Lithuania have been particular areas of focus. Our Embassies have approached national, provincial and municipal governments, and have worked with the indigenous Jewish communities and with organizations that have cemetery protection as one of their goals.

In addition, the Commission for the Protection of America’s Heritage Abroad has also been helpful with threatened cemeteries. The Department and U.S. embassies have worked closely with the Commission to protect and preserve cemeteries by as-

sisting in the negotiation of bilateral agreements and through joint efforts to prevent intrusions into burial places.

The circumstances in each of these cases have differed, but our approach and commitment have been the same: the United States takes these issues seriously and works with interested parties to achieve a solution.

The issue is essentially local in nature. Municipal planning, zoning, cultural, and building authorities frequently have primary jurisdiction. Our role has been to bring municipal and national authorities together with religious organizations and NGOs to seek a settlement that respects the interests of all concerned. In several cases, our Ambassadors have been directly involved in these efforts.

Several years ago our Embassy in Prague brokered an agreement involving the construction of a building on a cemetery site in that city. More recently Embassies Prague and Minsk have been involved with similar situations in Pilzen and Grodno, respectively. Our Embassy in Vilnius has been particularly active in an effort to protect the Snipiskes cemetery. The cemetery issue in Greece goes back many years, although there have been no recent developments. There has been no occasion for the U.S. Mission to the European Union to be involved.

As demonstrated above, the Department takes the issue of cemetery desecration extremely seriously. The Department's annual International Religious Freedom Report covers cemetery desecration in considerable detail.

*Question.* On February 24, 2005 I joined all 99 of my Senate colleagues in signing an appeal to President Putin to return the sacred Schneerson Collection to its rightful owners, Agudas Chasidei Chabad of the United States. During the Helsinki Committee's hearings on the plight of these Jewish texts on April 6, 2005, I had the opportunity to meet with elderly survivors of Soviet and Nazi persecution who struggled and sacrificed to protect these holy writings and the ideals they represent.

As you may recall, the case of the Schneerson Collection was raised with you at your Senate confirmation hearings, and I certainly appreciate the efforts that you and President Bush have made to encourage Russia to finally restore Chabad's spiritual legacy. Could you please provide an update on the administration's recent efforts to free the Schneerson Collection?

Do you plan to raise the issue of the Schneerson Collection with appropriate Russian officials during your visit? Will the administration continue to press Moscow on this important issue?

*Answer.* Shortly after the April 2005 hearing, the administration made a high level effort to convince the Russian Federation to transfer the Schneerson collection to Brooklyn. The result was a carefully worded but firmly negative response.

During his visit to Russia last month, Special Envoy to Monitor and Combat Anti-Semitism Gregg Rickman requested that the Russian Government transfer the collection. The Russian authorities declined this request as well.

I, and other State Department officials, will continue to raise this subject with Russian officials as opportunities arise.

*Question.* It has come to my attention that Al-Hurra, the Congressionally-funded commercial-free Arabic language satellite television network for the Middle East, has broadcasted a number of problematic and inappropriate programs since its new director, Mr. Larry Register, assumed leadership of the station last November. Specifically, on December, 7, 2006, Al-Hurra broadcasted live a full speech given by Sheikh Hassan Nasrallah, the leader of the terrorist group Hezbollah. Also aired that month was coverage of the now infamous Holocaust denial conference in Iran, with follow-up remarks by the tiny, fiercely anti-Zionist Jewish group Neturei Karta, which sent representatives to the conference.

During a State Department press conference on May 9, 2007, spokesman Sean McCormack said that Secretary Rice and the administration believe that Mr. Register is, "actually doing a pretty good job, a very good job."

Does the administration still stand by this assessment of Mr. Register's leadership of Al-Hurra? What specific steps are being taken to prevent Al-Hurra in the future from serving as a platform for terrorists and Holocaust-deniers?

*Answer.* The Broadcasting Board of Governors and the management at Alhurra have repeatedly and clearly acknowledged that the incidents you have noted were mistakes and not in line with the Middle East Broadcasting Network's (MBN) own editorial policies.

To deal with this problem, MBN has re-issued its editorial policy, strengthened editorial controls, and provided more and better training to its journalists.

At the same time, MBN has substantially increased its coverage of events related to U.S. foreign policy, American society and values, and the network is broadcasting a number of innovative programs to serve as a platform for dialogue between and among Americans and Arab publics, a niche that is nowhere else to be found on Arab television. Alhurra has also taken on the task of promoting democracy with

its audiences; it did an outstanding job of covering recent elections in Mauritania and Egypt, and it recently added a second congressional correspondent to cover the policy debates occurring in our own national legislature. Increasingly we hear from contacts in the Arab world and elsewhere that this kind of coverage resonates with Alhurra's audiences and as a result it is gaining traction and broadening its reach.

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QUESTION SUBMITTED BY SENATOR LAMAR ALEXANDER

*Question.* The Senate Committee report language from fiscal year 2006 State and Foreign Operations Appropriations bill stated, "The Committee directs USAID to provide \$10 million to support the programs and activities of the Financial Services Volunteer Corps (FSVC), a moderate increase over prior year funding levels." Yet, FSVC only received \$4.3 million in fiscal year 2006, down from \$7.2 million in fiscal year 2005 and \$8.1 million in fiscal year 2004. The mission of the FSVC is consistent with U.S. foreign policy objectives to strengthen market economies and promote democracy, and it relies on highly qualified volunteers from the U.S. financial sector to accomplish its objectives.

What is your opinion of the Financial Services Volunteer Corps? If it enhances our foreign policy objectives, is there a reason why its funding has been reduced by almost 50 percent since fiscal year 2004—and is less than half of what was called for in the fiscal year 2006 Committee report? Does USAID intend to increase FSVC funding in the future?

*Answer.* Current USAID records indicate that new obligations to FSVC were \$9,555,782 from fiscal year 2006 funds, \$2,427,222 from fiscal year 2005 and \$5,208,219 from fiscal year 2004.

FSVC was created specifically to deal with the transition of Eastern European and former Soviet Union countries from communism to market economies and has played an important part in this process. These programs are winding down, most rapidly in the economic area. Russia, for example, is slated to have no programs at all in the economic growth area by 2008.

In addition to the reduced demand for the kinds of sophisticated financial services offered by FSVC, there is an increased supply in the form of additional organizations like the International Executive Service Corps that have expanded to provide such services. This may result in more competition for funding.

CONCLUSION OF HEARINGS

Senator LEAHY. Thank you all very much for being here. That concludes our hearings.

[Whereupon, at 11:59 a.m., Thursday, May 10, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]