

**BRIEFING ON IRAQ AND
HEARING ON THE INTERNATIONAL RELATIONS
BUDGET FOR FISCAL YEAR 2008**

BRIEFING AND HEARING
BEFORE THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS
FIRST SESSION

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JANUARY 11 AND FEBRUARY 7, 2007
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INTERNATIONAL RELATIONS BUDGET FOR FISCAL YEAR 2008

WEDNESDAY, FEBRUARY 7, 2007

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:03 a.m. in room 2172, Rayburn House Office Building, Hon. Tom Lantos (chairman of the committee) presiding.

Chairman LANTOS. The Committee on Foreign Affairs will come to order.

I want to welcome our distinguished Secretary of State. This is the second time in just a few weeks that we have the pleasure of a visit from Dr. Rice, and we are deeply grateful that, despite the enormous demand on her time here and abroad, she has honored us with her presence.

I also want to mention at the outset that family medical circumstances are preventing our distinguished ranking member from being here. So after my opening statement, we will go to the Secretary, and members on the committee on either side are free to submit statements for the record.

The United States is engaged in two wars, one in Afghanistan and one in Iraq; we are facing two rogue regimes, Iran and North Korea, which are racing to acquire nuclear arsenals; and we are fighting an international war on terrorism against a constantly changing enemy.

Any one of these would be sufficient for a series of hearings, which we have already begun. Today I want to focus my remarks on just two: Iran's nuclear ambitions and the war in Afghanistan.

Madam Secretary, as the civilized world confronts the rising threat of Iran, it is imperative that we speak directly and accept no more excuses from any quarter.

The Iranian Government has no end of excuses to justify its construction of a huge uranium-enrichment facility. They argue Iran needs the fuel for civilian nuclear power plants. They assert the need for an uninterrupted supply of nuclear fuel that is not subject to the whims of other nations.

As you well know, Madam Secretary, these excuses are pure fiction. Iran is developing a nuclear weapons capability, and its enrichment facility is designed to feed the voracious appetite of that program.

But in all candor, Iran's excuses hurt us severely with our friends and allies, as we urgently seek to develop an international consensus that Tehran's nuclear ambitions must be stopped. Iran's

excuses prevent us from exerting strong multi-lateral pressure on Iran through increased economic sanctions.

While I do not believe that Iran is likely to be deterred in its pursuit of nuclear weapons, the hollowness of its claims of peaceful intent can be easily exposed. If Iran's nuclear program is truly peaceful, Tehran should welcome an opportunity to ensure a stable supply of nuclear fuel from an internationally supported nuclear fuel bank located in a safe nation. If Iran is instead building a nuclear weapon, its nefarious intentions will be quickly exposed should it refuse to participate in this important project.

So, Madam Secretary, today I am introducing legislation to provide both financial and material support for establishing an international nuclear fuel bank, under the auspices of the International Atomic Energy Agency. This bank will ensure that any state that keeps its nuclear non-proliferation commitments can get the fuel it needs without establishing its own fuel production facilities.

Madam Secretary, with this legislation we can put an end to the lame excuses of the Government in Tehran. But the same holds true for Afghanistan: The time for excuses is over.

As you know, Madam Secretary, I just returned from a fact-finding trip to Iraq and Afghanistan with Speaker Pelosi and other colleagues in the National Security Leadership of Congress. Soon after our plane touched down in Kabul, a delegation met with President Karzai. Increased economic assistance for the troubled nation was at the top of his request list, and I know it is on yours, as well.

Let me be clear. I support an increase in economic and security assistance to Kabul. Security must be restored; abject poverty must be tackled; and the explosive growth of poppy production must be checked. There is every reason to believe Afghanistan can still be safe.

But if American taxpayers are to be expected to allocate an additional \$10.5 billion to Afghanistan, the oil-rich Arab countries in the Gulf should surely be expected to match our contributions, at the very least.

Over the past several years, the Saudis have made more than \$300 billion in excess oil profits, while Americans paid \$2.50 or \$3.00 a gallon at the pump. Meanwhile, the Saudi contribution to Afghan reconstruction and development has been pathetic, a mere drop in the barrel.

While their fellow Moslems are struggling to survive in the harsh Afghan winter, the Saudi royal families contend with handing out a few small coins from its change purse. Madam Secretary, I hope that you will continue to make it abundantly clear to the Gulf nations that their miserly ways must end, and it must end now.

The member nations of NATO must also rethink their knee-jerk aversion to being major players in bringing peace to Afghanistan. Europeans loved NATO when the alliance protected them from the menacing Soviet threat, but their ardor has cooled as NATO is called on to protect Afghanistan from devolving into a narco-terrorist state.

NATO literally has to beg for troops, and the numbers are still too few: Approximately 35,000, with almost 14,000 coming from the United States. Those European troops that are present in the coun-

try have largely been deployed to the safest areas, leaving the difficult work once again to us, the Brits, the Canadians, the Dutch, and the Danes.

The Europeans have provided plenty of excuses for their failure to send adequate troops to Afghanistan: Low public support, declining armies, high costs. Madam Secretary, I am sure you agree with me that these excuses must end. If the nations of Europe and the Gulf are unwilling to do their share to protect international security, then perhaps we should rethink the nature of our alliances with them.

Madam Secretary, I would also like to take this opportunity to advise you that the House next week will have a serious and substantive debate on the President's plans to escalate the number of American troops in Iraq. All members will have an opportunity to express their views on the floor of the House. I will personally reiterate my strong opposition to the administration's proposal, and I anticipate that many of my colleagues will do likewise.

Let me also, before I conclude, call your attention to a news report this morning indicating that our military in Iraq is deeply disturbed, according to these reports, that there are not enough civilians from the Department of State and other Federal agencies in our complex effort to bring some stability to that country.

I will place Ranking Member Ileana Ros-Lehtinen's official statement in the record without objection. And I want to welcome you, Madam Secretary, and the floor is yours.

[The prepared statement of Ms. Ros-Lehtinen follows:]

PREPARED STATEMENT OF THE HONORABLE ILEANA ROS-LEHTINEN, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

FEBRUARY 7, 2007

Madame Secretary. Thank you for your appearance today to discuss the Administration's FY 08 budget request.

It would be an understatement to say that the world is rapidly becoming a more complex and dangerous place, where the challenges facing the United States are expanding on many fronts.

Our response must be as nuanced and faceted as the problems we face.

But a foreign policy is more than a simple collection of individual pieces.

Success requires that these be shaped within a context of clear organizing principles and that the individual elements contribute to a common purpose.

The President's foreign policy is distinguished by two distinct, but interwoven themes: a Security Agenda and a Freedom Agenda.

The Security Agenda is the more traditional and tangible set of policies and is focused on defending the U.S. itself and our interests abroad.

This Security Agenda embraces a range of objectives from seeking out and destroying terrorists and curbing the proliferation of dangerous unconventional weapons to countering the rise of powers such as China, which are moving aggressively to expand their influence by undermining that of the U.S.

The Freedom Agenda addresses a much broader and longer-term vision.

Among the greatest problems we confront are those resulting from authoritarian governments ruling by force that inevitably push their citizens toward extremism.

If we are to take effective action against these sources of instability, we must always keep in mind that our strongest allies in our fight against rogue regimes such as Iran and Syria, are the people they rule over.

By assisting these peoples in their struggle to undermine their oppressors, we can advance our own interests as well.

Although the shaping of strategies dominates the discussion of foreign policy, most observers overlook the more mundane, yet all-important, task of implementation.

Even the wisest decisions must be transformed from printed word to concrete action in an effective and faithful manner, if the intended result is to be achieved.

It is in the process of implementation that failure or success is often determined. This seemingly simple task is in fact enormous, requiring close management of the global efforts of thousands of employees, contractors, and others; coordination of the work of scores of bureaus, agencies, and programs; and ensuring the smooth, daily operation of our countless actions in every country on the planet.

Madame Secretary, you are to be congratulated not only for your dedication in your role of Secretary of State but also for choosing to undertake a massive and long-overdue reorganization of the operations of the State Department and its associated agencies to meet the rapidly changing conditions of the world in which we live.

Given the complex challenges and foreign policy objectives outlined above, and the demands these and current programs place upon our ability to implement them, the question before us today is whether or not this budget submission is the one best structured to accomplish the goals you have set.

A good place to start would be to revisit the resources and independence of the Office of the Inspector General.

Although State's overall budget has increased by approximately 50% since FY 2001, the Inspector General's budget has increased by only 1%.

Obviously, strengthening State's own internal oversight mechanism is a prerequisite to effective reform elsewhere.

There is also a great need to review whether or not the training and deployment of personnel are adequate to current needs.

Last fall, the GAO released a report that concluded that State needed to devote far more attention to addressing staffing shortfalls and improving language proficiencies of employees at foreign posts, especially those critical to the war on terror.

I believe some of your broader reform proposals address some of these issues.

I welcome any details you may be able to share with us and look forward to hearing from Ambassador Tobias in coming weeks regarding the progress on this front.

We must also be alert to decision-making by inertia and to be wary of the trap of equating the spending of money with advancing U.S. interests.

For example, in his FY 07 budget, the President requested funding for U.S. membership in more than forty international organizations.

But it is not at all clear that continued membership in each of these organizations serves U.S. interests.

Given that the new and supposedly reformed United Nations Human Rights Council still includes some of the world's worst human rights violators, I believe that a sober look at the costs and advantages of our participation in these international organizations be undertaken as soon as possible.

Regrettably, the UN provides many such examples where a fresh eye and unclouded judgment are sorely needed.

On a larger scale, there is an undeniable need for a thorough reexamination regarding the focus of our assistance programs overseas.

In some instances, I would argue we need to move away from government to government programs and focus more on developing and strengthening civil society.

We must also be careful not to place undue emphasis on conferences and sporadic training efforts but, rather, should structure our programs toward long-term sustainability.

Last year, the National Endowment for Democracy issued a report stating that, in certain countries around the globe, "government efforts to constrain democracy assistance have recently intensified and now seriously impede democracy assistance."

We must remain vigilant and hold foreign aid recipients accountable for their actions.

The overriding goal of our State Department operations and foreign aid budget should be to better integrate and streamline our programs, in order to effectively advance both the Security and Freedom Agendas I have already mentioned.

The need for a new approach extends to all levels, beginning with the mechanisms and standards we currently employ to monitor and evaluate the performance in the field of our assistance programs.

We must restructure or eliminate those programs which have failed to secure the results set out for them.

Madame Secretary, again let me thank you for your appearance here today. I look forward to working with you as you move forward in implementing this long-overdue reorganization of how we conduct U.S. foreign policy.

Thank you, Mr. Chairman.

**STATEMENT OF THE HONORABLE CONDOLEEZZA RICE,
SECRETARY OF STATE, U.S. DEPARTMENT OF STATE**

Secretary RICE. Thank you very much. Thank you, Mr. Chairman. Thank you, members of the committee, for this opportunity to address the committee about the challenges and the opportunities that we face today, and the resources that the President will be requesting to be able to meet those challenges.

And Mr. Chairman, I had a longer statement, but I would propose to make short opening remarks, and then to have the full statement placed into the record, if that is acceptable.

Chairman LANTOS. Without objection.

Secretary RICE. Thank you. I will also, Mr. Chairman, address your question at the end of my remarks concerning civilians in Iraq.

President Bush's fiscal year 2008 international affairs budget for the Department of State, USAID, and other foreign affairs agencies, totals \$36.2 billion. The President's budget also requests \$6 billion in supplemental funding for the year 2007, to support urgent requirements that are not funded in the annual budget cycle. This supplemental request includes \$1.18 billion for additional operating costs of the Department of State and other agencies largely related to the wars in Iraq and Afghanistan.

It also includes \$4.81 billion to meet urgent new foreign assistance needs in Afghanistan, Iraq, and Lebanon, as well as peacekeeping and humanitarian assistance in Sudan Somalia, and other countries in need.

In addition, the administration is requesting \$3.3 billion in war supplemental funding for fiscal year 2008, or \$1.37 billion for foreign assistance and \$1.93 billion for State Department operations. This is responsive, Mr. Chairman and members of the committee, to a request that has been made several times that we try and project what the war costs will be in the coming year. And these are costs that we would not expect to want to put into base budget because they are, in a sense, emergency spending, and related to specific circumstances.

These resources are absolutely fundamental to our national security. I think the members of the committee recognize that over the last 5 years since September 11, we have been very engaged in the global war on terrorism. It is a war, and it is definitely a war in the sense that we are losing human treasure in that war.

But it is a completely different kind of war than we have fought before. To be successful, force of arms is necessary, but not sufficient; and we are mobilizing our democratic principles, our development assistance, our compassion, our multi-lateral diplomacy, and the power of ideas to win what is going to be a generational struggle.

I am pleased that in this struggle, President Bush has made clear our commitment to a broad approach to the war on terror. And that is why this year, for the first time, he has designated the Department of State as a national security agency, alongside the Department of Defense and the Department of Homeland Security. That is why the State Department has the lead in most of the tasks associated with the national counterterrorism strategy.

What I would submit to you today is that this requires of the Department of State, of USAID, fundamentally different thinking about our role; fundamentally different ways to train our people, to recruit our people, and to deploy them. It gives us a better understanding of what we are called to do.

We are calling this mission transformational diplomacy. Indeed, we are making changes in where we deploy our personnel, how we deploy them, what we ask of them, and the training that we give them. In some cases, Mr. Chairman, we are trying to catch up, for instance, in terms of language skills. I want to just note for this committee that one of my own personal concerns is to improve the capability to draw on people who have critical languages. When I was a young student going to college and then graduate school, it was the patriotic thing to do to learn to speak Russian. Along the way I learned to speak Czech, too, because for this country, the investment, through the National Defense Languages Act, that people needed to learn those at-the-time-critical languages was understood.

We are frankly under-invested as a country in the acquisition of critical languages like Arabic, Farsi, and Chinese. Indeed, Secretary Spellings and former Defense Secretary Rumsfeld, then DNI John Negroponte and I have proposed to the President's critical language initiative that we try and address that deficit in language skills. This is just one of the examples of what we are trying to do to prepare ourselves better for the long-term war on terror.

But we are doing other things. We are revolutionizing our approach to development assistance. We are trying better to realign our foreign assistance with our foreign policy goals, to make sure that our foreign assistance is contributing to the development of well-governed democratic states. Because, after all, well-governed democratic states form the foundation of a more stable world.

We recognize that democratizing states also have to be able to meet the needs of their people for education and for health. America is a compassionate country that wishes to be involved in the great health struggles of malaria and HIV/AIDS. We are revolutionizing that through the way that we deliver foreign assistance, and what we expect of those who receive our foreign assistance.

But we are also revolutionizing the way that we perform by simply being right on the front lines in the war on terror. We have people serving in Iraq and Afghanistan, in other places, who, like their military counterparts, leave family behind; they serve unaccompanied in places like Iraq and Afghanistan. They serve literally on the front lines. Our people in Iraq are not sitting in the green zone in Baghdad; they are in places like Anbar Province, one of the most difficult provinces.

The provincial reconstruction teams' concept is one that was developed by the Department of State to get our diplomats and our political personnel and our economic counselors closer to the people of Iraq and Afghanistan, so that they can help to deliver services.

Frankly, Mr. Chairman, this puts our people at great risk. I want today to pay tribute to the many civilians who, on a daily basis, see mortar attacks against their positions and who must travel in convoys that are dodging attacks. We know that they are in danger. We have done everything that we can to help secure

them. It is one of the reasons that our security costs are going up in the way that they have.

We have partnered with the Department of Defense and the military in these provincial reconstruction teams to put our people, to literally embed our people with brigade commanders, so that they can deliver services as a part of the counter-insurgency effort.

It is not easy for civilians. I will tell you that when we first started down this course, I was concerned, Mr. Chairman and members of the committee, that I might have to direct members of the Foreign Service to go to these difficult posts. I have not had to do that.

We have indeed changed incentives. We have indeed recruited people; we have recruited people personally to go to these jobs. But I will tell you that as of now, we have already recruited for the enhanced provincial reconstruction team effort associated with the President's enhanced effort for Iraq. We have already recruited 87 percent of the people that we need, and that recruitment cycle will not be active until the summer. So people are stepping up in the Department of State to take on these jobs.

We are fully staffed in our PRTs. We are fully staffed not just in places like Baghdad, but also Kabul and Islamabad, and Sudan, and difficult posts of those kinds. And we already have people volunteering in large numbers for the follow-on service.

It is a very, to me, courageous thing for civilians to do, because they are not war fighters. They are political officers, and linguists, and economic officers; and yet, they have gone to this fight. I know that President Bush had the opportunity to meet recently some of our provincial reconstruction team leaders, people who are serving in Mosul and in Anbar Province. People who, by the way, are in no small part responsible for the tremendous progress that we have made in places like Mosul. The fact that sheiks in Anbar are now fighting al-Qaeda; this is in no small part because of the efforts that our people have made there.

So, Mr. Chairman, if I can use that lead-in to speak to the question that you asked about the article this morning, when it comes to the need to get Foreign Service personnel out to the field, we are doing that.

The President's plan requires, however, 350 people whose skill set is far different than the one that we actually have in the Department of State. These are engineers. These are legal experts. These are soil specialists, scientists who can help on the agricultural side. These are not people that the Department of State or USAID employ.

As of December, we agreed with the Department of Defense—something on which we worked with them very closely—that we would identify the specialties and that the Department of State would seek supplemental funding to fund this surge of civilian personnel. That request is in the supplemental. We would identify people who could fill those posts both from inside other agencies of the U.S. Government, but also, frankly, the agencies of the U.S. Government cannot fill that many posts of those kinds of specialties.

And so we are relying on the recruitment now of additional civilians from a data bank that we hold to bring people from around the country who have those specific specialties. That, as you might imagine, Mr. Chairman, takes a little time. These people have to

be recruited, they have to be vetted, and they have to receive appropriate security clearances.

Our agreement with the Department of Defense was that for a period of time—and we think that is 6 or so months, maybe a little longer; it depends a little bit on when we get the funding, so that we can let contracts for these civilians—we would actually use reservists to fill those positions. Because the military actually does have a reserve corps that has many of those specialties.

It speaks to me, Mr. Chairman, to the importance of the cooperation that we have had with the Defense Department in making sure that we have the right specialties, and that they can fill in until the civilians are recruited. But the Department of State's positions for this surge have already been addressed, the people have been identified, and they are ready to go.

What we have to do is to recruit other civilians. It speaks to me, too, Mr. Chairman, of the very importance of the civilian response corps that the President proposed in the State of the Union. We don't have a counterpart to the military National Guard or a reserve corps of civilians who can be ready and trained to go out and perform these functions: Engineers, lawyers, agricultural specialists.

So we are charged with developing the concept for civilian response corps. We will be coming to the Congress for support for that concept, and for funding for that concept, so that we can have a ready reserve of civilians to take exactly this kind of task.

But currently, the Department of State is, in fact, ready to go. We will recruit other civilians from within the U.S. Government agencies, and then we will recruit broader numbers of civilians.

But Mr. Chairman, I am glad you asked. Because I know the President, because I just talked to him about it, and I have talked to him many times about it, he appreciates what these civilians are doing out there in harm's way. And I hope that everyone in America understands that we have a lot of civilians who are very courageous, and are taking great personal risk because they believe in these missions.

Thank you very much.

[The prepared statement of Secretary Rice follows:]

PREPARED STATEMENT OF THE HONORABLE CONDOLEEZZA RICE, SECRETARY OF STATE, U.S. DEPARTMENT OF STATE

Mr. Chairman, Members of the Committee:

Thank you for this opportunity to address the Committee about the many challenges and opportunities of our world 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 FY 2008 International Affairs Budget for the Department of State, USAID, and other foreign affairs agencies totals \$36.2 billion. The President's budget also requests \$6 billion in supplemental funding for FY 2007 to support urgent requirements that are not funded in the annual budget. This supplemental request includes \$1.18 billion for additional operating costs of the Department of State and other agencies. It also includes \$4.81 billion to meet urgent new foreign assistance needs in Afghanistan, Iraq, and Lebanon, as well as peacekeeping and humanitarian assistance in Sudan, Somalia, and other countries in need. In addition, the Administration is requesting \$3.3 billion in war supplemental funding in FY 2008—

\$1.37 for foreign assistance and \$1.93 billion for State Department operations—to support emergency requirements in Iraq and Afghanistan.

This money is a fundamental investment in our national security. More than five years after the September 11 attacks, America remains engaged in a global war on terrorism, but it 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, then every country in the world is threatened. The President believes that, in today's world, 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, in his 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 their 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 revolutionizing our approach to foreign assistance. This is the foundation of our budget, and I would like to briefly review these important changes.

TRANSFORMING THE STATE DEPARTMENT

Faced with new challenges to our country, President Bush has initiated major reforms to bring our institutions of national security into the 21st century. Now it is the State Department's turn. 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, and Africa, and 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 more of 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. That is why, last year, I created the position of Director of United States Foreign Assistance, which Randy Tobias now occupies. He serves concurrently as the Administrator of the United States Agency for International Development, and in these dual roles, helps to bring unified leadership to our foreign assistance resources. Our goal for this budget was unprecedented: the strategic alignment of our foreign assistance with our foreign policy goals.

The budget that you have in front of you represents the first joint effort of the State Department and USAID, working together, to align resources strategically in order to accomplish key national security and development goals with maximum efficiency and fiscal responsibility. To that end, we allocated our resources on the basis of shared goals, established common definitions for our foreign assistance programs, and common indicators to evaluate their performance. Six strategic principles guided our efforts:

- to integrate our planning based on the totality of our government's resources, so we can make the smartest investments possible, without duplicative efforts or wasteful spending;
- to assess where each country stands in its course of development, so we can tailor our assistance to the unique demands of each individual country and support its own efforts to combat poverty;
- to invest in states critical to regional stability and prosperity, which are often those key to the global war on terror;
- to focus our assistance on the most critical impediments to and catalysts for long-term country progress;

- to empower our Ambassadors and Missions Directors to oversee the complete range of foreign assistance programs in the countries in which they work;
- and finally, to align our account structure with the country conditions and goals that they are designed to address.

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. The adjustments you may see in one program are justified by what we have determined is an even greater need elsewhere, and for the first time, we are starting to measure the trade offs in order to make the best use of our limited resources. With the performance and accountability measures we are putting in place, we will better ensure that we are providing both the necessary tools and the right incentives for host governments to secure the conditions necessary for their citizens to reach their full human 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 actions with our existing authority. They are steps that need to be taken, and we are taking them. But we must do more, and to do it, we need more resources. We need the continued, indeed the increased, support of the Congress. That is why we are requesting \$7.2 billion for State Department administration.

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 \$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. In addition, we request 57 positions and \$23 million for the Office of the Coordinator for Reconstruction and Stabilization and our Active Response Corps. This will strengthen our ability to develop a deployable cadre of civilian staff able to respond quickly to 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. They need the latest technology and the best training, both 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 overall security for our posts, our people, and our information systems worldwide, including through the creation of 52 additional positions for security professionals.

At the same time, we must continue to modernize and improve our buildings across 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 will continue our efforts 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 compensate 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 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 strive to 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, in particular, 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 tough Chapter 7 Security Council resolutions. And we worked to ease the suffering of the people of Darfur. International organizations are essential to our nation's key foreign policy goals, and we must continue to support them.

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 places like Europe, Asia, and the Americas, but also key developing countries, many of which have the will to fight terrorism but need help with the means. The FY 2008 request includes, among others, \$186 million for Indonesia, \$2.4 billion for Israel, \$540 million for Kenya, and \$513 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 \$90 million to Pakistan, supporting President Musharraf's five-year development plan to lead the country in a moderate and modern direction, to gain control of the border areas, and to advance prosperity there.

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. Through programs like the Middle East Partnership Initiative, 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 now offer new hope for positive change in places like Iraq, Afghanistan, Lebanon, and the Palestinian territories. Yet these structures remain weak and fragile. And in many cases, 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—both Sunni and Shi'a—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 a true counterinsurgency strategy—a complete approach that integrates military efforts with political support, counter-narcotics programs, development priorities, and regional diplomacy. If there is to be an “offensive” this spring, it will be our offensive, and it will be comprehensive.

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 opportunity. Along with these goals, President Karzai has demonstrated his determination 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 budget request is \$698 million in the FY 2007 supplemental and \$1.4 billion for FY 2008 to stimulate economic growth, establish peace and security, create jobs, help provide essential education and health care, and extend the reach of the democratic state.

To achieve these broad objectives, we will 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 adopted a new strategy, in recognition that the situation was unacceptable. There is a military component to that strategy, but success in

Iraq depends on more than military efforts alone; it also requires robust political, economic, and diplomatic progress. Our military operations must be fully integrated with our civilian and diplomatic efforts, across the entire U.S. government, to advance the strategy of “clear, hold, and build.” The State Department is prepared to play its role in this mission. We are ready to strengthen, indeed to “surge,” our civilian efforts. To do so, we are requesting \$2.3 billion in the FY 2007 supplemental and \$1.4 billion in FY 2008 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 the International Zone. We will help local leaders improve their capacity to govern and deliver public services. Our economic efforts will be targeted on local needs with proven strategies of success, like micro-credit programs. And we will engage with leading private sector enterprises and other local businesses, including the more promising state-owned firms, to break the obstacles to growth.

We must continue to get civilians and diplomats out of our embassy, out of the capital, and into the field, all across the country. The mechanism to do this is the Provincial Reconstruction Team, or PRT. We currently have ten PRTs deployed across Iraq, seven American and three coalition. Building on this existing presence, we plan to expand from 10 to 20 teams. For example, we will have seven PRTs in Baghdad, not just one. We will go from one team in Anbar province to four with PRTs in Fallujah, Ramadi, and al Qaim. These PRTs will closely share responsibilities and reflect an unprecedented unity of civilian and military effort.

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 diversify 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 and build new sources of hope for their people.

The importance of these joint teams in Afghanistan and Iraq is clear, as is the need to increase our capacity to deploy civilians. The President has called on us to work together to develop a “civilian reserve” to provide the government with outside experts to augment our government teams. I look forward to working with you to address this challenge.

In Lebanon, we are requesting \$770 million in the FY 2007 supplemental for a new comprehensive package to support the Lebanese people’s aspirations for peace, stability, and economic development. I made this pledge last month at the Lebanon Donor’s Conference, which raised \$7.6 billion to support the Lebanese people and the democratic government of Prime Minister Siniora. Our new package includes both economic and security assistance. And let me add, most importantly: 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. In November 2006, we also signed a Trade and Investment Framework Agreement to help support Lebanon’s development through enhanced bilateral economic ties.

As we take steps forward in the reconstruction and development effort, we must not lose sight of the need to continue to implement fully all UN Security Council resolutions related to Lebanon, in particular Resolution 1701. We commend the Lebanese government for its efforts to deploy the Lebanese armed forces to the south of its country, 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, and I look forward to the report of the UN Secretary General on what further steps must be taken to continue implementing Resolution 1701, so that we can move forward vigorously.

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 our insistence that Hamas must meet the conditions set out by the Quartet: recognize Israel, renounce violence, and recognize all previous agreements between Israel and the Palestinian Authority. The leaders of Hamas now find themselves increasingly isolated and unable to govern.

Our goal with the Palestinians this year, working with Israel and responsible Arab governments, is to empower President Abbas—to help him reform Fatah, provide security in the Palestinian territories, provide essential services to his people, and strengthen the political and economic institutions of his state. We are requesting \$77 million for these objectives. At the same time, we seek to facilitate discus-

sions between Prime Minister Olmert and President Abbas to meet the conditions of the Road Map and to discuss the possible political horizon for our ultimate goal: two democratic states, Israel and Palestine, living side by side in peace and security. This purpose will take me to the Middle East next week.

Our support for freedom and democratic reform is critical to our efforts in the war on terrorism, and it remains a central pillar of our foreign policy worldwide. President Bush remains fully committed to the goal he outlined two years ago in his Second Inaugural address: supporting democratic movements and institutions with the goal of ending tyranny in the world.

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, pluralist political parties, legal limits on state authority, and protections for human rights. We are funding programs in all of these fields of democratic reform, and thanks to our new budget process, we are improving the transparency of how our democracy funding is spent. To support democratic transitions, the budget provides \$460 million for programs that foster independent media sources, pluralist political parties, voter education, election monitoring, and human rights in non-democratic countries. We also request \$988 million to promote good governance and the rule of law in countries committed to reform.

As we work to expand freedom and prosperity, we must champion these ideals in our public diplomacy, for which we are requesting funding of \$359 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 just as importantly, to express the power of our ideals—freedom and equality, prosperity and justice. That is how we build new partnerships with foreign citizens and counter ideological support for terrorism. 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. In addition, we seek \$668 million for the Broadcasting Board of Governors, to support radio, television, and internet broadcasting worldwide, including in countries like North Korea, Iran, and Cuba.

In turn, we recognize that public diplomacy is and must be a conversation, not a monologue, and we are eager to welcome foreign citizens here to America. People-to-people exchanges are 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, and we want to expand on this progress, working in partnership whenever and however possible with the private sector.

One audience with whom we are particularly eager to continuing building relationships is the Iranian people. The President has called for expanded people-to-people exchanges with Iran, and our Bureau of Educational and Cultural Affairs is assisting in setting up a broad range of exchange programs with the Iranian people. The State Department is now supporting academic and professional exchange programs for Iranians for the first time since 1979. Last year, we welcomed to America groups of Iranian teachers, doctors, and wrestlers. These visits, like all of our exchanges, help to further understanding and foster goodwill among foreign and domestic audiences alike. We are eager to do much more this year. So we are requesting \$486 million for educational and cultural exchanges.

MEETING GLOBAL CHALLENGES

Combating violent extremism and supporting democracy are examples of the new challenges that we face in today’s world: They are global. They are transnational. They cannot be resolved by any one nation acting alone; they are global responsibilities, requiring global partnerships.

Another such challenge is the proliferation of weapons of mass destruction and the materials to produce them. The FY 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 UN Security Council Resolution 1540. The budget also supports our efforts to strengthen the global non-proliferation regime, by rallying the international community to hold accountable all who violate their responsibilities—governments like that of Iran and North Korea, both of which are now under Chapter 7 UN Security Council sanctions. At the same time, we continue to keep open a path to a diplomatic solution. With regard to North Korea, the Six Party talks will reconvene this week. With Iran, if the leaders in Tehran fulfill their international obligation to suspend their

enrichment and reprocessing activities, I have offered to reverse 28 years of U.S. foreign policy and meet with my Iranian counterpart anytime, anywhere.

We are also committed to confronting, as the President said in his State of the Union address, “the serious challenge of global climate change.” Our approach is rooted both in pragmatism and partnership. One of our main 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, our countries represent more than half of the world’s economy, much of the world’s emissions, and a growing demand for energy that is vital to our economic development. The Partnership is accelerating investment and opening markets for cleaner, more efficient technologies, goods, and services, while fostering sustainable economic growth and poverty reduction.

The FY 2008 budget sustains our effort to combat the illicit narcotics trade, particularly in Afghanistan and here in our own hemisphere. The Andean Counterdrug Initiative remains a key priority, as does our strategic partnership with Colombia. We have had tremendous success in helping President Uribe to expand the reach of Colombia’s democratic state and to confront the country’s drug traffickers and terrorists. President Uribe has now unveiled his government’s strategy to build on the achievements thus far, while adjusting to Colombia’s new realities. This is a crucial time, and we need to help Colombia finish the job. At the same time, this budget recognizes key opportunities to nationalize eradication efforts, working in partnership with Colombia, Bolivia, and Peru.

Another global challenge is posed by pandemic disease. The FY 2008 budget request and FY 2007 supplemental supports our global strategy and partnership to rapidly address avian influenza outbreaks and support prevention strategies worldwide. The FY 2008 budget also advances the goals of the President’s historic Emergency Plan for AIDS Relief. Thanks to the overwhelming support that this program has received from Congress, the Emergency Plan has now supported 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 \$4.2 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, HIV/AIDS research, multilateral programs worldwide, and funding for tuberculosis programs.

No less historic than the Emergency Plan is the President’s Malaria Initiative, which has supported prevention and treatment for millions of people in Angola, Tanzania, and Uganda. Last year, President Bush added a total of twelve other sub-Saharan African countries. The FY 2008 budget dedicates \$388 million to fund our commitments under this Initiative, as well as funding 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—their responsibilities both to the international community and to their own people. Our experience on September 11 showed us that, in today’s world, weak and poorly governed states can pose not just humanitarian challenges, but national security threats. Hopelessness and oppression contribute to extremism and instability. Thus, helping developing states to transform themselves—to govern justly, to advance economic freedom, to combat poverty, and to invest in their people—is now a strategic imperative.

This has sparked a revolution in how we think about our foreign assistance, which we now view as one of our primary tools for helping countries to transform themselves. As a result, President Bush has made giant strides to increase our levels of foreign assistance. Since the Administration took office, we have doubled our assistance to countries in the Western Hemisphere. We have tripled our assistance to Africa, and if our FY 2008 request for assistance to Africa is enacted, we will nearly quadruple it.

With new money we have also taken new steps to use that money more effectively. We created the Office of the Director of Foreign Assistance to align our foreign assistance programs and our foreign policy goals. We are now approaching foreign assistance with the goal of helping to build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty, and conduct themselves responsibly in the international system. A new Strategic Framework for United States Foreign Assistance ensures that resources are targeted to that shared goal. To allocate our assistance most effectively, we have

grouped every country to which we provide assistance by means of its internal characteristics. We have identified five main country categories:

- *Restricted states* are those countries with significant freedom and human rights issues, for which our assistance is geared to promote democratic reform and support for civil society.
- *Rebuilding states* are countries in or emerging from conflict, in which establishing security and the foundations for effective governance and economic growth are the highest priorities.
- *Developing states* are low or lower-middle income countries, in which poverty, governance, and investment in people are the greatest barriers to progress.
- *Transforming states* are low or lower-middle income, relatively stable and well governed, but for which poverty, disease, and human development remain impediments to progress.
- *Sustaining Partnership states* are countries with upper-middle levels of income or greater, for which our support is strategically targeted to sustain peace, prosperity, and partnership.

If a country's characteristics describe its overall demand for assistance, we now think of our foreign assistance in terms of supply—the programs and resources we can supply to help countries advance along the path of their own development. In order to allocate our resources more strategically, we identified five broad purposes for our foreign aid programs.

First is humanitarian assistance. The United States is a compassionate nation, and we will always be moved to action when tragedy strikes, and when innocent people are in desperate need. The FY 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, excluding funding for Sudanese refugees in neighboring countries. This year we are continuing our support for victims of war and genocide, especially the internally displaced people in Darfur and the refugees in eastern Chad.

The second purpose of our foreign assistance is to promote peace and security. In addition to humanitarian assistance, this is the other major form of support that we are providing in Sudan, because it is a major need right now. The same is true in other countries that are struggling to emerge from the shadow of conflict: Democratic Republic of the Congo, Liberia, Somalia, Haiti, Colombia, and Lebanon. In some of these countries, and in many others, UN peacekeeping missions are playing a vital role, so for FY 2008, \$1.1 billion of our peace and security assistance will support America's share of the costs of those deployments.

A third purpose is governing justly and democratically. For FY 2008, we are requesting a significant increase over last year's funding level. These resources will go to support programs, in every region of the world, to strengthen the rule of law, fight corruption, monitor elections, and other such demands. One region in which we are increasing our support for governing justly and democratically is here in our own hemisphere. The democracies of Latin America are now more capable of providing social services to their citizens on their own. As a result, we are reducing our direct provision of services and using our limited resources to strengthen the institutional capacity of Latin American democracies to deliver the benefits of development to their people.

Fourth is investing in people. Human capacity must be strengthened and poverty and disease addressed in order to promote and sustain development success. Our request for resources to combat disease and mitigate its impacts on vulnerable populations, to improve access to quality education, and to provide social services and protection to vulnerable populations represents a 40 percent increase over FY2006 enacted levels. The President's Emergency Plan for AIDS Relief and Malaria Initiative are core components of this increase, as these diseases claim over 5 million lives annually in the developing world; and dramatically impact a country's workforce and development trajectory. Poor nations cannot hope to devote necessary resources to address the magnitude of these diseases, and development progress is therefore severely handicapped. Basic education is also necessary for progress and establishing a foundation for prosperity. The FY2008 request for resources to support basic education programs is \$535 million, the largest request this Administration has ever made.

The final goal of our foreign assistance is alleviating poverty through economic growth. On this front, our flagship initiative is the Millennium Challenge Corporation, or 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 objective standards of progress for governing justly, advancing economic liberty, and investing in their people. This money is given in the form of grants, not loans, and the compacts are designed and managed by recipient countries themselves, reinforcing their ownership of their fight against poverty. These resources complement and amplify the impact of our investments in other foreign assistance accounts and provide a clear trajectory and incentive for countries to continue institutional improvement.

Ultimately, there are limits to what development assistance can achieve. For a country to unlock the potential of its people to increase economic productivity, create jobs, and combat poverty, it must integrate its economy into regional and global networks of free trade. The President remains committed to achieving a successful outcome to the World Trade Organization's Doha Development Agenda—one that opens markets, creates new trade, and strengthens the rules-based system. As a part of the President's robust trade agenda, we have negotiated ten free trade agreements (FTAs) with 15 countries worldwide, and Congress has already approved agreements with 12 of these countries. Most recently, we signed FTAs with Colombia and Peru, and we completed negotiations with Panama. We look to Congress to support these important agreements.

Mr. Chairman, Members of the Committee:

The State Department has assumed substantial new responsibilities as a national security agency in the war on terrorism. We are the lead agency on many of the tasks in the Administration's National Counterterrorism Strategy. Using our existing authority, we are taking dramatic steps to make our foreign assistance more effective and to enhance our ability to serve as responsible stewards of the American taxpayers' money.

Our role in advancing peace and security is growing. We need increased funding to push this agenda forward, but in recent years Congress has significantly reduced the Administration's requests for International Affairs. Without greater support for our request, we will fall short of our goal of protecting America and advancing our vision of a better world.

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

Chairman LANTOS. Thank you very much, Madam Secretary. Let me just say from my own personal experiences around the globe in meeting with civilian employees of both the Department of State and other agencies, that their commitment and courage and patriotism is extraordinary. And I am very pleased that we are now embarking on a nationwide effort to have a civilian corps of men and women who are prepared to undertake these dangerous missions.

I now would like to welcome my friend and colleague from Florida, and ask her to proceed with her opening statement.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. And thank you, Madam Secretary, for your testimony and for your service to our nation.

I will forego my opening statement. Thank you for making it a part of the record. And I would like to ask some questions about the President's plan on Afghanistan.

As we know, opium production in Afghanistan is soaring, and with it, the power of warlords, drug kingpins who are linked to the Taliban fighters, as well as al-Qaeda.

In an effort to address this situation, last night—and I am sure that you have it—I and three of our colleagues sent you a letter outlining a 16-point unified counternarcotics, counterterrorism strategy modeled after our successful campaign in Colombia.

Among the proposals were increased extradition of the kingpins; expanding the awards program to facilitate the capture of bin Laden and other major terrorists operating in the region; developing a consensus policy with our allies to address the linkage and the interdependence between drugs and terror in Afghanistan; and

increasing the trade capacity for legitimate Afghan products: For example, carpets, gemstones, and other legitimate products.

This is not just a policy issue for me, but also for personal reasons. My daughter-in-law, Lindsay, who, along with my stepson, Doug, served in Iraq, will soon be deployed in Afghanistan in a few weeks, where these drugs are financing the terrorists. So for Lindsay and for all the men and women who are serving our nation in the military, as well as in Foreign Service, in the Civilian Corps that we hope to establish, and for our U.S. national security interests, we have got to make sure that we are implementing the best plan; one that integrates all of our capabilities and assets to win over the terrorists.

So here is my question, Madam Secretary. Why is it so difficult to, when everyone acknowledges that these drugs are financing the resurgence of the Taliban, to get consensus, both in our Government and with coalition partners, to take this issue on in a serious, calculated, coordinated manner?

And secondly, related to that, drug production is sky-rocketing; the safe havens in Pakistan remain. And the new policy with a \$10.6 billion price tag does not offer new initiatives to solve the narco-terrorism problem. More of the same will clearly not work. What new initiatives can we expect to fight this drug production problem?

Thank you.

Secretary RICE. Thank you very much, Congresswoman Ros-Lehtinen.

First of all let me say that we are not satisfied, either, with the results on counternarcotics in Afghanistan. One could not be satisfied. Indeed, we are reviewing again whether there are, as you say, other new initiatives that might be taken.

We do believe that the base initiatives that we have undertaken are important ones and ought to be continued. For instance, we started a program with the Afghans a little more than a year ago of so-called governor-led eradication, so that the governors themselves buy into what needs to be done. And to be fair, not every province in Afghanistan has a huge problem in this regard.

But unfortunately, it does collocate with the most difficult in terms of terrorism, like Helmand Province, and it is not a coincidence. Because, as you said, the terrorism feeds on the drug trafficking, and fuels them and funds the terrorists. So this is a link that we absolutely have to break.

We are also continuing our efforts to improve the opportunities for farmers to participate in the legal economy, rather than in the illegal economy, through giving them alternative development projects.

I will note that one of the problems in Afghanistan is that the alternative development projects for crops requires that a road network to be able to deliver those crops to market. One of the advantages, if you will, to poppy is it doesn't spoil.

We are working with the Afghan Government. One of the elements of the request, the reconstruction request, is to accelerate our road building in Afghanistan, so that the licit economy, the legal economy, can grow. In fact, as a percentage of the economy,

the illicit economy is going down. But we do need to provide opportunities for people.

Third, and perhaps most importantly, you put your finger on the problem of the ability to actually prosecute and punish people who are engaged in these kinds of activities. There is a large justice sector, anti-corruption element to the programs we have been pursuing.

One of the problems is that it is not just the local farmer who is doing this. The local farmer—you might be able to get him out of the business. But the drug kingpins, the networks, have to be gone after. So we are working on means by which to do that. And obviously, it can be a fairly dangerous proposition for people who try those people. This is another element of what we are doing.

Finally, I would just note, we do have, within the U.S. Government, complete agreement about what it is we want to do. We are working with our coalition partners on questions like spraying, either ground spraying or aerial spraying, which has helped us in other places. It is of concern to the Afghan Government because it is not very well understood, but we are continuing to work on that issue.

I might just note that I think our people out in the field have been doing a very good job. They have been getting out; they have been working on these issues. In the natural rotation of our ambassador, the new Ambassador to Afghanistan will be Bill Wood, who has been our Ambassador in Colombia. And we think that he will bring with him, then, some experience on this issue.

But as a bottom line, I want to say that we, too, do not think that this is an acceptable outcome. We are going to work very hard. We think some of the things that we are doing will help, but unfortunately it is a rather long-term problem to try and get rid of.

Ms. ROS-LEHTINEN. Thank you, Madam Secretary, and we look forward to the written response to our letter. Thank you very much.

Mr. Chairman.

Chairman LANTOS. Thank you. Madam Secretary, I know in due course I will get an official reply from the Department concerning the legislation I am introducing today concerning an international nuclear fuel bank.

Let me just ask you to give us your initial reaction. Because it is clear that Ahmadinejad in Tehran has succeeded in uniting a variety of forces within the country, who may dislike him and oppose him on other issues, on the importance of Iran's right to develop civilian nuclear capabilities.

My legislation would provide enriched fuel and reprocessing outside of Iran, not only for that country, but for any country. And I would be grateful if you think you could comment initially on this proposal.

Secretary RICE. Thank you, Mr. Chairman. We would like very much to work with you on this legislation, because it falls very much in the context of what the President thinks we need to do. He, at the National Defense University in 2004, talked about the need to have ways for countries to pursue civil nuclear power without having the fuel cycle. Because obviously, enrichment and reprocessing can be used for the development of nuclear weapons,

and therefore there is a proliferation risk. But we want countries to have access to civil nuclear power.

So breaking that link between the fuel cycle and having civil nuclear power with some kind of fuel bank we think would be a very good idea. Bob Joseph, the Under Secretary for International Security, has been talking with people about it.

I think that, Mr. Chairman, there is a lot that we could do with this idea. And it would be important, as you said, not just for Iran. One thing that we need to say loud and clear to the Iranian people is we do not wish to deny them access to civil nuclear power.

The problem is when the technologies that they use to acquire that civil nuclear power can lead, and appear to us to be leading, to the pursuit of a nuclear weapon. So I think this is a very positive idea, and we would like very much to work with you.

Chairman LANTOS. I thank you, Madam Secretary. I will now call on all colleagues for 4 minutes for questions and answers. If your questions run 4 minutes, I will ask the Secretary to submit the answer in writing. So please husband your 4 minutes.

I am pleased to call on my friend and colleague from California, Mr. Berman.

Mr. BERMAN. Thank you, Mr. Chairman, and thank you, Madam Secretary, for being here.

Later in February you are going back to the Middle East to preside or participate in a trilateral meeting with the Prime Minister of Israel and the President of the Palestinian Authority. I am very glad to see you and the United States more engaged in trying to facilitate a meaningful peace process. I wish there had been times sometimes in the past, particularly after the Israeli withdrawal from Gaza, where we had been more engaged. Perhaps the January elections would have turned out differently had more been done on the ground.

But I am curious about your expectations. Can we move forward while there is a Hamas-led Palestinian Authority that seems totally disinterested in meeting the three conditions, dealing with the shelling coming from Gaza, recent suicide bombing, actually responsibility claimed by the Al Aqsa Martyrs Brigades of Fatah, an affiliated group.

Give us some notion of where you see this going in the context of a roadmap, of a horizon, of a final settlement, how, with Hamas still having the role that it has and its unwillingness to deal with the three conditions that have been set forth, we can move forward. And perhaps even more importantly, some of this seems motivated by a belief that some of our friends in the Arab world, if we can make some progress here, are going to be willing to do things in the context of Iraq and other areas of the Middle East that they are not now apparently prepared to do.

Could you spell out a little more clearly what exactly we think can happen by their more active participation that can make things in Iraq better? Because for some of us, we don't quite understand the connection that both the Baker-Hamilton Commission Report, and even some of your diplomatic efforts, seem designed to achieve.

Secretary RICE. Thank you, Congressman. First of all, let me just say, in terms of any linkage, we see the Israeli-Palestinian issue

as needing to be resolved on its own terms. And I think it is very important to say that.

It is, undoubtedly, a pillar, if you could resolve that conflict, of a more stable and democratic Middle East. But I don't wish to suggest that we think if we do that, we are going to get something for it in some other part of the diplomacy. I think that would not be the way to think about it, although I know it is sometimes presented in that way. So I just want to be very clear about that.

I do think that after Lebanon, there is a kind of configuration of states that both have an interest in the resolution of the Israeli-Palestinian conflict. Some of the moderate Arab states, some of the even conservative Arab states I think are showing more interest in working toward the roadmap. The fact that they have other interests in common with us, like securing the young government in Lebanon of Fouad Siniora, as well, in Iraq, because these are states—these are young democracies—that are under attack from extremists.

So in that sense there is a common, I think, approach, a common strategy that is developing among a number of states on each of those three fronts. But the Israeli-Palestinian issue will need to be resolved on its own terms.

Very briefly on what they could do on Iraq. I think the political support for Iraq as an Arab state, and treating the Shi'a-led government in its Arab identity is extremely important. Because when people say well, is it too close to Iran, I think the only way that the Iraqis, who have no desire to trade the Saddam Hussein yoke for an Iranian yoke, the only way that that happens is if they are not fully accepted in the Arab world.

I think that it is also the case that they can help with Sunni participation and outreach, and ultimately with financial resources, and particularly debt relief, which a couple of the Gulf States hold.

As to the Palestinian issue, Palestinian-Israeli issue, I do believe we can make progress. I think that, frankly going all the way back now to Prime Minister Sharon, there has been a broadening of the base of support in Israel for the two-state solution. I think that while it is true that Hamas is the government, you have in the Palestinian Authority and in Mahmoud Abbas, President Abbas, someone who is very devoted to the two-state solution, to the renunciation of violence, to living side by side with Israel. And he is, after all, the one who has the negotiating authority for the Palestinian people.

So I would hope to use my discussions with Prime Minister Olmert and President Abbas to see what we can do, in the context of the roadmap, to begin to develop a clear political horizon for the Palestinian people, so that they know what the establishment of a state would look like, what needs to get to be done to have it established. There are elements that we simply never talk about, like Palestinian capacity to govern a state. That is an extremely important part of this discussion.

I believe with a political horizon developed for the Palestinian people, that President Abbas will be able to go to the Palestinian people and say your future is in this two-state solution, not in declaring that you do not believe in the existence of Israel, or not con-

tinuing to take violence as a legitimate means, but renouncing violence.

I think that Hamas has not, you are right, not yet come in line with the quartet principles. I don't know if they ever will. But I fully believe that the Palestinian people, the great majority of them, want a better life, they want a peaceful life, and they recognize that they will have to live side by side with Israel in order to do that. I think that is the case that President Abbas has tried to make.

I think with a political horizon developed between the Israelis and the Palestinians, he will be able to make that case more effectively. And ultimately, that Hamas will either have to stand against the aspirations of the Palestinian people, or find a way to change their ways.

Chairman LANTOS. Thank you, Madam Secretary.

Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman. And first and foremost, I would like to associate myself with the remarks that you made, Mr. Chairman, in your opening statement. They were insightful and eloquent, as usual, and right on target.

Chairman LANTOS. Thank you.

Mr. ROHRABACHER. And one of the points you made was, which I would like to expand upon one of the points you made, Mr. Chairman, which is why our "allies," or at least moderate Muslim states in the Gulf have not been spending more money to assist in the development of Afghanistan.

I mean, obviously they are portraying themselves as these solidarity among Muslims, and yet there is great suffering going on in Afghanistan, and they have not been stepping up to do their part. That is number one. And I would hope that you transmit that concern in your diplomatic discussions.

I am afraid, Mr. Chairman, that while Saudi Arabia is spending very little money in Afghanistan, it may well, or elements within Saudi Arabia may well be financing the terrorist campaign that murders American troops in Iraq.

And I am not going to put you on the spot, Madam Secretary, because this is a diplomatic issue, as well. But this is of great concern. And I do not believe that this administration has pursued this to the degree that it should, for whatever reason. And we know there are lots of levels to that debate on how far to push the Saudis. But if they are engaged with financing this insurgency operation, the lives of our troops are on the line. And that should be number one, trying to protect them, their interests.

I would like to draw your attention, Madam Secretary, to the letter sent by Ms. Ros-Lehtinen and several of us dealing with Afghanistan. I would like you to note on the section 16 of that letter, it mentions microherbicides and the war on drugs in Afghanistan, which is now, having not been treated as the issue that it should have been treated over these years, coming back to bite us and to hurt our efforts in Afghanistan in a tremendous way. And we have discussed that personally on a number of occasions.

But I would like now—and I am sorry for putting you on the spot here on this, Madam Secretary—but we have a \$12 million expenditure that we have actually approved of in Congress for the State

Department to make in order to at least do the research necessary on microherbicides, which could well be a method of eliminating opium production in Afghanistan, that has gone unspent for a number of years.

Now, I know there are fanatics who are saying don't even look at that option, we don't know who the heck is financing these fanatics, or are telling us not even to investigate. But are you going to spend that \$12 million to find out if microherbicides are a possible tool against the opium production in Afghanistan?

Secretary RICE. Well, Congressman, I will get back to you on the specifics about microherbicides and what we are doing in terms of research.

I will say that there are always questions about what one can do in the use of certain kinds of herbicides worldwide, in terms of crop, even illicit crop. And there are environmental issues that have to be examined.

Mr. ROHRABACHER. That is correct. That is why that research is important, and you have had \$12 million. And because of some fanatic opposition to it, perhaps being financed by people who are afraid it might be seen as an effective tool, you haven't moved forward yet. And we would expect you to at least spend that money.

Secretary RICE. Well, I will get back to you about that, Congressman.

Mr. ROHRABACHER. All right. And one last thing—oh, my time is up. Thank you, Mr. Chairman.

Chairman LANTOS. Thank you very much. Mr. Ackerman.

Mr. ACKERMAN. Thank you very much. Welcome, Madam Secretary.

I was rather intrigued that you spent so much time talking about the foreign language deficit that we have, and how greatly that is needed.

It seems that the Defense Department has a don't ask, don't tell policy when it comes to homosexuals. You don't have such a prohibition in your agency, do you?

Secretary RICE. No, we do not.

Mr. ACKERMAN. Good for you. Well, it seems that the military has gone around and fired a whole bunch of people who speak foreign languages—Farsi, Arabic, et cetera—after they trained them in their foreign language school for 63 weeks, and presumably they all passed all kinds of security things. And many of them told on themselves, and were fired. For some reason, the military seems more afraid of gay people than they are of terrorists, because they are very brave with the terrorists. I mean, if the terrorists ever got hold of this information, they could get a platoon of lesbians to chase us out of Baghdad.

The affirmative suggestion that I would make is: Why can't the State Department look to pick up all those people that were fired from the military? Because apparently you don't have a policy. And put these three dozen or so Farsi and Arabic people to work doing what you are suggesting would cost a lot of money to do in training, et cetera, because we have them. Can we marry up those two—or maybe that is the wrong word. Can we get some kind of union of those two issues that you might be willing to—

Secretary RICE. Congressman Ackerman, I am not aware of the availability of people, but I certainly will look. What we are doing right now is we have quadrupled the number of people in the critical languages areas. One of the problems that we are trying to deal with, and again it is a budget request this time, is that we would like to train people to higher levels of competence.

Right now, because of just needing people in the field, we are getting people to what is called three-three, and then getting them out the door. We would like to get them to higher language levels, but that requires having a greater number of people so that we can have that kind of training—

Mr. ACKERMAN. Right. Well, maybe you might find some of those competent people among those who were recently unemployed over the past several years.

Secretary RICE. Yes, we will look at it.

Mr. ACKERMAN. During previous trips to the Middle East, democracy promotion has been very highly promoted by the administration. And the reforms in the region seem to question the reality of that happening.

On your trip to Cairo University in 2005 you had spoken very, very powerfully about democracy reform. And in 2006, it doesn't seem to have been mentioned as part of the agenda.

My question is: Where does democracy reform really fit into our foreign policy? And do we have a strategy for democratization that is going to work? Why are we not really pushing our friends in Egypt and Saudi Arabia and Pakistan? And if, as in Egypt, they worry about the Muslim brotherhood, and then beat up everybody who is running for office, they kind of leave room only for people who want to be terrorists to resist, because they don't cave in to getting beat up, and we do away with all of the legitimate sources of—

Secretary RICE. Well, thank you, Congressman. First of all, democracy is right at the core of what we are doing in our foreign policy, because the President and I consider it not just a moral cause, although of course it is a moral cause, but it is also a matter of national security.

The fact of the matter is that well-governed democratic states are allies, and that is the source of true stability. But it is also the case that when you have a freedom gap or deficit, politics will go on, but it will go on on the radical side, while the healthy forms of moderation and reform that could take place don't take place. And I think we have seen that in the Middle East, and it is one reason that I think authoritarianism has produced circumstances in which terrorism breeds, because people go to the extremes rather than to more legitimate and more benign ways of carrying out their political interests. So it is very much at the core.

The Cairo speech I felt was maybe the most important speech I have made as Secretary. And I thought the President's—

Mr. ACKERMAN. Great speech.

Secretary RICE [continuing]. Second inaugural was one of the most important speeches an American President has made in years. We are going to continue to press the case.

I know that when I was in Luxor recently, and I was on the ground for 2½ hours, I think, total to talk about the Palestinian

issues, I did not have a democracy event; but I did raise with the Foreign Minister and with the President issues concerning our concerns about, for instance, the non-governmental organizations like NDI and IRI and how they are operating, cases like Ayman Nour, where we think that his release would be wholly appropriate, and internal reforms in Egypt.

We are going to continue to press for those. We pressed for it in Saudi Arabia. I think I did stand next to the Foreign Minister and say women ought to vote in Saudi Arabia, and I will continue to say that.

I did have a democracy event in Kuwait, where I met with about 30 women. As you know, women in Kuwait have just gotten the right to vote. They are organizing, though they didn't win in the last election, but that has only made them more determined this time. I had a wonderful discussion with them.

We are trying, through our democracy programs, through helping people to network, with training in democracy programs, development of civil society, and bringing young people together. We are trying very hard to empower those inside these countries that want a democratic future. Nothing troubles me more than when I hear people say well, you shouldn't try to impose democracy. And I say of course not. Democracy doesn't have to be imposed; tyranny has to be imposed.

We are working very hard to try to make it possible for people, because it is our moral duty and it is in our interest.

Mr. ACKERMAN. Thank you.

Chairman LANTOS. Thank you. Mr. Paul of Texas.

Mr. PAUL. Thank you, Mr. Chairman. Madam Secretary, the Foreign Affairs budget request for this year is \$42 billion, with a supplemental approximately 13 percent increase over last year.

Our expansive foreign policy is draining great wealth from the American people, and yet our foreign interventionism is creating enemies all over the world. I would like to address an area of particular concern, which is our policy in the Middle East.

Many Americans and many Members of Congress are fearful that we are about to dramatically expand war in the Middle East to include hostilities against Iran. We are escalating our sharp rhetoric toward Iran. We are employing an additional carrier group and Patriot missiles to the region. And although Iran has approached the United States to establish a serious dialogue two times since 9/11, they have been rebuffed both times.

Unproven charges against Iran's nuclear intentions are eerily reminiscent of the false charges made against Iraq before we invaded that country.

What little information we do have about Iran is coming from similarly dubious sources. The terrorist organization known as MEK, for example. The Iranian Ahmad Chalabis are all lining up and feeding us self-serving information about Iran, it seems. Unproven accusations of Iranian support for the Iraqi insurgency are now serving as a pretext for this escalation.

Requests for proof of dramatic claims of Iranian involvement in Iraq, the administration keeps promising that they are compiling it. This sounds like Iraq, where accusations came first and proof

was supposed to come later, only that proof never came because the accusations turned out to be false.

Here is what we do know. The Iranians are very unlikely to support the Iraqi Sunnis and Baathists. They consider the Sunni Iraqis the enemy. However, some 99 percent of all the attacks on United States troops occur in the Sunni Arab areas, carried out by Baathists or Sunni fundamentalist guerilla groups. How does that compute with administration claims that Iran is playing the major role in the insurgency?

Realistically, the Iranians do have a justifiable self-interest in dealing with Iraq: A neighbor cast into civil war as a result of our United States invasion. They face incredible instability next door. We should also remember that Iraq Shiites that Iran is most anxious to help are the Supreme Council, our allies around whom we are trying to build a government in Iraq.

So this is my question. Can you assure me, this committee and the American people, that the United States will not initiate a pre-emptive attack on Iran?

Secretary RICE. Well, Congressman, first of all let me say that I think the President has made very clear that we are not planning or intending an attack on Iran. What we are doing is we are responding to a number of Iranian policies, both in Iraq and around the world, that are actually quite dangerous for our national security. Let me take them one by one.

The Iranian support for terrorism is well known and well understood. And it is not just the United States that believes that Iran is a key sponsor of terrorists. Whether one talks about Hezbollah in Lebanon, where they arm and support them, bringing about, for instance, or helping to bring about the Hezbollah attack on Israel across the blue line this summer. Whether you talk about Iranian support for some of the worst elements of militia and death squads in Iraq. Indeed, networks that both we and the British have cited as perhaps most likely being the source of the extremely powerful enhanced IEDs that are killing our soldiers. I don't think any government in the world would stand by and not react to that.

If I could move to the nuclear file. I just don't think it is right, Congressman, to say that this is a United States ginned-up notion about an Iranian nuclear weapon. I would just note that the people, the diaspora that signaled that in fact there might be something going on illegally at Natanse in Iran, where it turns out now that they had been enriching and reprocessing for 18 years without the knowledge of the IAEA, was a tip given not just to the United States, but to the IAEA.

Indeed, much of our information is coming from the International Atomic Energy Agency. I think the reason that we have been able to get a Chapter VII resolution, 15-0-0, about the Iranian nuclear program, is that the United States of America is not the only country worried about an Iranian nuclear weapon.

As the chairman was noting, enrichment and reprocessing can be for peaceful purposes. But most likely in this case, it is for the technology that would allow you to build a bomb. And that is why the world is uniting against Iran, 15-0, for Chapter VII, against their nuclear program. So, I just don't think it is right to say that it is somehow the United States that is fueling this story.

Finally, as to what we intend to do. When we have a carrier strike group enter the Gulf or provide a PAC-3, which is a defensive system, it is simply to demonstrate that the United States remains determined to defend its interests in the Gulf and the interests of its allies. And that, Congressman, is a position that has been held by American Presidents going back for nearly 60 years.

I would just note that these are discrete responses to Iranian activities that are really deeply concerning, not just for us, but for the rest of the world, as well.

Now, as to Tehran and whether we can talk to them: I offered in May to reverse 27 years of American policy, and to meet my counterpart anyplace, any time, to talk about any set of issues that Iran wishes to talk about, if they would just do one thing. And that is, adhere to the demand that the international community is making that they stop enrichment and reprocessing, so that we know that while we are talking, they are not improving their capability to get a nuclear weapon.

So I think, Congressman, the question isn't why won't we talk to Tehran; the question is why won't they talk to us. Thank you.

Chairman LANTOS. Thank you. Mr. Payne.

Mr. PAYNE. Thank you, Madam Secretary. Good to see you again.

I have some certain concerns about the ongoing conflicts on the Horn of Africa, the genocide in Darfur. But Mr. Natsios is going to be here tomorrow, so I won't ask you questions about that, although I was pleased to see that the President has approved a plan with the Treasury Department to block Sudan's transactions. And I think this is a step in the right direction. Also, I would like to see a no-fly zone, to be honest, where we will simply take down those anti-satellites as they continue to bomb women and children. But I will ask those questions tomorrow.

I do have a question, though, about Somalia. As you know, there is a need for 8,000 peacekeepers; there has been 4,000 pledged from the AU. I wonder if we are going to be supportive of the funding for that.

Secondly, I do believe that we missed the boat with the TFG initially not giving them the support that they were asking for as they were pledging, and the ICU, the Islamic courts came in, and got peace and security, and opened up the airport, and stopped the piracy. And I don't believe that they were al-Qaeda-led, as some people tried to lead us to believe.

However, I hope that we are pushing a merging between the TFG and the ICU in Somalia, so that there can be a government of reconciliation, and get the Ethiopians out that we prevented the AU from sending troops in because we prevented arms from coming in, and that led the way for Ethiopia.

But just in Liberia also, we promised to have a 2,000 force for President Johnson, and we have done about 1,000. There is \$34 million that is needed for the next round. And there is a concern that they are not going to be able to have the stability that is needed there if we lack, or do not fulfill the need there.

Also, in South Sudan, I think that there needs to possibly be a coordinator for South Sudan. Like I say, I am not going to talk about Darfur; that is another day. And I want to know what your feeling is on that.

I think my time has about expired. Just one last thing: I would like to commend the President on the PEPFAR program. It is well received. Everyone knows about it. The Congress, of course, funds it. And I mentioned to him at the State of the Union that I commend him for that.

However, we are lacking health in other areas now. I mean, we are getting good funding for HIV and AIDS, but child mortality and all the rest of general health is not being funded. So I wish you would look into that.

Thank you.

Secretary RICE. Yes. Thank you, Congressman Payne. And let me thank you for the personal interest that you have had in these African issues, and our opportunities to discuss them on a number of occasions.

Let me just speak, very briefly, on Somalia. We are working on a couple of fronts. First of all, we were first on the ground with humanitarian assistance, I think about \$16.5 million worth, which is what we requested for humanitarian assistance. Obviously, we think that a broad-based government would be the best for Somalia, and we are encouraging the transitional Federal Government to do that.

I do think that there are concerns about terrorist links to some elements of the Islamic courts. Of course, it was the Islamic courts that tried to go to Baidoa, and attacked Baidoa, provoking the Ethiopian response. I think we do have to recognize that. But we are counseling for the broadest possible government that can fight terrorism and provide for the people of Somalia. There will be, I believe, a reconciliation conference fairly shortly, and we would support that approach.

On Liberia, I will host a donor's conference for Liberia next week. The United States has been I think very generous in support for Liberia. We do believe that this is a real success story in many ways, but we have to now make sure that we consolidate that success.

If you think about where Liberia was 4 or so years ago, with 13-year-old boys on the front page of the *New York Times* with AK-47s, and now you see the President, the first woman President of Liberia, it is heartening. America is in large part responsible for having sent in Marines to secure the airports, secure the ports, for having assisted in bringing Charles Taylor to justice. This is something that we very much need to do.

On South Sudan, Andrew Natsios is, as you know, our Sudan envoy. He is going to spend some time in South Sudan now. He has very good contacts with the SPLM. Of course there has been some considerable difficulty there since the death of John Garang. But Ambassador Natsios is prepared to spend, we have talked about it, he is going to spend some more effort on trying to make sure that we don't lose the CPA, the Comprehensive Peace Agreement, while we are rightfully concerned about the humanitarian crisis and genocide in Darfur.

Finally, just on the health issues, thank you for the support of PEPFAR. I should thank the entire Congress for that. We also have a major malaria initiative, because we believe that if you want to think about things that really ought to be treatable, ma-

laria is preventable. So we have a major new malaria initiative. Simple things like bed nets can make all the difference in the treatment of malaria. Malaria disproportionately affects women and children.

We have concentrated our other health resources in a couple of ways: To support what we are doing with HIV/AIDS and to support malaria. But also we have concentrated it in places where child and infant mortality tend to be a problem. So while you might see overall some of those numbers go down, I think you will see that what we are doing is really we are now concentrating in places that need it most.

But if you would like, I would be happy to give you a fuller report in writing on what we are doing.

Chairman LANTOS. Thank you, Madam Secretary. Let me just mention, before recognizing the next colleague, that tomorrow morning, former USAID Administrator Natsios will appear before this committee on Darfur.

The gentleman from Ohio, Mr. Chabot.

Mr. CHABOT. Thank you, Madam Secretary, I am one of the co-chairs of the Missing and Exploited Children's Caucus. And you and I have discussed in the past the tragic case of Tom Sylvester, a Cincinnati gentleman whose daughter was taken illegally, when she was 13 months old, to Austria. She is now 12 years old. He went all the way to the Austrian Supreme Court. It wasn't enforced. And I know you are familiar with the case, so I won't elaborate any further.

But in our discussion last year, you indicated that you would be willing to meet with Mr. Sylvester and myself, if it would be productive. At this point I think you may be his last, best hope. So I hope that we can discuss with your staff a possible meeting so that we can impress upon the Austrian authorities the gravity of this situation.

Secretary RICE. I would be happy to do it.

Mr. CHABOT. Thank you very much. I appreciate that.

Also, Madam Secretary, I am deeply concerned about the Special Inspector General for Iraq Reconstruction's recent reports of widespread waste and fraud in Iraq reconstruction efforts. With a reported 80 active investigations of potential criminal activity in Iraq, what steps is the State Department taking to ensure that taxpayer dollars are spent wisely, both in terms of quality workmanship, and also for intended purposes?

Secretary RICE. Thank you. In fact, I have had a number of conversations with Stuart Bowen of SIGIR (the Special Inspector General for Iraq), and we are very much supportive of the effort that they are making.

Obviously, Iraq is a very challenging environment. Much of the report that has been so concerning relates to another time period, and to the expenditure of the Iraqi Development Fund. And it is not that we don't take that seriously; we absolutely do. Those were not U.S. taxpayers' dollars, but we take it seriously. It has helped to give us some clues, some ideas about how to improve oversight in what is a very challenging environment.

I think when it comes to the Iraqi Reconstruction Fund, the \$18.6 billion fund that was allocated by the Congress, that you can

be certain we believe that those funds have been, for the most part, very well spent.

There are some cases of contractors and contracts that were simply not fulfilled. We have tried to remedy those situations in whatever way we can do so. We have worked very hard to improve the ability of our oversight in the field. And in terms of what is now really a transition from the IRRF, which was a large United States reconstruction project, to what we believe ought to be Iraqi reconstruction projects, I have just appointed a special coordinator, former Ambassador to Haiti Tim Carney, who will go out to make sure that we are making those connections with the Iraqis.

I do think that we should be proud of what we did achieve. We didn't achieve all that we would like to have done, but the dilapidated state of the infrastructure in Iraq and the very, very big security challenges have made it very difficult. We have made some improvements for the Iraqi people.

For instance, more Iraqis have access to clean water than before the war. Some of the—

[Audience Disruption.]

Chairman LANTOS. The Chair notes that there is a disturbance in the committee.

Secretary RICE. And I would note that the Iraqi people have also benefited in the electricity field, although we have had difficulty keeping the hours of generation up for a place like Baghdad, it is in part because in the old system, the Saddam Hussein system, Baghdad was privileged; the rest of the country was starved. When you started to even out distribution, it got harder to produce for Baghdad.

So we have made some progress for the Iraqi people. If I could do one thing differently, Congressman, I think something that we have evolved to and has been more effective than some of the large-scale projects that we did; and that is to go to smaller-scale, more localized projects in which we hire Iraqis to do a lot of the work. I think you will see that more of our effort will go in that direction.

But we are very cognizant of making the changes that are necessary to provide the good oversight.

Chairman LANTOS. Thank you, Madam Secretary.

Mr. Sherman of California.

Mr. SHERMAN. Thank you, Mr. Chairman. Since these hearings focus on State Department operations, I have got a number of points about State Department operations. Perhaps you will respond to the record for these.

I look forward to working with you on a bill to rationalize the due date of reports that the State Department sends to Congress. I know your staff would prefer that we eliminate some of these reports, and every department must have dreams. [Laughter.]

As obviously the security clearance issue is very difficult for State Department operations, the Department of Defense operations, et cetera, what I have learned is that when someone has a security clearance in the Department of Defense and you want to bring them over to State on a detail, then you give credence to their security clearance. As if the Pentagon knows how to keep, you know, to do the security clearance work.

But if they come over for a permanent transfer, then you won't give credence to the Pentagon, which makes us wonder whether that is a rational system, given especially the tremendous burdens on those people who provide for security clearances. I would hope that you would trust your friends over at the Pentagon, or decide that you don't trust them even as to people who are assigned to the State Department temporarily. But the idea that you would have different standards for the two strikes me as odd.

I hope you create a special envoy to deal with the Sri Lankan problems. I know that you need to hire people who have an understanding of languages in the Middle East. I hope you would focus on those who have moved from the Middle East to the United States, and particularly many who are parts of religious minorities who understand the culture they came from, and are motivated to be part of America's efforts to bring human rights to that region, and security to the United States.

When it comes to granting visas, putting aside terrorism and looking only at whether people will come, enjoy their visit, and then leave, we don't even have the statistics. We don't know who has left. The failure of the Federal Government to keep track of this shows that the Federal Government is in a worse position than Disneyland. They know when you buy the ticket, then they scan you when you leave. Whereas very few people illegally stay in Disneyland permanently. [Laughter.]

Five million people are here in the United States because somebody gave them a visa, expecting them to leave on time, and they never left. And at the same time, millions of people are denied entry into the United States, and we need them in Disneyland, because we need the tourists.

I would hope that you would look again at the idea, not on the terrorism issue—we don't want to admit anybody who is a threat to our security—but on the idea of getting performance bonds. So that if somebody posts a bond saying that they will leave our country and go back home within the time limit given by the visa, that that would be perhaps a better system than relying—or an alternative system, not an exclusive system—than the enormous delays that it takes to get visas, and we have no idea what the success rate is.

We don't know what the batting average is of any consulate or any consular officer. Is 1 percent of the people they let into this country overstaying; 80 percent? We don't know whether they are letting legitimate tourists in. We don't know whether they are letting illegitimate immigrants in. We don't even know whether they are successful. So it is very hard to defend the present system.

I want to associate myself with the comments of Chairman Lantos on Iran, and ask one question. And that is, how do we talk to other countries about the rule of law and democracy, when the State Department ignores the Iran Sanctions Act, formerly the Libya Sanctions Act, by taking the position that there are no cognizable investments from foreign oil companies in the Iran oil sector.

Chairman LANTOS. The gentleman's time has expired, and the Department, I take it, will respond in writing. I just want to mention to the gentleman that several of my grandchildren wanted to

have permanent citizenship in Disneyland, and we are still working on that. [Laughter.]

Mr. SHERMAN. It is close to my district. Maybe something can be arranged.

Chairman LANTOS. I am delighted to call on my friend from Florida, Mr. Mack.

Mr. MACK. Thank you, Mr. Chairman. And welcome, Madam Secretary. It is good to see you again.

Secretary RICE. It is good to see you.

Mr. MACK. It probably won't be any surprise to you, but I have got some questions about Venezuela. And understanding that we only have 4 minutes, maybe there would be an opportunity, I would hope anyway, for us to sit down and talk further about what our plans are.

I am very concerned about the growing challenge, I guess you would say, in Venezuela with Hugo Chavez and what he is doing to intimidate and manipulate his country moving away from democracy, and toward a dictatorship. Quickly, some questions.

Do you believe that freedom is under attack in Venezuela? Do you believe that there are human rights issues in Venezuela? What are our plans to promote democratic reform and support a civil society in Venezuela? And which of the five categories in the Office of the Director of Foreign Assistance that you just recently created would you put Hugo Chavez's Venezuela?

Knowing that our time is going to run out, if you could facilitate either a meeting or a written response in more detail what our plans are in Venezuela, I would appreciate it.

Secretary RICE. Yes. Well, thank you very much. First of all, yes, I believe there is an assault on democracy in Venezuela, and I believe that there are significant human rights issues in Venezuela.

The United States has been one of the strongest supporters of non-governmental organizations that are trying to operate there. For instance, the Organization Sumate, the President met with the woman who was under attack—being charged by Venezuela. We think it may have, even though the case has not been decided, we think it may have helped. Because we, for instance, got European Union ambassadors to go and sit there for the trial every day, just to make an international statement. We raise these issues in the Organization of American States at all times, and with all the states in the region.

I do believe that the President of Venezuela is really destroying his own country, economically, politically. And this is a place with which we have had traditionally very good relations, and would like to continue to have good relations.

Our Ambassador has had some trouble there because he has gone out and worked with kids, and had baseball games and the like. And it is not very well liked by the government, but it is liked by the Venezuelan people. We are going to continue to try to do those things.

I would say that I think that one thing that we want to avoid is to get into a rhetorical contest with the President of Venezuela. Because, frankly, it takes the spotlight off of our very positive agenda in Latin America. In fact, we work very well, whether it is governments of the left or governments of the right, with any num-

ber of governments in Latin America. It is not a left-right issue, which is, I think, the way he would like to make it. It is not a United States-Venezuela issue. This is about the United States and democratic countries, and the democratic charter of the OAS.

So when we work with a country like Brazil or a country like Chile, or even a country like Uruguay, I think we demonstrate that we can work with countries on either side of the political spectrum.

We are going to continue to press for the protection of democracy. We are going to continue to call attention to the concerns about democracy. It is a good question, where we put the country at this point, because I think it is in a transition—a negative transition, if you will. And we need to look at how we are spending our aid in Venezuela to do what.

I have had discussions with people about support for free trade unions, for instance, in Venezuela, something that perhaps could be done by labor organizations. That would be, I think, a very helpful thing to the people of Venezuela. The Catholic Church is under attack in Venezuela. We had discussions with the Church about that.

So we are going to continue to press the case; we are going to continue to fund organizations that are trying to resist. But I think we want to make this about American defense of democracy, not a rhetorical contest with the President of Venezuela. I think in that regard, he probably did himself no good with his speech at the United Nations General Assembly, and made it not very hard, actually, to argue that Venezuela had no place on the Security Council. As you notice, they are not there.

Chairman LANTOS. Thank you very much. Mr. Wexler.

Mr. WEXLER. Thank you, Mr. Chairman. And thank you, Madam Secretary, because you have participated very eloquently.

The committee has undergone I think a very thorough analysis, under the chairman's leadership, of our policy in Iran, particularly relating to the Iraq Study Group's recommendation for a dialogue. We heard from former Secretary Madeline Albright, and her testimony essentially was in accord with the study group, suggesting the dialogue with Iran. You and others in the administration have taken a different view.

What concerns me regarding the administration's approach is that it seems to undermine what I think has been a very positive effort by you and others, since the President first visited Brussels in February after the election, and he joined with the EU3. And then subsequently the administration supported further European offers to Iran, I think wisely so, and wisely supported the Russian offer to do the enrichment in Russia. All very wise moves which culminated in the first round of sanctions in a multilateral forum.

It would seem to me that accepting the Iraq Study Group's recommendation and others would strengthen the administration's hand with China, with Russia, in engaging those nations to ferret up, to increase the sanctions on Iran.

The thing that troubles me most in terms of determining, well, which policy is best, quite frankly, are the reports that in 2003, that Iran apparently sent to the administration what the administration officials have said seems to be an authentic offer—a proposal, as was reported in the *Washington Post* and other publications—which essentially put everything on the table, including full

cooperation on Iran's nuclear programs, acceptance by Iran of Israel, and Iranian termination for its support for Palestinian militant groups.

Now, I don't think anyone naively believes that Iran is going to change its colors overnight. But it seems that what concerns me most are the representations of members of the administration as they have left. For instance, I think it is a Mr. Leverett, Flint Leverett, who may have been on your staff, if I understand it correctly, who says, in responding to this Iranian offer, they believe, meaning the administration, the Bush administration—this is a quote: "They believed that just with a little prodding from us, pushing from us, it would be over. They were wrong."

So here we have the Senior Director of the National Security Council staff, if I understand it correctly, saying the administration was wrong in its analysis of the Iranian offer for negotiations. Given that somewhat damning conclusion, why should we accept the administration's analysis today that it is correct to yet again not engage with Iran, when administration officials at the time now have concluded—at least this one and one or two others—that the administration was wrong.

Secretary RICE. Well, first of all, I don't know what Flint Leverett is talking about, quite frankly. Maybe I should ask him when he came to me and said we have a proposal from Iran, and we really ought to take it.

I have read about this so-called proposal from Iran. We had people who said the Iranians want to talk to you; lots of people who said the Iranians want to talk to you.

But I think I would have noticed if the Iranians had said we are ready to recognize Israel. Congressman, I just don't remember ever seeing any such thing.

Mr. WEXLER. So you did not see that supposed fax?

Secretary RICE. I just have to tell you that perhaps somebody saw something of the like, but I can tell you, I would have noticed if the Iranians had offered to recognize Israel. So let me not repeat the past. Let me go to the present.

You listed a number of things that we did. I appreciate very much that you support the efforts that we have made with the Europeans, and indeed with the Russians. And I think it has paid off. I think that is why you have a 15-0 Chapter VII resolution.

But there is one other thing that we did. I went out in May, and, having worked on a package of incentives that we offered the Iranians with the Russians, with the Chinese, and with the Europeans, we said we are prepared to sit and negotiate from the basis of this set of incentives, if you will just do one thing: Suspend your enrichment and reprocessing activities so people know that you are not trying to perfect a nuclear weapon while we talk. Just suspend.

And that, by the way, had been a demand of the Europeans. It had actually been, the Iranians had actually agreed to do it, and then they were the ones who walked out of the talks with the Europeans and began their enrichment and reprocessing activities again.

So I just have to repeat, Congressman, I don't think the question is why won't we talk to Tehran, the question is why won't they talk to us? What is so important in continuing to enrich and reprocess

that they can't take the offer of the United States to reverse 27 years of policy to sit and talk about whatever they would like?

So I would again put the offer on the table. The world is worried. Not just the United States—the world is worried about Iran's nuclear activities. They won't answer questions from the IAEA. Mohammed ElBaradei reports that all the time.

Their President talks incessantly about how they are becoming nuclear, they are going to have 3,000 centrifuges, and they are going to go to industrial-scale production. He does it having uttered in the same breath practically that Iran ought to wipe Israel off the map.

It is frankly, Congressman, not talk in which I want to engage. But I am perfectly ready to engage with the Iranians when they demonstrate that they are not seeking a nuclear weapon by doing what the world has asked of them, and has been asking of them for 2 years: Simply suspend the enrichment and reprocessing, and we will talk.

Chairman LANTOS. Thank you very much. Mr. Manzullo of Illinois.

Mr. MANZULLO. Thank you, Madam Secretary. Your former deputy, Robert Zoellick, famously referred to China as an emerging responsible stakeholder in the international community. Given the January 11 anti-satellite test, many are beginning to question that designation, and whether China's growing influence is truly benign.

I represent the 16th District of Illinois, where Rockford is located. It has one of the heaviest concentrations of manufacturing in the country and I am actively involved in the modernization of U.S. export controls.

Can you tell me what impact, if any, the Chinese anti-satellite test will have on this modernization effort? And also, I want to invite you to come to Rockford to play with the Rockford Symphony.

Secretary RICE. Thank you very much. I think I had better practice first, Congressman; I am a little short on practice time these days. But thank you.

When it comes to the ASAT test, we have made very clear to the Chinese Government our concerns about this; that this is something that other states have not done, and we have been very clear that this was concerning.

The impact on relations, I think it has to be taken in the context of continuing concerns, while we work with the Chinese on a whole variety of issues—and by the way, I think we have a good working relationship with China on any number of issues—that there continue to be Chinese military activities that we need to be concerned about, and ought to be concerned about, and raise all the time, and frankly deal with in a variety of ways.

But it is in a way the kind of dual character of the relationship that we have a great store of cooperation on issues like North Korea, where I think we are cooperating very well in the six-party framework.

But where we also have I think legitimate concerns about their military activities. They were asked at one point, by Bob Zoellick and by others, be more transparent about what you are doing militarily. It would make it clear to the world what you are trying to do. And then we get a surprise like this test, and it is a problem.

We obviously are also very concerned about export controls. We have, as you know, had to sanction a number of Chinese entities for proliferation activities, and will continue to use that tool when necessary. But this is just, I think, part of our concerns about a number of military activities that seem to us outsized for China's regional, and even global, interests.

Mr. MANZULLO. Well, I have got to second that. Mr. Mack from Florida just wanted me to ask you if, on the record, you would be willing to meet with him on this issue. And I presume the answer is yes.

Secretary RICE. Of course.

Mr. MANZULLO. Thank you.

Chairman LANTOS. Thank you very much. Mr. Engel of New York.

Mr. ENGEL. Thank you, Mr. Chairman. Madam Secretary, it is always a pleasure to see you. Welcome.

I am going to submit for the record, as the chairman of the Western Hemisphere Subcommittee, a question on Haiti—I just came back from Haiti—and article 98. And I will submit that to you, and I will get it.

But as Chairman of the Western Hemisphere Subcommittee, I have very serious concerns about overall reductions in development assistance to Latin America and the Caribbean. In the budget that is submitted, overall aid to the region is down over \$70 million from fiscal year 2006. And at a time when anti-Americanism in the region is on the rise, I think we need to show our commitment to all of our neighbors in Latin America, not just a select few.

Outside of increases to three KAFTA countries, how do you explain the administration's decision to reduce development assistance funding for the region? That is my first question.

I want to also ask you a question about Syria. As you know, we have through the years discussed this. I was the author of the Syria Accountability Act. And Syria continues to play a very negative role in Iraq, a negative role in Lebanon, and it is rearming Hezbollah. Most of the rockets and anti-tank missiles fired at Israeli communities and IDF tanks last summer came directly from Syria in arsenals.

And I might also say that Mr. Abbas made a statement which was very disappointing, where he said that the Palestinians should not turn their guns on each other, but should turn their guns on the Israeli occupiers. I thought that was a very disappointing statement that he made.

But back to Syria. Some of us are now saying that we should be engaging Syria. I want to ask you your opinion. Is now the time to end the diplomatic isolation of Syria, and engage? Do you believe that Bashar al-Asad, who hints at diplomatic offers toward Israel, are his offers real? And if not, when are we going to implement the Syria Accountability Act?

And finally, I want to ask you about Kosovo, the final status of Kosovo. U.N. Special Envoy Martti Ahtisaari delivered his proposals for a Kosovo status settlement. I support that. I am a big supporter of independence for Kosovo. And I just would like to know what the administration is going to do now, since the potential for the Russians to play a negative role is there, the Serbs are

being very negative about it. I would like to know what the administration is doing on it.

Thank you.

Secretary RICE. Thank you. On Kosovo, we are indeed supporting very closely the efforts of the Special Envoy Ahtisaari, who has now put forward a plan. I think we have helped. Frank Wisner, who is a very well regarded diplomat, has been a kind of ambassador-at-large for the United States, working on this issue.

We believe that the Ahtisaari plan deserves support. And we are working with our European allies, who I think also support the Ahtisaari plan. I have talked very often to the Russians, first of all, that Kosovo is a precedent for nothing, which is a very important point to make. And secondly, that we need to recognize that the longer this drags out, the more likely we are to have a breakdown in order in Kosovo itself.

So over the next several weeks, the next couple of months actually, Ahtisaari will be talking to the parties, negotiating with the parties, working with the parties. Then I think the international community is going to have to support an outcome there. We will work with all parties, including the Russians, to try and make that outcome as good an outcome as possible.

The Kosovars have a responsibility, too, to protect minority rights, to make certain that Serbs feel that they can really live there. We are having equally difficult and tough, sometimes, discussions with the Kosovar Albanians about their responsibilities.

I think we helped when we included Serbia in the Partnership for Peace for NATO, because we want Serbia to have a democratic and European horizon. We don't want a revanchist and angry Serbia. We are working with our European allies to make sure that Serbia understands that it belongs in Europe.

As to Latin America and our efforts there, let me just note that aid to Latin America has risen dramatically since the start of this administration. It has gone from \$862 million in foreign assistance, \$862 million in 2001, to \$1.4 billion in 2008.

We are, frankly, concentrating our resources on certain things. We are supporting, through MCC compacts, a number of countries that we believe have a chance to take off, if you will, particularly in Central America. But we also have increased aid significantly to Uruguay, as another example.

On the other hand, we do have limited resources. We are trying to fit a lot of needs and a lot of concerns into a growing, admittedly, but still relatively small budget. So we have been consolidating our resources in, for instance, efforts to support democratic gains—that is up about 5 percent.

We have been shifting some of our focus from service delivery and health, and basic education, in places where we think that is well advanced, and perhaps where host countries have resources of their own to spend. We are focusing on some key anchor states; places like Colombia, and Peru, and Haiti, in which aid is very much up.

I understand that if you look at the specific number just as a total, it looks like the resources have gone down to Latin America. I think if you look at all resources, it has, in fact, gone up fairly dramatically.

Let me just address, too, that I know that people are concerned that there not be a substitution effect for MCC and development assistance. I do think if you look at the dramatic growth in official development assistance in this administration, that you cannot make that case. But in some countries, where we are making huge MCC compacts, we are reallocating our aid to support some of the efforts that we think would make those MCC compacts more effective.

Chairman LANTOS. Thank you very much. Mr. Fortenberry.

Mr. FORTENBERRY. Mr. Chairman, might I inquire how much time I have?

Chairman LANTOS. You and the Secretary combined have 4 minutes.

Mr. FORTENBERRY. Thank you, sir. Madam Secretary, nice to see you again. Thank you so much for joining us. I am sorry I missed a portion of your testimony; I was called away to the Floor in an urgent matter. I had to congratulate the University of Nebraska's Women's Volleyball Team on winning the NCAA championship.

Secretary RICE. Oh, good for you.

Mr. FORTENBERRY. So, a pleasure to see you again. You stated several times through your testimony that well-governed democratic states are the foundation for stable societies throughout the world. And obviously that is a reigning paradigm in your effort at governance, and I appreciate that.

I would like to go a little bit deeper, though, into that, and suggest that across social norms, across time and across cultures, indicate that strong families—in particular, in the idea of those led by a loving mother and a nurturing father—give the best possible outcome for children, and actually undergird civil order that can lead to broader promotion of a more representative type of societies that, again, are interested in just and good outcomes.

So I would just suggest that our foreign assistance program should prioritize strengthening families, particularly those that are most vulnerable in the world. That is just a comment. You are welcome to comment back.

The second question I have is regarding our policy in which we accept invitations from other countries in the Middle East to train Iraqi security forces. I am specifically asking about the offer that has been extended to us, I know numerous times, by the Egyptian Government, to participate in training the Iraqi security forces. And why is there a hesitancy to take them up on that offer?

Secretary RICE. Yes. Well, we do want other countries to participate in the training of security forces, and they are being trained in some places. The Egyptians, I understand, have talked about this.

I will say that it is just the nature of the kind of training that we are doing, that it is best to integrate it in country. We have tried to focus countries toward a willingness to train in country for a variety of reasons. But we have had training in Jordan, we have had training in the UAE, and we have had training as far away as some of the NATO countries.

We are not opposed to training people in other places. But our focus has been to try to get people to train, or to be part of training

missions like the NATO training mission for leadership, for instance, in Iraq.

Mr. FORTENBERRY. Is that a developing policy potentially with the Egyptians?

Secretary RICE. Absolutely. I think we want to take advantage of all offers, obviously, to help. It is just that it is preferable if countries are willing to be a part of training missions that are there.

But for instance, Jordan is currently training 1,100 young people from Anbar who have been sent by the tribal elders to become a force against the al-Qaeda in Anbar. So those efforts are going on.

Mr. FORTENBERRY. And do you have any comments on my earlier comments regarding foreign assistance programs targeted at empowering and enabling families?

Secretary RICE. Well, obviously it would be, we believe in family. I agree with your analysis.

We have tried to focus on efforts like maternal and child health. We have tried to focus on trying to get people the ability, for instance on a little farm, to be able to do better with their efforts through economic development.

And of course, on something like adoption, we have also tried to help bring children to solid situations when they can't find them at home. So yes, it is very important.

But I think that the key here is to try to focus on human need, on doing it in a way that gives people an ability to keep their roots, if you will. And family I would associate as a part of that.

Mr. FORTENBERRY. Thank you.

Chairman LANTOS. Thank you. Mr. Delahunt of Massachusetts.

Mr. DELAHUNT. Yes, thank you. Madam Secretary, you used the term limited resources, and I think we all understand that. Just recently it was announced in my local paper that the administration is recommending a cut in Medicare over 5 years of some \$66 billion, which clearly is going to impact many of my constituents, and those of my colleagues here.

Speaking to Iraq and the reconstruction effort there, the American taxpayer has already expended some in excess of \$20 billion in reconstruction efforts. It was done in the form of a grant, not a loan, despite the fact that some of us sought amendments which would have made that expenditure in the form of a loan.

But having said that, you are now back, and you are requesting an additional, in the aggregate, some \$2.5 billion worth of funding for reconstruction efforts. It is broken out as \$1.1 billion in the fiscal year 2008 supplemental, \$400 million in the fiscal year 2008 regular budget, and an additional \$1 billion in fiscal year 2008 emergency requests being considered in conjunction with the regular budget.

Yesterday—and again, this is a grant program, you know. The American taxpayers would not see any of this money again.

Yesterday, in the Government Reform Committee, the Special Inspector General for Iraq, Mr. Bowen, indicated that there was \$12 billion that were unspent by the Iraqi Government at the end of the year. Why should the American taxpayer continue to bear the burden?

Secretary RICE. Thank you. Well, first of all, I think it is fair to say that we have concluded 100 percent of the funds that were associated with the \$20 billion package have now been allocated; about 80 percent of them have been spent.

I would just note that it turned out that about 34 percent of that had to go for security, not for traditional reconstruction, because of the difficult security situation there. So that, for instance, an amount of it went to building security forces for Iraq.

But that said, I think we have come to the end of a particular phase in American reconstruction efforts in Iraq.

Mr. DELAHUNT. Well, why not, Madam Secretary—

Secretary RICE. May I just continue?

Mr. DELAHUNT. Sure.

Secretary RICE. I do think now that the Iraqis are prepared to, and must, spend their own resources on reconstruction. They have now allocated about \$10 billion of that \$12 billion to reconstruction, job growth, infrastructure development. About \$2 billion of that \$10 billion is to go to the provinces, where we think a lot of the work really needs to be done.

And the funding that we are requesting is really more in the way of more traditional assistance, in some ways, of assistance to them.

Mr. DELAHUNT. But that still begs the question, Madam Secretary—

Secretary RICE. May I just finish, Congressman?

Mr. DELAHUNT. Okay.

Secretary RICE. All right. It is the case that that funding now goes to building capacity for the Iraqis to be able to carry out these functions. For instance, building capacity on the budget side, building capacity in the ministries, and building capacity at the local and provincial levels.

I think of it, sir, as part of the counter-insurgency strategy now. We really are down at the local level, at the provincial level, working with local governments, when our forces go in to clear, to hold, and to build, to be part of the build part of that. And so it is definitely a different—

Mr. DELAHUNT. I understand that, but at the same time—

Secretary RICE [continuing]. Function.

Chairman LANTOS. The gentleman's time has expired. Mr. Flake of Arizona.

Mr. FLAKE. Thank you, Mr. Chairman. Let me just say I am disappointed that my colleague, Doug Delahunt, didn't ask a question on Cuba, so I will have to here.

In November this past year, a GAO report came out talking about our Section 109 assistance programs meant to help human rights and democracy groups in Cuba. It was quite critical of our efforts there.

It found, for example, that 95 percent of the USAID contracts were made in response to unsolicited proposals. So no-bid contracts, for 95 percent of what was given out.

The few projects that were awarded by state were done competitively. It is my understanding now that USAID assistance is now moving under State's purview. Can you offer any assurance that there is going to be better management of that program? It seems that it has just not been handled very well.

Secretary RICE. Well, thank you. I will look more closely at the specific concerns.

I do think it is very important that we begin to manage our resources in a more integrated fashion. That is why Randy Tobias holds both the Director of Foreign Assistance and the USAID Administrator positions. But let me get you the specifics.

Obviously, it is a time of some transition in Cuba. We want to make sure that we are doing the very best that we can.

Mr. FLAKE. That leads to my next question. But just to give you an example of some of the things that the GAO audit found. Some of the funds were spent on a gas chainsaw, computer equipment and software, like Nintendo Game Boys, Sony PlayStations, a mountain bike, leather coats, cashmere sweaters, crab meat, and Godiva chocolates. I think it is safe to say that those items never made it to Cuba, and we can do a lot better in that regard. And I hope that State manages that program better.

With regard to what we do going forward. As you mentioned, there is a transition going on in Cuba, maybe not the type that you would like to see. But we seem to be largely marginalized. It seems that we are on the outside.

And you have mentioned before—I was out, but was told that you said regarding Venezuela—that we are not going to engage in a war with rhetoric. But it seems that is what we are doing with Cuba. Let me just give you an example.

The U.S. Intrasection, our version of an Embassy in Havana, has a message board across the top. And at this time last year, here is one of the messages that was put out:

“Miami public schools adopted a new menu to attract more children to school breakfast. Eggs, sausages, pancakes, cereal, yogurt, milk, dried fruits, nuts, raisins and cookies are some of the choices. The Federal Government pays for the breakfast of all children in Miami public schools.”

There are many more messages that are using the same kind of words that are just kind of taunting Cuban people for what they lack.

It seems to me that this kind of diplomacy—and I am extremely impressed as I travel around the world and meet with our ambassadors, and I have always appreciated the professionalism that you have exhibited. But this seems like sophomoric diplomacy. Can I have a response?

Secretary RICE. Well, I think that one of the reasons that we are trying to point out to the Cuban people that there might be a better future is that they lack information. They fully lack information. It is a completely closed and dictatorial society. And I think we have to be very clear about that.

It is. We have many problems with other states in the region. But the one problem that we don't have is that their leaders are unelected. If you go to the Organization of American States, the only chair that is empty is Cuba. And it is empty because it is not in alignment with the Inter-American Democratic Charter.

And so the ability to tell the Cuban people what, to counter the propaganda of that regime about what life is like in Cuba, I think is extremely important.

Now, I hope that we will also be able to increasingly have positive messages for the Cuban people. In recent months, I have personally done a message to the Cuban people that says that in whatever transition happens, we want to be friends of the Cuban people. We want to try and help meet their needs. We want very much to see them have the same access to democracy and liberty that everybody else in the region enjoys.

And I think if the Cuban people are able to find a course, if their leaders allow them to find a course to a democratic future, they are going to have no better friend than the United States. And they will have humanitarian assistance, and they will have assistance with education. I would like nothing better.

But in the current circumstances, I think we have tried. We have tried to work to reach out to people in Cuba who want a different future. It is obviously very difficult for them, because it is a very brutal regime when people challenge.

Chairman LANTOS. Thank you very much. The gentlelady from California, Ms. Watson.

Ms. WATSON. Thank you so very much, Mr. Chairman. And I want to commend you, Madam Secretary, for your transformation diplomacy. I think it is long overdue. So thank you.

Secretary RICE. Thank you.

Ms. WATSON. Mr. Chairman, I would like unanimous consent to submit my whole list of questions for the record.

Chairman LANTOS. Without objection.

Ms. WATSON. And I just have two areas of concern. The rest will be in writing to you.

First, Mr. Royce and I sent you a letter that you responded to in September about Liberia. And I am still concerned—I had staff that went on a codel there—about Madam President Sirleaf's personal security. So when I finish, if you will comment on that, and what we are doing to support the justice system and the rule of law in Liberia, and long-term strategies to support Liberia's rebuilding.

I am going to skip over other questions, and get to the deepening conflict in Iraq, between the various sets. And what is concerning me at this time are the innocent people now that are leaving Iraq across borders, and going over to the surrounding countries. I would like to know what we are proposing to do to assist their neighbors with this increase in, I guess, refugees that are leaving because of their fears, and because of the conflict.

So if you will address those two, I will take the rest in writing. Thank you.

Secretary RICE. Thank you. We have indeed been very supportive of President Sirleaf Johnson in all areas that we possibly could, including security, and including the justice system. In fact, there is a private effort that we have been supporting to help with the training of Liberian judges and the like.

I will host a donor conference for Liberia next week. I look very much forward to getting the kind of contributions from around the world that the United States itself has already made. We will continue to pledge assistance to Liberia.

I was saying earlier, Congresswoman Watson, that it is a success story in one way, in that Charles Taylor was brought to justice largely because the United States helped to insist that that would

be the case. We used our own forces to stabilize the country, and now we have to build on that success. We have to make Liberia a success. We have a historic relationship with Liberia, and I think it is very important. And I think you will see that we are stepping up, and we are going to host this donor conference so that others can step up.

On the refugee issue in Iraq, I am very concerned about it. We have requested \$35 million in OAID funding. But we have also, because the problem has grown since, we have requested an additional I think it is \$60 million in the supplemental, to try to help neighboring states deal with the problem.

I am going to meet personally with the U.N. Commissioner for Refugee Affairs to talk about this situation, because it is a very significant situation. We are also very concerned, and a number of people have asked me about people who may be targeted because they have worked with the United States, we want to look at what more we can do for them.

There is a very particular problem with Palestinians who have nowhere to go since, in a sense, they are stateless. So we are working on all of those fronts.

I have just asked Paula Dobriansky, Under Secretary Dobriansky, to head a task force to pull all of our efforts together, and to make recommendations to me within the next few weeks as to what more we can do on this issue. I think it is an issue that we really must get on top of.

Ms. WATSON. Thank you.

Chairman LANTOS. Thank you very much. Mr. Chris Smith of New Jersey.

Mr. SMITH OF NEW JERSEY. Thank you very much, Mr. Chairman. Madam Secretary, great to see you again. Let me just ask a few questions.

The material support provision in U.S. immigration law, as you know, has prevented many deserving groups from entry into the U.S., and I applaud you for signing some waivers.

My first question would be, are the Hmong and Montagnards being considered for such a waiver?

Secondly, according to a 2006 Gallup World Poll, the institutions in which sub-Saharan Africans have the greatest confidence are religious organizations. I am wondering if you could just perhaps briefly, and then elaborate in a written form, what is being done to build capacity of local faith-based and community-based organizations in Africa. We know that the Global Fund routinely bypasses the Catholic Church and others in Africa, and miss a golden opportunity with infrastructure, with volunteers to spread the message on protection from this terrible scourge called HIV/AIDS.

The Catholic Church, for example, provides 40 percent of the health care in Africa, and they get next to nothing from the Global Fund, and some from us, but what is being done to build capacity.

Thirdly, on Romanian adoptions, Secretary Hardy has done a very good job in raising the issue with the Romanian Government that it is a tragedy that they have made illegal inter-country adoptions. And 200 Americans who had already had children in the pipeline, about 800 Europeans, have found themselves without the

child that they thought they were able to adopt. What are we doing to try to persuade the Romanians to accept adoptions?

And finally, on locality pay, thank you for your great efforts last year to try to get rid of the problem of overseas deployments. What can be done now? The number is now 18.5 percent loss if somebody is deployed overseas, which is a terrible disincentive to our Foreign Service.

Secretary RICE. Yes, thank you. Well, on the pay modernization, it is included in our budget. And I hope the pay modernization will be supported.

It is an unfortunate thing, because we were able to take care of senior officers, but not some of our junior officers. Thank you for raising it, and it is in the budget, and I hope it will be supported.

Secondly, on Romanian adoptions, I have raised this issue personally with the Romanian Prime Minister and the President. We will continue to raise this issue. It is locked up, as you know, in the EU issues, but we think it is a real pity that at least retroactively people were caught in this situation. So we will continue to try to find a way to resolve it.

As to the faith-based institutions, we actually do invite and are active with faith-based institutions, both in the PEPFAR program, and will be in the malaria program. We believe very strongly, as the President believes in faith-based institutions here, he believes in faith-based institutions abroad. And it is almost always the case when I go and I visit a place where our AIDS program is working or something, that there will be some representatives of faith-based institutions there.

I take the point about the Global Fund. We are a member of the Global Fund, but of course, obviously we don't have the same level of control over those resources that we do on PEPFAR. But you can be sure that we fully understand the importance and the special character of faith-based institutions, particularly in some of these health issues.

We are looking and working to see if we can get legislation that might help us more on material support. I am now currently doing it by waiver. I am doing it case by case, as they come up. We think that is going to miss some people that probably ought to be a part of the program, and so we are looking at what could be done in legislation.

Chairman LANTOS. Thank you very much. Before recognizing my next colleague, let me just say, Madam Secretary, as a former university professor, that your mastery of a complex global portfolio is nothing short of breathtaking. And I want to commend you.

Secretary RICE. Thank you.

Chairman LANTOS. I want to recognize my friend from Texas, Gentlelady Sheila Jackson Lee.

Ms. JACKSON LEE. Thank you, Mr. Chairman and Ranking Member. I thank the Secretary for her presence. Next week, Madam Secretary, we will, on the House side, be engaged in an extensive debate on the war in Iraq. I applaud the Speaker for her leadership and recognition of how important this issue is.

It is well known that I oppose the war in Iraq, and want the return of our soldiers as quickly as possible. All of us have submitted legislative initiatives on that very point.

I hold in my hand the budget that the President offered. And the opening paragraph from the State Department talks about the administration having promoted freedom, political rights, and civil liberties in the world by advancing democratic institutions and values, supporting cultural exchanges.

I wish they had. And my point is that I truly believe if your profile, and that of former Secretary Colin Powell, had been the profile for this nation, we wouldn't be where we are today. And my disappointment is that we, even in this budget, I feel that there could be more tools given. And so I will state a few questions, I hope, and they might have to come in writing. Maybe there will be some time after.

I do want to applaud the administration for its work in HIV/AIDS. And I will commend you to looking at specifically the Baylor College of Medicine Pediatric Clinics, HIV clinics. I am told that they are not defined enough to get funding from one of the accounts. I would like to speak with you directly about that. I visited one recently in Lesutu.

But I thank you for the Lebanon resources, Darfur, and certainly Haiti.

I raise the question of the conflict in Palestine. And I suggest, and I thank you for the diplomacy you have engaged in, an envoy specifically to go to Palestine. And I may have missed it; maybe there is one, particularly to engage in diplomacy between the two disparate groups. We are getting nowhere, while the two disparate groups are fighting. So I raise that point.

I am disappointed in the lack of monies for CIPA. It looks as if we are \$350 million short. That is the International Peacekeeping. It makes it very difficult for us to do our work in Africa without those funding.

And Iraq in particular, I note that this opening paragraph talks about political diplomacy. And yet we have got \$298 million for the economic support fund, \$772 for prospectively in the emergency funding. I want to see political reconciliation funding. That sentence, political reconciliation diplomacy, where we are teamwork, urging these groups—Kurds, Shiites, Sunnis, the Baathists, which I know are a political terminology—to sit down, because we are not going to win this by the military operation.

In Afghanistan, I am grateful for the increase. I think President Karzai is struggling. And I am grateful for the increase. I might have wanted to see it more. But might I add, I didn't see a line item for Pakistan. I know it must be there.

But let us stop making them the whipping boy or the whipping girl. They are struggling. And I would like to see some funding specifically on social programs, particularly to help the tribal leaders not succumb to the Taliban. The tribal leaders always get wrapped up with the Taliban, but I am sure they are getting economic support. Why aren't we putting dollars in there for educating boys and girls—I am talking about on the Pakistan border—to help them, and to give a word of thanks for the struggle that they are in. It is not perfect, but the struggle that they are in.

So let me cede on that. And my last final point is, the Western Hemisphere, the Caribbean, 26 percent cut; Trinidad, Jamaica, our faithful allies, but yet every time we look to cut, we cut the Carib-

bean nations. And I really think that is an unfair—and the Latin countries—and I think it is an unfair posture.

I yield, as there is no time. So I will look forward to hearing from you.

Chairman LANTOS. The gentlelady's answers will come in writing. And I want to thank—

Ms. JACKSON LEE. Thank you, Madam Secretary.

Chairman LANTOS. My friend from South Carolina, Mr. Inglis.

Mr. INGLIS. Thank you, Mr. Chairman. And thank you, Madam Secretary, for being here.

When people yell at you in hearings, it makes us all thankful actually that capable people like you are willing to do the jobs that you do. So thank you for your service to the country.

Tom Friedman wrote a piece last week that basically contrasted Saudi Arabia with Iran, and asked the question, Which one is our ally, our natural ally? Admittedly, it was somewhat provocative in favor of Iran in asking the question. But it does raise some interesting points, it seems to me.

What do you think of that analysis? Our natural ally.

Secretary RICE. Well, thank you. First of all, we do have a very good relationship with Saudi Arabia, and we work hard with them in a number of ways. We have not been shy about raising our hopes for reform and political pluralism in Saudi Arabia, including, as I said, I said to the Saudi Foreign Minister women ought to vote. I said it publicly in Saudi Arabia. And I think we want to work with them.

But you know, our natural allies could be the people of Iran. I don't have any doubt about that. The problem is the regime.

Mr. INGLIS. Right. And that was my next question, actually. We had some interesting testimony here from Jim Woolsey and Ambassador Pickering on that point, about how do you get through to the, they said, as I recall, Mr. Chairman, 90 percent they figure of Iranians might sort of like us. And so you have got a 10 percent to 90 percent; usually it is the 80/20 rule, maybe. But it is a little better there, perhaps. Only 10 percent, you know, in this Armageddon kind of apocalyptic kind of notion. And maybe the 90 percent are thinking, Hey, why don't we get close to the Americans?

Secretary RICE. I think there is no doubt that there is a reservoir of good will toward Americans. I will tell you, we are trying with our outreach programs.

We just had the American Wrestling Team in Iran. They were received very, very warmly everywhere that they went. We just had a series of medical professionals from Iran here. They went to places like the CDC in Atlanta, and some of the research institutes. So we really are trying to reach out to the people of Iran. Because it is a great culture, these are great people. I would like to see the day when the Iranian people are actually able to pursue, for instance, technologies of the kind that their government is talking about, but without a risk of the proliferation of a nuclear weapon.

So not only do we have no quarrel with the Iranian people, I think we would like to be able to reach out to them, and to demonstrate that America could be a good friend; that America could in fact be an ally, as they try and reach the full potential of really a great culture and a great people.

Mr. INGLIS. And so the challenge is, how do you get past the leadership.

Secretary RICE. Yes.

Mr. INGLIS. And we have been supporting a regime change in various places. The question is—that gets a little bit provocative. You know, I can say anything about my brother, but you better not say anything about him, you know, kind of thing. I can criticize my leaders, but I really don't want you to come and try to change them, maybe.

I guess I am asking the impossible questions. How do you get past them, and get to the people, and say you know, we really want to live in peace with you?

Secretary RICE. Well, I think there are a couple of things we have to do. We have increased broadcasting to Iran dramatically over the last year. It was a part of the \$75 million that the President requested; I think we ended up with \$65 million or so. We are doing that through the Broadcasting Board of Governors, but also through efforts of the State Department Bureau of Educational and Cultural Affairs.

We have small grants for Iranians—for NGOs to work with Iranians, because we don't want to put people at risk by having them work with Americans, so to speak. As I said, we have these exchanges; we will continue them.

I have been supportive of non-governmental organizations, universities, whoever can get there. The Library of Congress was there, the head of the Library of Congress a few years ago. I think these are really great things. Because the Iranian regime would like the Iranian people to believe that the United States is trying to keep them from getting the kind of technological and economic progress that they deserve. And that just isn't the case. We could be a good partner in that.

Mr. INGLIS. Thank you.

Chairman LANTOS. Thank you very much. The gentleman from Texas, Mr. Hinojosa.

Mr. HINOJOSA. Thank you, Mr. Chairman. Madam Secretary, thank you for coming today.

As you know, the International Boundary and Water Commission is responsible for the construction, the repair and maintenance of over 2,000 miles of levees along the United States/Mexico border. Yet, a report submitted by the IBWC last year found that most of these levees were either too low or too weak to protect the communities living behind them, because of chronic funding shortfalls.

The IBWC needs \$100 million to repair all of the levees: \$50 million would allow the worst levees in the most populous areas to be repaired, yet the President's budget provides only nominal funding to the IBWC for this purpose.

Where I come from, the Rio Grande Valley in Texas is home to over 1 million people who are living behind inadequate IBWC levees. A rain event, not even a hurricane, could cause another horrible situation like New Orleans. Hidalgo County, the most populous in the Valley with 650,000 population, recently passed a bond issue and is going to give the IBWC \$10 million to fix a small part of the most damaged levees in the county.

According to the census, Hidalgo County is one of the poorest urban counties in the country, with over half of its residents living below the national poverty level. Yet my constituents are going to have to pay higher local property taxes because the Federal Government is not living up to its responsibility.

Madam Secretary, what does the administration plan to do to address this critical situation on, A, the international levees on the Texas side; and B, on the Mexican side of the international levees, which are equally as important?

Secretary RICE. Congressman, obviously this is an area in which we do work very closely with the Mexican Government, and the IBWC is funded by the United States.

I will get a proper answer for you on the steps that are being taken to address the issue that you have raised. Let me do that so that the technical experts can give you an answer that is worthy of your question.

Mr. HINOJOSA. I want to add to my remarks that this is not a local, it is not a regional problem; it is a national problem, because we have over 300 maquiladoras on the Mexican side producing products that are then crossed over the Rio Grande River, and shipped all the way to the Great Lakes to Just In Time manufacturing companies. And it would just completely damage the trade and commerce if we were to have a crisis like the one I just described.

We have gone through that experience back in 1967 with Beulah, and we were out for over 3 or 4 months. So I ask you to please give it a high priority; that we be proactive, rather than to be reacting because we failed to do that, as they did in New Orleans.

Secretary RICE. Thank you. I will get an answer for you, Congressman.

Mr. HINOJOSA. Thank you.

Chairman LANTOS. Thank you very much. Mr. Brad Miller of North Carolina.

Mr. MILLER OF NORTH CAROLINA. Thank you, Mr. Chairman and Madam Secretary.

Madam Secretary, President Bush spoke in the State of the Union of the tragic escalation of sectarian rage and reprisal in Iraq, and said this is not the fight we entered in Iraq, but it is the fight we are in.

Madam Secretary, the Iraq War Resolution passed by Congress in 2002 gave us its reasons: The violation by the Hussein regime of the United Nations resolutions, an active weapons of mass destruction program in Iraq, and close ties to terrorist groups which raised the fear that weapons of mass destruction would be provided to terrorist groups. And he authorized the use of military force to deal with the threat posed by the Hussein regime, and to enforce United Nations resolutions.

There is a great debate over whether that was really the fight we entered in Iraq, but there is no real doubt that that is not the fight we are in.

Does the resolution adopted by Congress in October 2002 still apply to what is happening in Iraq, what our military forces are doing there now? If it does, will the time ever come that it does

not apply, and the administration will come back to Congress for authority for the fight we are in in Iraq?

Secretary RICE. Well, I think, Congressman, that the fight that we are in is the natural outcome of the fight that we fought to overthrow Saddam Hussein. The fact is that we also undertook certain responsibilities when we overthrew Saddam Hussein, to make sure that Iraq was a unitary state. Those are obligations to the international community to safeguard its territorial integrity, to make sure that it was a place that terrorists couldn't operate, and to help bring to it a government that could defend itself and govern.

I would make the comparison, in a sense, Congressman, that when we overthrew Adolph Hitler, I doubt that it said in the resolution "and establish a stable and democratic Germany." But I think nobody believed that it was not a part of our responsibilities to follow the overthrow of Adolph Hitler with trying to leave behind something that was more stable for the future. And indeed, that case has worked out very, very well.

In this case, I think that is what we are trying to do. We are trying to deal with the aftermath of the overthrow of Saddam Hussein.

Now, to be certain, I have said, and the President has made clear, that it is not the United States Government or the people of the United States that are going to determine what kind of country Iraq is going to be in terms of its sectarian profile. That has to be done by Iraqis.

But what the President said last month when he put forward his plan is that the Iraqis have expressed their desire, an urgent desire to bring an end to the sectarian violence, particularly in Baghdad, but that they need assistance in doing that. If it were just a matter of Iraqi will to do this, then it would make sense just to say to them, just be on your own and do whatever you can.

But we believe, and I think there is plenty of support for this view, that if they are simply left to their own, without adequate forces, without adequate support, then this situation is likely to become more violent, not less violent. And then the possibility for an Iraq that can govern itself and can sustain itself becomes even more difficult.

It is a very difficult situation in Iraq. But I don't think that the intent was ever that once we overthrew Saddam Hussein, we would simply walk away and leave the Iraqi people to their own devices. I don't think that was what was intended, either.

So we have overthrown him. I think it was the right thing to do. The world will be better off without him, and all of the instability that he brought to the region. But we do now have an obligation and a responsibility to the Iraqi people, but also to our own interests in the region, to try to help the Iraqi people to come to sustainability and govern ability.

Chairman LANTOS. Mr. Costa of California.

Mr. COSTA. Thank you very much, Mr. Chairman, and our ranking member for the time. And thank you, Madam Secretary. It is good to see you again.

I want to address two questions, Madam Secretary. One, I am glad that you commented on your opening statement with regards to the language gap, because I think it is very serious.

I was looking at some information that was provided, and of the 300 department personnel that are in the Embassy in Baghdad, only six were language-designated positions. And compared in Athens, there are 27; in Moscow, 95; Budapest, 28; Caracas, 45. Baghdad, which has been ground zero, in essence, for this effort over the last three and a half years, has six designated positions, of which currently only two were filled.

Now, I know there is an effort to expand it. But I mean, if we can't observe what is going on in the local newspapers on a daily basis, if we can't deal with the nuances with the various sectarian groups, why is it 3 years later we only have such a deficit of Arabic-speaking personnel in what is probably perhaps the most important effort that we are pursuing?

Secretary RICE. Well, there are certainly more than two people in Baghdad who can speak Arabic. I will have to look at the specific numbers that you are talking about.

But the fact is, it is true. We have a language deficit in critical languages like Arabic. And I need Arabic speakers in Cairo, and in Riyadh, and in Lebanon, and throughout the region.

But in Baghdad, we also have a significant core of Foreign Service Nationals who help us, and people with language skills who come in and out. But I have just said, Congressman, this country has not invested enough in people who speak Arabic.

Now, we are trying very hard to make amends for that deficit.

Mr. COSTA. You stated that.

Secretary RICE. Right. And I have got quadruple the number of people now studying Arabic that we had a couple of years ago.

Mr. COSTA. Time is limited. I want to go on to some other areas.

Secretary RICE. Yes, right. Well, I just want you to know, we are trying to make up that deficit with very aggressive programs and, by the way, trying to recruit people who are mid-level who may have the language.

Mr. COSTA. Right. I mentioned to you and to the President earlier that I was doubtful, as it was related to this effort. But I understand the reasons why. And for our sake, for our country's sake, for the Middle East's sake, I hope it is successful.

The President also indicated that it is not unended and that there were milestones that must be achieved. In your own mind and in the President's mind, what are the milestones in the next several months with regards to an agreement on sharing power and sharing the oil resources?

Secretary RICE. Well, I think that the benchmark that the Iraqis have put out, which is a benchmark we agree with, a national oil law needs to be concluded.

Mr. COSTA. Right. But when?

Secretary RICE. Well, they are going through their process. They have a draft law. They are working through it, and I would hope that they are going to do that very soon. They have got de-Baathification that they need to do; they have got provincial elections that they need to hold.

Mr. COSTA. Worst-case scenario. What if this effort, with our best of intentions and all of our resources, is unsuccessful? What is Plan B?

Secretary RICE. Well, Congressman, I think we have to concentrate at this point on Plan A. Obviously, we are going to have many opportunities as this plan unfolds, because it doesn't hit on one day and stop. This is something—

Mr. COSTA. No, I understand.

Secretary RICE [continuing]. That unfolds. We are going to have opportunities to assess how we are doing. We are going to have opportunities to assess how the Iraqis are doing. We are going to have opportunities to make adjustments.

And so I don't think we have a Plan A that is so fixed that if we are seeing that it is not being effective, that we have to stop and wait until we have to go to Plan B. We are going to make adjustments in this plan.

One of the most important elements of this plan—and we have all been very focused on Baghdad—but one very important element of this plan is also to increase the multiple points for success by going down to decentralize and diversify the number of people who can help to govern at the local and provincial levels, as well.

I think that this plan will be over time. We will make adjustments to it. But you are right; we have told the Iraqis that this is not open-ended. I think we don't want to try to give a date by which it is not open-ended, but I think they understand the message very clearly.

Chairman LANTOS. Thank you very much.

Mr. COSTA. Mr. Chairman, I am out of time, but I will submit the balance of my questions.

Chairman LANTOS. Very good. The gentleman from New Jersey, Mr. Sires.

Mr. SIRES. Thank you, Mr. Chairman. Madam Secretary, thank you for being here again. I have two questions, and one has to do with Cuba.

The one concern that I have is that we don't do enough, maybe in your department with this country, in pointing out to the world the brutality of this regime, and the violation of human rights. I mean, they have roving mobs where they beat up on the dissidents. And just a couple of weeks ago we had one of the more prominent dissidents just died from lack of medicine, and his family many times were brutalized. I would hope that in the future we can get this information out to the world, that this is a brutal regime. And I would hope that through your office, we can do that.

The other observation that I have is—and I agree with Congresswoman Jackson Lee regarding the cuts and investing in people in the Western Hemisphere. At a time when you have Chavez, at a time where they are making us look like the ugly American again, at a time that we need to have more money so we can do education, we can do health, we can do all the things that Chavez is filling in that we are not doing, why are we cutting this budget in these areas? To me, that just doesn't make sense. These are our neighbors, and this is a time when we should step in, and don't let them fill the void.

So I just wonder if you have a—

Secretary RICE. Congressman, we are stepping in. As I said, there has been a dramatic increase in aid to Latin America during this administration, from \$862 million to \$1.4 billion.

We are making some decisions about how to allocate resources within the resources that we allocate to the Western Hemisphere. We have made large-scale investments through the MCC to El Salvador and Honduras, and we are looking at other places to do it. We have increased assistance in a place like Uruguay. We have been focused on Peru and Colombia. We aren't trying to do it just as a region. I really ask that you look country by country at what we are trying to do.

There are some places where we are, for instance in Bolivia, where our opportunities are somewhat more limited than they have been because of the nature of the government there. So it is not just an across-the-board kind of mindless cut on Latin America. It really is targeting the assistance to the places that we think we can make the biggest impact. We are investing in consolidating democratic gains by 5 percent more.

So we are making a major investment in Latin America.

Mr. SIRES. But you are cutting investing in people in the Western Hemisphere. There is a line item on the budget that there is a cut, and that has to do with education, that has to do with health. And I would wish you would just, if I am wrong, would you please let my office know?

Secretary RICE. What I would like to do, Congressman, the top line looks a particular way, but I would like to get you an analysis of why we are doing what we are doing, when you look country by country. Because there are some places where we think we can make a big difference. A small program perhaps that we don't think is making a big difference. Let me get you an actual analysis of what we are doing.

Mr. SIRES. I guess what I am trying to say—and I am sorry to interrupt.

Secretary RICE. That is all right.

Mr. SIRES. It is just that I think the priorities are wrong. I think we win people's hearts through education; we win people's hearts with health.

Secretary RICE. I agree completely, Congressman. I agree completely. But I want to do it in places where we can make a difference with programs, where we can make a difference in places where those dollars will matter, and where they are needed. I don't think that just to look what percentage it looks like this year versus last year will give you that full sense, particularly given the very major investments that we are making in some places where we think we can make a fundamental difference. But I am happy to give you a fuller analysis.

If I may just say a word about Cuba.

Mr. SIRES. Yes.

Secretary RICE. I think the United States is really, frankly, the only country that gets word out about what is going on in Cuba. We do it through human rights resolutions; I do it in discussions with people. We try to get the word out even in Cuba. It is something that we are very attuned to. It is a brutal regime. It is a non-democratic regime. And we have to get that message out.

Chairman LANTOS. Thank you very much.

Mr. SIRES. Thank you.

Chairman LANTOS. Before yielding to my colleague from California, I ask unanimous consent that the transcript of the committee's briefing by Secretary Rice, entitled "Iraq," which was held on January 11, 2007, be made part of this record.

[The information referred to precedes this hearing transcript.]

Chairman LANTOS. And I now am pleased to yield to my colleague from California, Ms. Woolsey.

Ms. WOOLSEY. Thank you, Mr. Chairman. I am going to have to kind of ask the gentleman from New Jersey to move over a little bit, so I can get a shot of the Secretary. Thank you very much. You are a big guy.

Madam Secretary, already Iraq has cost us funds approaching a quarter-of-a-trillion dollars. I mean, it is going to, over time, if we get where we are going.

What comes after a trillion, a zillion? Yes, I believe so. That sounds like my grandchild talking: Zillions and zillions. But we better get used to talking in zillions, because that is where we are going if we keep on in this direction.

I would like to point out that 2 weeks ago, I and others of my colleagues introduced a plan to leave Iraq within 6 months—that is H.R. 508—within 6 months of passing the plan. And our plan would do three major, major things.

One. After it is passed, within that 6 months, we would escalate the training of the Iraqi security. And at that same time, we are preparing to bring our troops home safely.

Second, we would commit to work internationally with, if the Iraqis invite us to do so, to help rebuild, and with reconciliation.

And third, we fully guarantee and fund health care, not just for the Iraqi veterans, not just for physical health, physical and mental. It really makes veterans' health benefits an entitlement. And it does a few other things, and I could go into great detail.

It costs pennies on the dollar compared to staying in Iraq for 2 more years. So I just want to call that to your attention. Then I have a question.

Isn't there adequate funding already in the pipeline that the Congress has authorized, that the President could be funded to complete his escalation in Iraq? And then a subpart of that question is: How do we find out exactly how much money is in the pipeline?

Secretary RICE. Well, I think it is through OMB, or through—we very often report on what is being spent, and when it is being spent. When you talk about pipelines, I think you want to talk about what has actually been spent, what has been committed to specific projects, which means that contracts have been let and the like, and what has been actually put against specific needs as a matter of intending to do so.

I think if you look at the picture for Iraq, you will see that with the large-scale reconstruction plan that we did a couple of years ago, that project is largely complete. What we really now are requesting funding for, Congresswoman, has more to do with support of the provincial reconstruction teams to build local governance, to build democratic institutions, to deliver services to Iraqis, to help

in job creation, and to make them more capable of spending their own resources. So this is really a different phase. And it is not large-scale reconstruction projects that we are now funding.

This is a different program. And I don't think that there are adequate resources. I know that there are not adequate resources to fund the companion civilian economic political augmentation of our effort to go alongside the counter-insurgency, or as part of the counter-insurgency effort to help support our military operation. So it is a different, different approach.

Ms. WOOLSEY. Well—

Chairman LANTOS. I am sorry, the lady's time has expired.

Ms. WOOLSEY. I just wanted to say one little, tiny thing. On 508 we also talked about bringing the contractors home. Thank you.

Chairman LANTOS. Thank you very much. I am pleased to recognize my colleague from Arizona, Ms. Giffords.

Ms. GIFFORDS. Thank you, Mr. Chairman. And thank you, Secretary Rice.

Unfortunately, what is happening because of the problems in Iraq and in the Middle East is that it is sucking a lot of energy out of an issue which is really important to my district, which is Southern Arizona: Immigration, illegal immigration.

I am curious what you are doing, and whether you believe you have a real partner in Mexico to try to curb illegal immigration. With Mexico's new President and new cabinet, if you would please discuss with us what we are going to be doing to stop the hundreds of thousands of people who are now crossing our borders illegally through the Eighth Congressional District of Arizona and other parts of southern Arizona, as well.

Secretary RICE. Thank you. Well, we recognize that a part of this is an issue with Mexico, in partnership with Mexico, to work on these immigration issues; to tighten border security, to have an understanding with Mexico that they have to speak and act as if the laws of the United States must be respected as to the issue of people crossing the border. And it is a constant discussion.

I believe that the Government of Mexico does understand that. A number of months ago they put out a kind of manifesto, which they put in our newspapers, by the way, which suggested that the shared responsibility here is one that recognizes the need to enforce the laws. And that is a point that we are making all the time.

We also, in the State Department and at Homeland Security, have counterparts there, and we have increased our efforts on the border, with more people, with more technology, with efforts to actually improve our ability to monitor our border. I think these efforts have been generated, in part, in response to concerns in your part of the country about that border.

The President has said that we need a comprehensive plan on immigration that includes border security, that includes respect for our laws, that includes the respect of employers for our laws; but that also recognizes that we have a large number of people here who are doing jobs that Americans will not do, and that we need a temporary worker program that would allow us to deal with that population in a way that is humane, but also gives people an incentive to respect the law, which is why the President does not favor amnesty for illegal immigrants.

The final point that I would make is that in the long run, even the medium run, the development of the Mexican economy and the well-being of the Mexican economy so that people stay home is an extremely important part of this. And in that regard, the North American Free Trade Agreement has had the effect of making the northern part of Mexico more prosperous, so that people have not felt that they had to leave in order to get jobs.

So I think if we have a multi-faceted approach to this, we will be able to make a dent in this problem. But I want to be very clear that we respect both the need for a humane policy, but also the need for respect for our laws. It is something that we consistently and constantly bring up with the Mexican Government.

Ms. GIFFORDS. Secretary Rice, with all due respect, you can have a tremendous amount of respect for the laws, but the reality is people are still coming. And one of their largest economic drivers tends to be money that is returned back from the United States into Mexico. It is going to continue to happen.

I support a comprehensive immigration plan. I think that Congress needs to pass it immediately. I think it is critical.

But I also know that with our friends to the south, that there is a big economic driver here that we have to pay attention to, and we are not. I am just concerned that, again, with all of the focus on Iraq and other areas, we are not giving proper emphasis to Mexico.

Secretary RICE. Oh, we are giving a lot of emphasis to this, Congresswoman. I will be in Canada on the 23rd to meet with my Mexican and Canadian counterparts. I can assure you that this will be an issue, to secure borders, immigration policy, even that discussion. So it is something that we pay a lot of attention to, and I do personally.

Ms. GIFFORDS. Thank you.

Secretary RICE. Thank you.

Chairman LANTOS. Thank you very much. Before I recognize the last member of our panel, I want to extend my apology to you because I may have to leave to cast a vote in the Government Reform Committee.

But I am pleased now to recognize my friend from Florida, Congressman Klein.

Mr. KLEIN. Thank you very much, Mr. Chairman. Thank you, Secretary Rice, for your patience and your responses today.

I am from South Florida. And as many parts of the country, South Florida is integrated greatly with what goes on in Latin America. And I know you have had an opportunity to respond to some of the concerns. There have been expressions of support for democratization in Latin America, but at the same time, historically, and certainly even predating this administration, there has been somewhat of a hands-off effort in dealing with many aspects of issues in Latin America, from at least my perspective in reviewing and understanding the issues.

But more particularly, now there are lots of complications that have arisen. It is not just a question of dictatorships in certain parts of Latin America. It is now Mr. Chavez and his goals, and the fact that he has billions of dollars to spread around and try to

make friends with, and to influence others, not only in this region, but in the Middle East, and vice-versa.

Obviously Nicaragua, and there are other countries that potentially could also go in a different direction, which would not be in the United States' best interest. This plays itself out in many ways.

Number one, we have, at this present time in South Florida, and probably other parts of the country, lots of Colombian folks coming to the States because of problems that have arisen in that country, and the lack of a stable government there and other countries, of course Venezuela being one of them.

So the question is, just to say that we don't have the resources—and obviously, I happen to be one and many others who were just elected this year feel very strongly about a balanced budget. So we understand the fact that there is just not money to throw around and things. But I would suggest, and would like to get your reaction to the fact that this is no longer just a question of putting development aid because it is generally good.

But more importantly, with the Iranian Government trying to reach across and build relationships with some of these countries in our hemisphere, Mr. Chavez in Venezuela reaching into the Middle East and trying to build relationships with Iran and the Palestinians and others that do not have our interests at hand, it seems to me more of an imperative before it even gets further. And Mr. Chavez and others reaching into other countries in the hemisphere, that we do take a more active diplomatic role and development assistance role. And obviously, there is even going to be strategic military issues over time that just have to be addressed.

So if you can give me a comprehensive view of not just the fact we can't throw more money at it, but what is the view and how do we address this in a more aggressive way, so that we don't see a much larger problem developing in our back yard?

Secretary RICE. Thank you, Congressman. I just want to note we are spending \$1.4 billion in fiscal year 2008 in this region. That is up from \$862 million when we came into office. So there is a significant increase.

And in some places, that increase is really significant. For instance, in Central America, where we have compacts with very important countries, and where we are then working in rule of law and other areas, gang-related violence and so forth. So we have a very robust program in Latin America.

But it is not just development assistance. I do think that it is important to note that we believe we have a very positive agenda for working with governments, wherever they come from, left or right, to address the questions that they are concerned about.

For instance, they are very concerned about education and health. In some places we are taking that on very directly. In other places we are trying, through public-private partnerships and others, to address these issues.

But our positive agenda with Latin America is to recognize that this is not about left or right; it is about whether or not you are governing justly, whether or not you are governing democratically, and whether or not you are trying to deal with the needs of your people.

I will tell you, Congressman, I think that we got associated for a while with the belief that all we cared about was economic growth, and we didn't care about the needs of the people. In fact, if you look at the compacts that we have, if you look at the work that USAID is doing, you will see that we have an extremely positive story to tell about the projects that we are engaged in across Latin America. They are just becoming more and more concentrated. And I think that that is the right thing to do with scarce resources.

Mr. KLEIN. And I appreciate that. I mean—

Chairman LANTOS. The gentleman's time has expired.

Madam Secretary, I want to express my appreciation on behalf of all of my colleagues for this extraordinary tour-de-force, and we look forward to having you back.

Secretary RICE. Thank you very much. And thank you to members of the committee, as well.

Chairman LANTOS. Thank you. This hearing is adjourned.

[Whereupon, at 12:45 p.m., the committee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF THE HONORABLE ROBERT WEXLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, AND CHAIRMAN, SUBCOMMITTEE ON EUROPE

JANUARY 11, 2007

Secretary Rice you are no stranger to this committee, having testified before in your capacity as National Security Advisor and as Secretary of State. Each time you have testified with conviction and passion—vociferously defending this Administration's policies.

You did so even as Iraq spiraled out of control, Even as an insurgency, which the Administration originally denied, emerged from the ashes of a disbanded Baath party, even as a civil war, which the Administration denied, consumed Iraq, and even as thousands of brave American soldiers lost their lives and tens of thousand Iraqi civilians were slaughtered in an ongoing cycle of violence, retribution and ethnic cleansing.

Help me understand why you along with the President defended initial troop levels—against the advice of General Shinseki. Help me understand, how this Administration can somehow claim that Iraqi troops are now prepared to shoulder more of the security burden—even as the cycle of violence continues to worsen.

Just a few months ago your administration assured us that we were “winning the war.” Now after four years, 3000 America military deaths, thousands of maimed service members and billions of dollars misspent, you now ask us to support a military and economic escalation of American resources in Iraq even though General Abizaid said increasing the number of American troops—is not the answer for Iraq.

Despite overwhelming evidence, you are asking the American public to put their faith in unreliable Iraqi security forces and Prime Minister al-Maliki who was severely criticized by National Security Advisor Hadley in a November memo to President Bush. The same Prime Minister al-Maliki, whose position in power is contingent on the support of a 30 vote block controlled by the radical Shiite cleric Sadr.

With all due respect many of your own military advisors did not support this escalation and even some Iraqi officials connected to Prime Minister al-Maliki have said they do not want additional troops, and we tried a surge of 12,000 American troops last summer in Baghdad and it failed to curb the violence or more importantly resolve vexing political issues.

Madame Secretary, it clear to me that the American people sent an unequivocal message to you and the President in November—No New troops.

PREPARED STATEMENT OF THE HONORABLE SHEILA JACKSON LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

FEBRUARY 7, 2007

Thank you Mr. Chairman. I would like to thank Chairman Lantos and Ranking Member Ros-Lehtinen for convening this critical hearing on the international affairs budget for FY 2008.

I welcome Secretary of State Condoleezza Rice. Your service to our country as the 66th United States Secretary of State is historic, much appreciated, and respected by every Member of this Committee and all Americans who understand how important it is for the United States to use its status as the world's sole superpower and its enormous assets—diplomatic, economic, political, military, and moral—in the cause of global leadership for peace, justice, and security. I look forward to your tes-

timony and having the opportunity to probe your views in depth. Thank you again for being here.

The FY 2008 international affairs budget seeks to provide the resources required by The State Department to reorient the Department towards transformational diplomacy and to serve new national purposes. Secretary Rice, you define transformational diplomacy as, “work(ing) with our many partners around the world to build and sustain democratic, well-governed states that will respond to the needs of their people—and conduct themselves responsibly in the international system . . . Transformational diplomacy is rooted in partnership, not paternalism—in doing things *with* other people, not *for* them.”

Truly moving towards transformational diplomacy is important for our nation because for too long under the Bush Administration we have acted unilaterally in military efforts such as the Iraq War. I have long opposed how the Bush administration has unilaterally and on faulty intelligence launched a war that a majority of the American people do not want. We Democrats have repeatedly spoken truth to power. We predicted before the war that “the outcome after the conflict is actually going to be the hardest part, and it is far less certain.” We made the point that it was essential for the Administration to develop a plan for rebuilding the Iraqi government and society, and unfortunately we have not met our responsibility. As my colleague, Mr. Skelton, now the Chairman of the Armed Services Committee wrote to President Bush, “I have no doubt that our military would decisively defeat Iraq’s forces and remove Saddam. But like the proverbial dog chasing the car down the road, we must consider what we would do after we caught it.”

We warned of the postwar challenges, particularly the fact that there is no history of democratic government in Iraq, that its economy and infrastructure are in ruins after years of war and sanctions, and that rebuilding would take a great deal of money. I am pleased that President Bush has finally attempted to regularize the budget and funding process for Iraq by incorporating it into his FY 2008 budget proposal.

The funds are aimed at supporting the President’s recently announced strategy for Iraq-troop surges. In support of this effort, the Iraqi government has pledged \$10 billion for reconstruction programs, however there is no way to guarantee that we will have that money in use. If we do not receive these funds, the need will still be there and America may have to pay the bill.

In the request for Iraq Reconstruction, there has been a decrease in ESF in FY 2008 from FY 2007 with \$2.072 billion proposed in supplemental for FY 2007 while only \$298 million is proposed for FY 2008 with \$772 million available for Global War on Terrorism emergency funding.

On the contrary, the U.S. acted multilaterally in Afghanistan in a direct response to the September 11, 2001, attacks. With the Afghan Northern Alliance, we launched Operation Enduring Freedom with the goal of destroying the Al-Qaeda terrorist network operating in Afghanistan and their host, the Taliban government. With the onset of a new year, the situation in Afghanistan continues to worsen as the Taliban grows in strength, and we continue to be distracted by the war in Iraq. I am glad that the President’s budget request of \$1 billion for Afghanistan represents an increase of 12.5% from FY 2006 levels. Approximately 43% of the South and Central Asia region’s FY 2008 request will go towards programs in Afghanistan.

I am also pleased that a new plan is recognized by the Bush Administration and proposed is a move towards a transformational diplomacy agenda. For the first time in history, all \$20.3 billion of U.S. foreign assistance under authority of the Department of State and USAID, as well as resources provided by Millennium Challenge Account (MCA), are being applied to the achievement of a single overarching goal—transformational diplomacy.

I am eager to see how the United States Foreign Assistance in the budget will help to invest in transformational diplomacy. The changes in leadership with the creation of a Director of United States Foreign Assistance who also serves concurrently as the Administrator of the United States Agency for International Development brings hope for a new strategic framework for U.S. However, I am curious to see how the idealistic strategy will fully implement the new transformational diplomacy plan.

The Strategic Framework in FY 2008 for U.S. foreign assistance categorizes each country receiving U.S. foreign assistance based on common traits, such as regions and presents the portion of the budget that will be allocated for that region.

The FY 2008 request regional strategy for South and Central Asia represents only a slight increase of 6% over the FY 2006 budget. A concentration on Afghanistan and Pakistan dominate the region’s request with 84% allocated towards supporting the GWOT through security, reconstruction, development, and democracy efforts.

It is noted in the report that success in these countries is critical to achieving peace, stability, and development progress throughout South and Central Asia. However, the 21% increase to counterterrorism and counter narcotics programs and the abysmal 11% increase to funding under the peace and security objective from FY 2006 are not enough.

There is a notable nexus between poverty and terrorism. If we want to truly have a Global War on Terror, then we must alleviate the terrorist attacks by bolstering our peace and security programs.

Afghanistan is in a desperate humanitarian crisis. It has been left an extremely impoverished nation and is one of the world's poorest and least developed nations. The country has suffered tremendously: military unrest from Soviet invasion in 1979, subsequent conflicts thereafter coupled with severe drought in 1998–2001 and more recently, growing Taliban strength which led the US to consider longer tours and even a troop surge.

It is important as we balance the budget to focus and pay special attention to the desperate situation in this region and allocate the necessary resources to strengthen the Global War on Terror and implement the necessary strategies to reach our goal of transformational diplomacy.

While the proposed transformational strategy is ever optimistic, the goal of “helping to build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty, and conduct themselves responsibly in the international system” will be severely undermined if the U.S. does not meet the obligations that it committed to in nations such as: Iraq, Darfur, Lebanon, Haiti and a host of global hot spots. While the President's overall request in FY2008 provides for an increase in the 150 Account over the FY2007 House-passed Continuing Resolution, it contains severe cuts to the core development and humanitarian assistance accounts (excluding the Millennium Challenge Account (MCA) and funds directed to combat HIV/AIDS across the world), and it badly underfunds the Contributions to International Organizations (CIO) and Contributions to International Peacekeeping Activities (CIPA) accounts, which fund U.S. dues for the United Nations regular budget and for United Nations peacekeeping missions. I find this of serious concern.

I endorse the sentiments of Chairman Lantos of the Committee on Foreign Affairs regarding our multinational efforts with one of our major partners, the United Nations, that our federal budget request short-changes them. The United Nations furthers the core values and interests of the U.S. and it is imperative that the Administration does not reduce the deficit by under-paying for our national security in this fragile area.

With the United States \$400 million short of the obligations to the peacekeeping account, it is absurd that the Administration is budgeting for hundreds of millions of dollars less than we need to fund critical U.N. peacekeeping operations. As Chairman Lantos noted, “for the first time since the historic Helms-Biden agreement to pay off old U.S. debt the United Nations, we will once again be in arrears.” America must not shirk its pledged responsibilities. The Bush Administration must step up, fulfill our promises to these fragile nations and fund these initiatives.

Thank you Mr. Chairman, I yield back the balance of my time.

PREPARED STATEMENT OF THE HONORABLE EDWARD R. ROYCE, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CALIFORNIA

FEBRUARY 7, 2007

Madam Secretary—

Welcome back to the Committee.

In opening, I'd like to recognize and lend my support to the large increase in resources in this budget request—to \$44.7 million—that are dedicated to either securing or destroying shoulder-fired missiles that may otherwise fall into the hands of terrorists. As you know, the Terrorism and Nonproliferation Subcommittee held hearings on this issue last year. Many Members were concerned about the funding levels, given the threat these weapons pose to our troops and civilian aviation. I introduced successful legislation to address this critical area. So thank you for this request. I hope it is honored.

I look forward to your testimony.

WRITTEN RESPONSES FROM THE HONORABLE CONDOLEEZZA RICE, SECRETARY OF STATE, U.S. DEPARTMENT OF STATE, TO QUESTIONS SUBMITTED FOR THE FEBRUARY 7, 2007, HEARING RECORD BY THE MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

QUESTIONS SUBMITTED BY THE HONORABLE TOM LANTOS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRMAN, COMMITTEE ON FOREIGN AFFAIRS

Question:

Iranian influence: *We remain concerned about Iran's influence with the major Shi-ite players in Iraq, many of whom were supported by and took refuge in Iran while seeking shelter from the regime of Saddam Hussein. What is the prospect of the Shi-ite-dominated Iraqi government colluding with Iran to the detriment of our interests in the region? Is Iraq likely to slip into Iran's sphere of influence? How far along is this process already? How would you describe the current state of Iranian-Iraqi government-to-government relations? In your view, how much influence does Iran have in Iraq and how does it exercise it? What explains the exceptionally harsh criticism by Masoud Barzani's Kurdistan Regional Government (KRG) in reaction to the U.S. military's raid on the Iranian installation in Irbil last month? What was the U.S. response to the KRG statement?*

Response:

We share your concern that Iraq should not fall under Iranian domination. While Iran has longstanding cultural and religious ties with Iraq, Iraq's leaders are sensitive to this issue. As you noted, some Iraqi leaders who were persecuted under Saddam Hussein's regime lived in exile in Iran and developed close ties. While Iraq seeks peaceful relations with its neighbors, including Iran, Prime Minister Maliki has made it clear that Iraq will not subject itself to Iranian control or sphere of influence. That said, Iran's actions in Iraq continue to be destabilizing, and we have raised these concerns both publicly and privately with Iran and with Iraqi officials. Iran has supplied resources, weaponry and training to sectarian militias that threaten the security and unity of Iraq.

We will not characterize or speculate on what motivated KRG officials' remarks following the detention of Iranian Revolutionary Guard Corps (IRGC) officials on January 11 in Irbil, except to say that the United States has close relations with the Kurdistan Regional Government (KRG) on all matters, including security issues, and will continue to do so. Senior U.S. diplomatic and military officials have consulted closely with KRG and Iraqi officials about this issue, as well as other issues of common interest. The Government of Iraq has said definitively that the IRGC Irbil facility was not an Iranian consulate.

Question:

Coordination of Iraq Reconstruction Funding: *You recently announced the appointment of Ambassador Timothy Carney as Coordinator for Economic Transition in Iraq. Given the request for additional U.S. funding for Iraq reconstruction, what authority will Ambassador Carney have in coordinating this money? To whom will Ambassador Carney report?*

Response:

On January 10, I named Ambassador Carney as the Coordinator for Economic Transition in Iraq. Ambassador Carney, who is based in Baghdad, reports directly to the Ambassador and works closely with Iraqi officials to ensure that Iraq's considerable resources are brought to bear on the task of rebuilding Iraq. One of the issues on which he will focus is helping the Iraqis better execute their budgets, particularly on capital spending for investments to improve essential services and promote economic development. Ambassador Carney will also help Iraq meet its commitments under the International Compact with Iraq. In this regard, Ambassador Carney's primary focus will be on liaison with Iraqi officials on expenditure of Iraqi funds, while other senior USG officials, such as the Director of IRMO and the USAID Mission Director, coordinate the design and execution of U.S. assistance.

Question:

Labor: *Based on discussions with the AFL-CIO's Solidarity Center, we understand that Iraqi workers and their unions have been working without the proper legal framework, social security, or the basic rights to which any worker is entitled. Saddam's 1987 labor law, which drastically limits the right of workers to organize, remains the law of the land. Moreover, in August 2005, the Iraqi government froze the assets of all labor unions, effectively preventing the emergence of an active labor*

movement? Can you explain why that is the case? Why has the Iraqi government not established a new labor code that fully recognizes the core International Labor Organization (ILO) Conventions?

Response:

The 1987 labor code remains in force until the government of Iraq replaces it. The status of industrial relations and workplace democracy, therefore, remains ambiguous. We are actively encouraging the Government of Iraq's efforts to revise the labor code, providing support and technical assistance through our mission in Baghdad.

In the spring of 2004, the Iraq Minister of Labor and Social Affairs (MOLSA) and the International Labor Organization (ILO) signed a cooperative agreement under which the ILO agreed to assist MOLSA in drafting a new labor law conforming to international labor standards.

The current Government of Iraq is working on a new draft labor law in cooperation with ILO. MOLSA has submitted the draft law to the Council of Ministers. The Council of Ministers and legal officials have approved it. However, we understand that some unspecified amendments are required before the Council of Ministers will submit it to the Council of Representatives.

In an effort to prevent the financing of terrorism, on August 7, 2005 the Transitional Government of Iraq issued Decree 8750, which froze the assets of all trade unions in Iraq, many of which were Ba'athist-controlled. As a consequence, unions are not operating through formal financial systems like banks, and fear seizure of their remaining resources. The Ministry of Labor and Social Affairs sent Prime Minister Nuri al-Maliki a letter last month recommending a shift in policy that would include new elections for trade union leaders, but has not yet received a reply.

Question:

Meddling in Arab world—What is Iran's policy toward Shiite communities throughout the Arab world? Does Iran seek to use these communities to destabilize Sunni-dominated Arab regimes? If so, which regimes is it most intensely targeting?

Response:

Religious and cultural commonalities naturally link Iran with Shi'a communities in neighboring countries, though while some Shi'a look to Iranian clerics for religious guidance, others look to Iraq and elsewhere.

The USG recognizes that Iran has legitimate national interests in Iraq and, since the end of Saddam Hussein's regime, Iran has not surprisingly worked to expand its influence in Shi'a-dominated areas of Iraq. However, although some of Iran's involvement has been positive (e.g. reconstruction efforts), other activities have been lethal to Iraqis and the Coalition. Elements of the regime in Tehran have also provided material support and training to Shi'a militias and other groups, resulting in the deaths of U.S. troops, Coalition and Iraqi forces, and civilians. Iranian involvement with Shi'a Arab groups elsewhere in the region, especially Lebanon and the Palestinian Territories, suggests that the Iranians use local surrogates to advance Iranian agendas at the expense of legitimate local interests. However, by no means are all Shi'a populations surrogates for Iran, nor does Iran only use Shi'a groups as surrogates.

We would refer you to the intelligence community for a more detailed assessment of Iran's activities targeting Shi'a communities in neighboring states.

Question:

Use of force—Is it the position of this Administration that it possesses the authority to take unilateral action against Iran, in the absence of a direct threat, without congressional approval?

Response:

The Administration believes that there is clear authority for U.S. operations within the territory of Iraq to prevent further Iranian-supported attacks against U.S. forces operating as part of the Multinational Force—Iraq (MNF-I) or against civilian targets. Such attacks directly threaten both the security and stability of Iraq and the safety of our personnel; they also continue to threaten the region's security and stability. U.S. military operations in Iraq are conducted under the President's constitutional authority and the Authorization for Use of Military Force Against Iraq Resolution of 2002 (P.L. 107-243), which authorized the use of armed force to defend the national security of the United States against the continuing threat posed by Iraq and to enforce all relevant United Nations Security Council resolutions regarding Iraq. The United Nations Security Council has authorized all necessary measures to contribute to the maintenance of Iraq's security and stability,

which encompasses MNF-I conducting military operations against any forces that carry out attacks against MNF-I or Iraqi civilian and military targets.

As President Bush, Secretary Gates and I have reiterated many times, we are committed to seeking a diplomatic solution to our problems with Iran. We do not believe that military action against Iran is either desirable or inevitable. The debate underway within Iranian regime circles suggests our comprehensive strategy of targeted diplomatic pressure is working. The P5+1 incentives offer, as well as our historic commitment to engage alongside our European partners in direct talks with Iran if it completely, verifiably suspends its enrichment activities, remains on the table.

Of course, the Constitution charges the President to protect the United States and the American people. As Commander in Chief, he must be able to defend the United States if U.S. forces come under attack. Whether and how to do so in any specific situation would depend on the facts and circumstances at that time. Administration officials communicate regularly with the leadership and other Members of Congress with regard to the deployment of U.S. forces and the measures that may be necessary to protect the security interests of the United States and will continue to do so.

Question:

U.S.-Iranian engagement—You have said you would be willing to meet with the Iranian foreign minister if Iran suspends its nuclear enrichment program. What would you discuss with him? Would the agenda be open or limited to certain issues, such as the nuclear issue and Iraq?

Response:

On May 31, 2006, I invited the Iranians to participate in direct discussions with the P5 + 1 “at any place and at any time.” This discussion would be limited in scope to the nuclear issue.

This invitation was conditioned upon Iran’s complete suspension of all of its uranium enrichment-related and reprocessing activities, as verified by the International Atomic Energy Agency. This condition remains and is required under UN Security Council Resolution 1737. We remain committed to resolving our concerns with Iran’s nuclear program through diplomatic means, but such action can not progress unless changes occur in Iranian policies.

Question:

Saudi Arabia/peace process—Former Special Middle East Coordinator Dennis Ross has urged that Saudi Arabia step up to the plate and provide some political cover for Abu Mazen by acknowledging the necessity of key concessions on refugees and Jerusalem in any final status agreement. Do you anticipate bold action of this sort by the Saudis?

Response:

Saudi Arabia has taken an increasingly prominent role with the Arab world in working to address regional issues of concern. Saudi Arabia has publicly supported the peaceful resolution of the Israeli-Palestinian conflict. At the 2002 Arab League summit in Beirut, then-Crown Prince Abdullah made a proposal for Arab-Israeli peace that served as the basis of the consensus Arab League position on Israeli-Palestinian peace.

After the March 4 meeting of Arab League Foreign Ministers in Cairo, Arab League Secretary General Amre Moussa re-affirmed that the Arab Peace Initiative remains the consensus policy of the Arab League. Saudi Foreign Minister Saud al-Faisal commented that the Initiative is “the property of the Arabs, not Saudi Arabia,” adding that Saudi Arabia would support “any Arab decision to change or develop the Arab peace plan.” Saudi Arabia, as one of the most influential Arab states, has a special role to play in advancing Middle East peace. We will continue to encourage Saudi Arabia to take constructive steps to advance Israeli-Palestinian peace, and to muster broader Arab support for efforts to achieve a just and lasting peace.

Question:

Saudi Arabia/economic support—Over the past four years Saudi Arabia and other Gulf states have earned tens of billions of dollars in windfall profits thanks to unexpectedly high oil prices. Why have these states been so stingy in their support of Iraqi reconstruction and of the Palestinians?

Response:

Saudi Arabia and other Gulf Cooperation Council (GCC) states have played an important role in supporting the Iraqi political process and reconstruction. Saudi Arabia has supported efforts to build an inclusive government in Baghdad, and in October 2006 Saudi Arabia hosted an Organization of the Islamic Conference meeting in Mecca to bring together representatives from different sectarian traditions in Iraq to promote reconciliation and end sectarian violence.

Saudi Arabia, Kuwait, and the United Arab Emirates also are important participants in the International Compact for Iraq, which ties technical and financial assistance to a comprehensive economic reform program in Iraq. As we look toward the future, we are counting on our GCC partners to reduce the debts Iraq owes from the Saddam-era and provide generous financial and political support to Iraq, which will help ensure a peaceful, stable and democratic future for the Iraqi people.

With regard to the Palestinians, Saudi Arabia and other Gulf partners have provided budgetary, humanitarian, and security assistance. The Saudis have traditionally provided more than \$90 million annually to the PA government through their Arab League (AL) contribution, but shifted support to President Abbas after Hamas took power in March 2006. In addition to the AL's annual budget support quotas, Saudi Arabia, Kuwait and Qatar committed \$133 million to the PA between July and November, 2006. We encourage Arab financial and political support for the Palestinian people, President Abbas, and moderate Palestinian leadership.

Question:

Egypt/ human rights—Has the U.S. altered its democracy- and human-rights-promotion policies in Egypt, as encapsulated in your eloquent remarks in Egypt in 2005? Why did you choose not to raise these issues publicly on your most recent trip to Egypt? What is the United States doing to persuade Egypt to release Ayman Nour, the reformer and former Presidential candidate who is serving a five-year sentence on highly questionable charges?

Response:

Democracy and human rights promotion remain key elements of our policy with regard to Egypt. We consistently press for political reform and respect for human rights in the context of our bilateral relationship with Egypt—and we will continue to do so. Often this is more effective when done privately.

We have consistently urged the Egyptian Government at the highest levels to release Mr. Nour consistent with Egyptian law. We are deeply troubled by the Dec. 24, 2005 Egyptian court decision convicting Ayman Nour. We would also note that his trial was marred by irregularities and inconsistencies, and the trial failed to meet the international standards of transparency and respect for the rule of law that the Egyptian Government has publicly espoused. We are also concerned that Mr. Nour's health continues to deteriorate.

The continued detention of Mr. Nour as well as Egypt's lack of progress on political reform raises serious concerns about the path of democratic political reform in Egypt and is inconsistent with the Egyptian Government's professed commitment to increased political openness and dialogue within Egyptian society. Again, we will continue to press the Government of Egypt to adhere to internationally accepted human rights standards and norms.

QUESTIONS SUBMITTED BY THE HONORABLE JIM COSTA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Question:

Foreign Language Capability Shortfalls: One of the biggest problems we face in dealing with the Middle East is the lack of understanding about the language and culture which has a 1000 year history. Clearly in hindsight, many of our mistakes were due to our inability to understand the nuances of the language, history and culture of Iraq's secretarian groups.

According to an August 2006 Government Accountability Office (GAO) report, Department of State, Staffing and Foreign Language Shortfalls Persist Despite Initiatives to Address Gaps, the State Department has significant gaps in language capabilities, especially in Arabic.

According to the GAO report, as of September 30, 2005, out of the over 300 State Department personnel in Baghdad, only 6 were language-designated positions. In comparison, Athens had 27 language-designated positions, Moscow had 95, Budapest had 28, and Caracas had 45. Yet in Baghdad, the center of the United States Foreign Affairs agenda, the State Department had only 6 language-designated positions.

Further, the GAO reported that 38 percent of all Arabic designated positions were filled by officers that did not meet the language requirement. In Baghdad, only 2 of 6 of designated positions were then filled by officers who met the requirement, just 33 percent. In comparison, in South and Central America, 96 percent of Spanish language-designated positions were filled by employees who met designated Spanish proficiency requirement.

Has the number of language-designated positions changed in Iraq since the September 2005 report and if so, what is the current number of language designated positions? How many of these positions are filled by officers who fully meet the language requirement? How is the amount of language designated-positions determined, especially in critical foreign policy posts such as Baghdad?

Response:

There are currently 12 language-designated positions within Embassy Baghdad. Of these positions, five are filled by officers who fully meet the language requirement. An additional six officers within the Embassy, and 14 officers assigned to Regional Embassy offices or Provincial Reconstruction Teams (PRTs), speak Arabic at the 2/2 level or higher, although their positions are not language designated.

The number of language designated positions is determined at each Foreign Service post, including Baghdad, by the specific work requirements of a position. In addition, post management reviews the overall language capabilities required for a particular section, and the Mission as a whole. In Iraq, Mission language capabilities are bolstered by four American citizen employees who are native speakers of Arabic, as well as by the expert assistance of our professional interpreters.

At times, decisions must be made to waive the language requirements in order to fill a critical position on a timely basis. If other officers in the section have the required language abilities, even if their positions are not language designated, it is more likely that a language waiver may be requested by the regional bureau.

Question:

In Afghanistan, the GAO report stated only 16 language designated-positions with only 33 percent of those positions filled by individuals that met the requirement. What is the current situation in Afghanistan in regards to meeting our Arabic language needs?

Response:

It will take two to three years to develop a full cadre of Dari and/or Pashto speakers, and we have made progress over the past year to meet this goal. We have both increased the number of language-designated positions and the number of employees studying to attain proficiency.

For the September 2006–August 2007 assignment cycle, 34 of 133 total positions in Afghanistan were language designated. 12 of these 34 positions (35%) are filled by an employee who tested language proficient or higher.

For the September 2007–August 2008 assignment cycle, we have added an additional 16 language designated positions for a total of 50 positions. 44% of these positions will be filled with a language proficient employee.

In the 2007–2008 language training cycle, 32 employees will be enrolled to study Pashto and/or Dari. After attaining language proficiency, these employees will fill positions beginning in summer 2008 and will raise the percentage of language designated positions being filled with language proficient employees to 64%.

Question:

What actions has State taken to address these Arabic language shortfalls? What funding in the FY2008 State Department budget is dedicated to this goal and how much has that amount increased throughout the War on Terror? When will these shortfalls be fully addressed?

Response:

The State Department is addressing the shortage of Arabic speakers by expanding our capacity to train students in Arabic, focusing recruiting efforts on Arabic and other critical needs language speakers, and giving bonus points in the Foreign Service hiring process to candidates with demonstrated Arabic proficiency.

State enrollments in Arabic language training at our Foreign Service Institute (FSI) have nearly quadrupled since 2001, with roughly 450 in FY 2006. Given world events and our focus in the region, we anticipate this upward trend will continue, predominantly in distance learning and similar delivery methods as alternatives to traditional classroom based training. We expect higher enrollments in FY 2007 and FY 2008, though it is not possible to definitively predict future training requirements.

Arabic Training Enrollments*	FY01	FY02	FY03	FY04	FY05	FY06
Staff	109	156	223	323	406	454
Eligible Family Members	12	17	21	18	20	14

*Includes enrollments in all types of Arabic training (full-time FSI courses, Tunis field training, online distance learning courses, early morning language courses, etc.)

The Department's recruiters specifically target schools and organizations with language programs to increase our recruitment of critical needs language speakers. Since 2004, the Department has given bonus points in the hiring process to Foreign Service candidates with demonstrated proficiency in languages such as Arabic, Urdu, and Farsi, among others. These bonus points materially increase the chance of receiving a job offer for candidates who have passed the written examination and oral assessment. In addition, our Diplomats in Residence and recruiters hold individual counseling sessions with speakers of Arabic, Farsi, Urdu, Dari, Chinese, Korean and other critical needs languages.

The FY2008 State Department budget request includes \$20,821,000 to enhance the Department's ability to provide developmental training, including foreign language training enhancement, and 48 new positions to improve the language proficiency of current and incoming Foreign Service employees. These new positions are required to increase the number of critical needs language speakers and to increase the level of foreign language proficiency among current speakers. The request would also be used to fund special programs such as Arab media workshops and internships in the field and additional overseas immersion training opportunities.

It is difficult to predict if and when we will close the gap between the number of Arabic language-designated positions and the number of Foreign Service members who meet the language proficiency requirements to fill those positions. Though the Department will continue its robust efforts to recruit Arabic speakers and to increase the number taking Arabic training, we expect the number of Arabic language-designated positions and the required level of proficiency of already language-designated positions to continue to increase in response to current and expected future events.

The length of time that it takes to learn Arabic—on average it takes two years of full-time training to attain a level of General Professional Proficiency in speaking and reading—also creates staffing challenges for the Department. Employees assigned to long-term language training are not available for other assignments. Absent a "training float," the Department does not have enough personnel to fill all of its critical overseas and domestic positions and simultaneously allow for large numbers of long-term language students. The 48 new positions requested in the Department's FY2008 budget request could help to create an initial training float and support the Department's efforts to strengthen the size and proficiency of its Arabic speaking corps.

Question:

Unfortunately, the genocide in Darfur has gone on for over three years. While our government has been extremely responsive to the humanitarian crisis, the total international effort has failed to stop the genocide. In fact, in recent months, the government in Khartoum has resumed aerial bombing and Janjaweed attacks on villages which are the very actions that alarmed the world to the genocide in the first place.

Madam Secretary, how do you explain the lack of results from our efforts to end the genocide in Darfur? What is your plan to stop the Genocide?

Response:

The U.S. is the clear leader in the international efforts to end the genocide in Darfur. We were instrumental in creating the Darfur Peace Agreement (DPA), a framework for ending the violence and for addressing the root causes of the conflict. Unfortunately, only one of the rebel movements signed the agreement. Since then, we have been working to broaden DPA support and have tirelessly pushed for deployment of UN forces into Darfur to bring stability and create the conditions needed for proper DPA implementation. We are currently working with our international partners to support the AU/UN-led process to bring rebel groups into the DPA, and we are leading the efforts to accelerate deployment of an AU/UN hybrid force, which Sudan accepted last November. We are strongly encouraging Sudan's major allies to press for the same goals. We are also developing a range of more coercive options to be used in concert with our allies if Sudan further hinders deployment of the AU/

UN hybrid force, continues to block humanitarian access, or interferes with the ongoing political process.

Question:

We understand that much of the Taliban leadership is directing attacks in Afghanistan are based in Quetta, Peshawar and other cities. If this is true, I find it hard to believe that President Musharaff's vaunted "ISI" intelligence service and secret police cannot locate and arrest these high-ranking Taliban officials in their midst.

What prevents Pakistan from arresting these officials? At what point do we acknowledge that despite the overwhelming support the U.S. is providing to Pakistan in the form of economic, humanitarian, and military assistance, we are not getting results from the Pakistan Government?

Response:

We are getting results from the Pakistani Government. Hundreds of suspected Al-Qaida operatives have been killed or captured by Pakistani authorities since September 2001, and Pakistan has arrested or killed hundreds of terrorist suspects and taken military action against terrorists and other violent extremists operating within its borders, including the recent reported capture of Taliban Defense Minister Mullah Obaidullah in Quetta.

The U.S. provides economic and military assistance to Pakistan as a long-term strategic partner and as a staunch ally in the War on Terror. We believe that Pakistan is very cooperative and engaged in this fight. As Ambassador Crocker has said, "We face a determined, resilient enemy, an enemy who is not ready to give up its fight. There are no easy answers, no quick solutions."

Question:

Is the Pakistan so-called "truce" with tribal elders and Taliban in North Waziristan working to the satisfaction of the United States Government? Do you want to see this model replicated in other provinces in Pakistan Frontier areas?

Response:

The intent of the North Waziristan Peace Agreement signed in September 2006 was to restore peace in the region through a series of social and political measures, recognizing that extensive military operations had not sufficed. The Agreement aims to engage traditional tribal elders in enforcing an end to militancy in the region. The Agreement contains several excellent points, among them the prohibition of cross-border attacks into Afghanistan, or tolerating the presence of violent extremists in their communities. The challenges with the Agreement are not with the concept, but with implementation. The Pakistan Government agrees that this is the case and is determined to improve the enforcement and implementation of this Agreement to render it more effective. We would like to see future arrangements that continue to embrace the concept of engagement with traditional tribal elders in securing cooperation in enforcing an end to militancy in the tribal areas that are being exploited by violent extremists.

QUESTIONS SUBMITTED BY THE HONORABLE STEVE CHABOT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Question:

Madam Secretary, I am deeply concerned about the Special Inspector General for Iraq Reconstruction's recent reports of widespread waste and fraud in Iraqi reconstruction efforts. With a reported 80 active investigations of potential criminal activity in Iraq, what steps is the State Department taking to ensure that taxpayer dollars are spent wisely, both in terms of quality workmanship—and for its intended purposes?

Response:

Oversight and accountability are among our highest priorities. We continue to work closely with the Special Inspector General for Iraq Reconstruction (SIGIR) and have benefited from SIGIR's observations of how we can do better. In fact, the State Department's Office of the Inspector General (OIG) has issued several joint audit reports with SIGIR in recent months. We are working hard to ensure that U.S. tax dollars appropriated for Iraq are used to the greatest benefit of the Iraqi people.

Although there have been no allegations to date of fraud or abuse with the Iraq Relief and Reconstruction Fund (IRRF) or other foreign assistance funds, we are aware of problems in managing some of the projects under IRRF. We have not met all of our original reconstruction goals for a variety of reasons, mostly because of

the security situation. For example, insurgent attacks on critical infrastructure prompted us to shift \$2 billion from water projects in 2004 to increase to \$5 billion support for the Iraqi Security Forces and police training under IRRF. Overall, the increased cost of providing security for reconstruction projects has accounted for between 16–22% and just under 10% for technical assistance programs. We have taken steps to address this issue by shifting construction contracts away from large foreign design-build contractors towards Iraqi contractors who are often better able to deal with security issues and are less expensive.

Our Iraq Reconstruction Management Office (IRMO) works closely with implementing agencies such as USAID and the Army Corps of Engineers to monitor each IRRF contract and to verify that the scope of work for each contract is clearly defined and followed closely. We remain committed to transparency and accountability for all of our efforts in Iraq and look forward to continuing our work with SIGIR, the State Department OIG, and the Government Accountability Office to ensure that U.S. funds for Iraq are managed wisely.

Question:

Madam Secretary, from the beginning of our military operations in Iraq, I have consistently stressed the importance of quickly training Iraqi police and soldiers. Yet recent reports suggest that Iraqi units arriving in Baghdad have only 55 to 65 percent of their intended troops. What more needs to be done to get this training back on track so we can bring our troops home?

Response:

For the most part, under strength battalions are the result of logistic support challenges with units forward deploying for the first time rather than insufficient numbers of trained personnel. Three Iraqi Army brigades are in various stages of deployment to Baghdad to reinforce the six Iraqi Army brigades and nine National Police brigades already there. Two brigades and 7 battalions have arrived in Baghdad, and are currently conducting operations across the 10 Security Focus Areas. It is expected to take several months to deploy all of the additional Iraqi and Coalition forces required to fully implement the Baghdad Security Plan, named Operation Fardh al-Qanun. Over 2,000 Iraqi troops have arrived and more continue to flow in. The Iraqi Military Commander for Baghdad is working closely with Coalition and Iraqi commanders to adjust force strength to offset unplanned shortages. The Ministry of Defense has resolved many of these challenges, we anticipate follow-on units will deploy to Baghdad at or above 90%.

Question:

Madam Secretary, this past weekend we saw the single worst suicide bombing of this war. In your opinion, how do we address the challenge of quelling increasing sectarian violence between Shiites and Sunnis, while at the same time training Iraqi security forces to take over the security of their country?

Response:

As the President has stated, quelling sectarian violence and establishing security will take time and determination. It will not be accomplished overnight, nor can we expect to eliminate all violence from Iraq. The Baghdad Security Plan, named Operation Fardh al-Qanun, is critical to securing an environment in which equally important efforts in political reconciliation and economic development can proceed. Success will require the unwavering commitment of the Government of Iraq, sustained support of MNF–I, and patience from the people of Iraq. MNF–I is increasing the number of troops in the least secure areas and significantly increasing the number of embedded trainers with Iraqi Security Forces, a force multiplier. The Iraqis must step up to the plate and take the lead as they have said they would. They must deploy their own military surge. They must actively pursue their political reconciliation and apply the law in an even-handed manner so that all religious and ethnic groups are subject to the same enforcement and held to the same standards. To better engage Iraqi moderates, we will double the number of Provincial Reconstruction Teams (PRTs), putting an early emphasis on Baghdad and Anbar to accompany the surge in military forces with a political and economic surge as well. We look forward to the passage of the supplemental so that we can fund and increase staffing for the PRTs.

QUESTIONS SUBMITTED BY THE HONORABLE ELIOT L. ENGEL, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW YORK

Question:

I have serious concerns about overall reductions in development assistance to Latin America and the Caribbean. While I am pleased that Nicaragua, Honduras and El Salvador will receive large disbursements from the Millennium Challenge Corporation, I am concerned that overall development assistance for the region is down over \$70 million from FY 2006. At a time when anti-Americanism in the region is on the rise, we need to show our commitment to all of our neighbors in Latin America, not just to a few. Outside of those three CAFTA countries, how do you explain the administration's decision to reduce development assistance funding for the region?

Response:

The Americas remain 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 FY 2001 to \$1.47 billion in FY 2008 (requested). This amount does not include MCA compacts.

When you consider the Administration's request for the traditional development accounts of Development Assistance (DA), Child Survival & Health (CSH), and Economic Support Funds (ESF) together, there is a 5% decrease from FY 2006 to FY 2008 (not including the transfer of alternative development from ACI to ESF). Though funding in these traditional development accounts has declined slightly, 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.

For example, in addition to traditional foreign assistance programs, the United States contributes to the Americas through innovative mechanisms such as the Millennium Challenge Account, debt relief programs, and trade-capacity building programs. The Millennium Challenge Corporation (MCC) has approved five-year compacts for Nicaragua (\$175 million), Honduras (\$215 million), and El Salvador (\$461 million), and a Threshold Country program for Paraguay (\$35 million). Guyana (\$7.2 million proposed) and Peru (amount TBD) are also eligible for Threshold programs and hope to seek approval for funding in the near future.

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 Mexico, Brazil, Chile, and the countries of Central America, and an agreement with the IDB to extend debt relief to the most highly indebted countries in the region (Bolivia and Guyana and Haiti and 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.

Question:

With a strong mandate to govern, President Rene Preval is in a unique position to reduce poverty and rebuild Haiti's fragile democratic institutions. For the first time in years, there is a window of opportunity. But that window is small and we must act quickly. I am pleased by the overall increase in foreign assistance to Haiti in the President's budget, particularly the \$36 million increase in HIV/AIDS funding. I also want to emphasize the importance of combating drug trafficking in Haiti. In a recent speech to the Haitian Parliament, President Preval called drug trafficking the main cause of instability. He said that failed efforts by the U.S. and other countries to stop the drug trade had made Haiti a victim. Could you please address President Preval's concerns and the administration's plans to deal with the drug issue in Haiti?

Response:

The United States is concerned about the flow of illegal drugs and its impact on crime and violence in Haiti. We are making significant efforts and working closely with the Haitian Government to improve the capacity of its law enforcement authorities to better respond to drug trafficking and its resultant destabilizing effects. To ensure that our efforts take root, we are working to address issues such as a weak judiciary system and rampant corruption which make Haiti such an attractive point of transit for drug smugglers.

Improving the integrity and capacity of the Haitian National Police (HNP) and the Haitian Coast Guard (HCG) to serve as responsible and effective law enforcement bodies, and to patrol and protect Haiti's borders and respond to smugglers will

remain key to addressing this issue. The United States has provided over \$40 million to train and equip the HNP and HCG since 2004, including providing boats, fuel, and maritime interdiction training for the Haitian Coast Guard, and refurbishing the Haitian Coast Guard base in Cap Haitien.

Most recently, we funded advanced counter-narcotics training for 11 members of the HNP counter-narcotics unit (French acronym BLTS) at the Drug Enforcement Administration's (DEA) Academy in Virginia in January.

In addition, the DEA will conduct two operations starting in March to augment the capacity of the HNP to respond to illicit smuggling. Operation "Rum Punch" is an island-wide effort involving stationing helicopters and fixed wing aircraft in Haiti to help the GOH respond to and deter incoming smuggling aircraft. In addition, the DEA will conduct the Northern Plateau Initiative—a surge operation to reinforce and augment HNP and BLTS with DEA manpower and technical assistance to extend GOH counter-narcotics operations in the Northern part of Haiti.

We are working to support the Government of Haiti's justice system reform plans. U.S. Agency for International Development (USAID) justice programs include training judges and court personnel on court management and administration; improving coordination among justice sector actors; supporting the creation of a judicial council; and designing an improved judicial inspection and disciplinary unit. These programs also support facilities' improvements and public advocate legal assistance. USAID will launch a new justice reform program in 2007 that will continue training in investigative techniques, case management and administration.

We will continue to identify opportunities to work with the Government of Haiti and Haitian law enforcement to improve their ability to interdict and deter drug smugglers.

Question:

In a letter dated October 25, 2006, Assistant Secretary of State Jeffrey Bergner wrote to me, "In support of our counter-narcotics programs, the Drug Enforcement Agency maintains a country attaché and a special agent at the embassy in Port-au-Prince. Three more special agents will soon join them. In addition the Department is recruiting an officer to serve in the newly created position of Director of the Embassy Narcotics Affairs Section (NAS)." Please update me on these and other anti-drug efforts in Haiti.

Response:

A Department of State TDY employee will manage Embassy Port-au-Prince's Narcotics Affairs Section (NAS) through summer 2007. A Foreign Service Officer then will assume the permanent NAS Director position. Previously a Santo Domingo-based regional director supervised the Port-au-Prince NAS. However, a medical emergency necessitated the director's evacuation from Santo Domingo in October 2006.

The Drug Enforcement Agency (DEA) will increase its presence in Haiti to five personnel in Port-au-Prince by March 31. Currently, there are two DEA agents in Port au Prince. During February 2007, a medical emergency forced the departure of DEA's Special Agent in Charge.

DEA will launch two operations starting in March to augment the Haitian National Police's (HNP) capacity to respond to illicit smuggling. Operation "Rum Punch" includes an island-wide effort involving stationing helicopters and fixed wing aircraft in Haiti to help the Haitian authorities to track, interdict and respond to aircraft bringing drugs into Hispaniola. In addition, DEA will begin the "Northern Plateau Initiative"—a surge operation to reinforce and augment the HNP and their counter-narcotics units (French acronym BLTS) with DEA manpower and technical assistance. This initiative will extend GOH counter-narcotics operations in the Northern part of Haiti.

In April, U.S. Treasury financial investigation advisers will resume their mentoring activities with the staff of Haiti's Central Financial Intelligence Unit and its Financial Crimes Task Force. In addition, the Embassy NAS and the U.S. Coast Guard will work with the Haitian Coast Guard to expand its patrol and port security operations from its bases in Port-au-Prince and Cap Haitien.

Question:

I want to bring your attention to the prohibitions on foreign assistance that have been imposed on foreign countries that have not signed Article 98 agreements with the United States. I appreciate your support in eliminating some of these restrictions. As you may know, I, along with then-Chairman Burton, successfully led a bipartisan group of Committee members urging Armed Services conferees to strike restrictions on IMET in the Defense Authorization Act. I was also pleased by the President's waiver of Article 98 restrictions on Economic Support Funds to 14 countries includ-

ing Bolivia, Costa Rica, Ecuador, Mexico, Paraguay, and Peru. But we are still unnecessarily tying our hands as only Colombia and El Salvador receive FMF in the President's 2008 budget. As you once said, we are "cutting off our nose, to spite our face." I will be reintroducing legislation to strike all of the sanctions against countries which have not signed an article 98 agreement. Does the administration plan to continue to work with Congress in removing FMF restrictions in the coming year? And, is the Administration ready to support legislation to eliminate the rest of these self-defeating sanctions?

Response:

Last year, during consultations with Congress concerning the possible waiver of International Criminal Court-related prohibitions of the provision of training pursuant to the International Military Education and Training program and to the use of Fiscal Year 2006 Economic Support Funds, Executive branch representatives stated that, after considering the impact of the relevant prohibitions, a waiver of only those two forms of assistance would be appropriate. In reaching this conclusion, the Executive branch considered factors such as the effect of the prohibitions on the countries subject to them, the potential effect of any change in U.S. policy on those countries that have entered into Article 98 agreements, and the continuing U.S. concerns with the International Criminal Court. Should a determination be made that further changes are warranted, we will consult with Congress.

Question:

Remittances sent from the U.S. to Latin America can help in reducing poverty, especially in low-income households and communities. In fact, at \$50 billion per year, remittances from immigrants in the U.S. to countries in the Western Hemisphere represent substantial portions of our neighbors' GDPs. A number of Mexican hometown associations in the United States have sent money back home for specific development projects. I believe that if these transfers can be regularized and sent through banks in the U.S. and in the recipient country, transaction costs can be minimized and the monies can be leveraged by families to finance homes, small businesses, or other projects. What is the Administration doing to help facilitate the quick, easy, transfer and receipt of remittances to Latin America and the Caribbean? Is any particular attention being given to leveraging remittances in order to expand their impact upon economic development in the region?

Response:

The USG is working to enhance the development impact of remittances to the region, estimated at \$45 billion in 2006. The USG's global remittance strategy focuses on four key areas. First, we are improving cost efficiency. At the January 2004 Special Summit of the Americas, leaders pledged to facilitate a cut by half in the cost of sending remittances by 2008 by promoting competition and enhancing market infrastructure. So far, the average transactional costs for remittance have been reduced from 7.7% in 2003 to 5.6%, according to the Inter-American Development Bank. Second, we are improving access to the full range of financial services. USAID has supported the World Council of Credit Unions, which has facilitated over 353,000 transactions in six Latin American countries. Third, we are broadening financial literacy. The U.S. Federal Deposit Insurance Corporation's Money Smart has extended financial training to over 35,000 Mexican immigrants in the United States. Finally, we are promoting financial soundness and integrity. Based on the 2004 G7 Sea Island remittances initiative, the U.S. Federal Reserve was a key participant in drafting principles to assist countries that seek to reform their payment systems.

Question:

I am very pleased to learn that President Bush will travel to Brazil, Uruguay, Colombia, Guatemala, and Mexico from March 8–14. What are the issues that the President plans to raise with his counterparts in each country?

Response:

The President's visit to the region will reaffirm his commitment to furthering political, economic, and social advancement in these countries and will provide him the opportunity to emphasize progress on hemispheric goals of making democracy serve every citizen more effectively and justly, generating broad-based growth through freer trade and sound economic policies, investing in people, and protecting the democratic state.

In Brazil, the President plans talk to President Lula about energy, particularly biofuels, and will praise Brazil's regional leadership role in UN peacekeeping efforts.

He will also raise key hemispheric issues such as regional stability, democratic consolidation, counternarcotics, counterterrorism and non-proliferation.

In Uruguay, Presidents Bush and Vazquez will likely discuss strengthening our excellent economic relations further, as well as development of renewable energy sources, counterterrorism efforts, and combating trafficking in persons. President Bush will also note Uruguay's exemplary peacekeeping efforts in Haiti.

In Colombia, the President will stress U.S. commitment to the success of Plan Colombia and our support for President Uribe's efforts to consolidate those gains through his "Strategy to Strengthen Democracy and Social Development," announced January 26. Along with counterterrorism and counternarcotics efforts, this strategy will focus on respect for human rights, consolidation of democratic institutions and economic and social development.

President Berger has made substantial efforts to fight drug trafficking, corruption and impunity in Guatemala. The benefits of CAFTA will also likely be discussed between the two leaders as Guatemalan exports to the United States over the second half of 2006 increased 8.5 percent from the same period in 2005.

Finally, in Mexico, President Bush will stress to President Calderón that the United States values Mexico as a key partner on law enforcement, economic and foreign policy. He also plans to discuss issues of immigration, drug trafficking, and job creation, particularly in rural areas.

Question:

I am particularly interested in learning more about efforts in the Andean region—specifically in Peru—to replace coca with ethanol-producing crops. This process is beneficial in multiple ways. First, it reduces the amount of coca cultivated in the region. Second, it helps improve the livelihood of poor farmers. Finally, it undermines the power of large oil suppliers in the region and elsewhere by promoting alternative forms of energy. Can you please expand on this initiative in the Andean region and tell me what the U.S. is doing to promote this process?

Response:

A key pillar of U.S. energy policy is diversification of supply, which includes the promotion of alternative fuels such as biofuels. The United States encourages all countries to increase local production and consumption of renewable energy and improve energy efficiency in order to reduce their dependence on oil and improve the environment.

U.S. alternative development assistance in the Andes supports biofuels. In Peru, our alternative development assistance supports the transition of poor farmers from coca production to African Palm oil (covering 3,300 hectares) and other licit crops. The Government of Peru is increasingly interested in the biofuels industry, encouraging private investment in local processing and considering legal measures to promote domestic consumption of biofuels. In Colombia, we facilitate private sector initiatives in ethanol and African Palm oil projects (covering 4400 hectares) as an alternative to illicit crop cultivation. The Colombian Government has mandated usage of biofuels in large cities and seeks to reintegrate demobilized persons into society through jobs in the biofuels industry. Current production in Colombia satisfies local demand and we expect Peru's interest in producing biofuels to also meet Peruvian local demand.

QUESTION SUBMITTED BY THE HONORABLE RUBÉN HINOJOSA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Question:

Madam Secretary, thank you for coming today. As you know, the International Boundary and Water Commission is responsible for the construction, repair and maintenance of over 2,000 miles of levees along the U.S.-Mexico border. Yet a report submitted by the IBWC last year found that most of these levees were either too low or too weak to protect the communities living behind them because of chronic funding shortfalls. The IBWC needs \$100 million to repair all the levees. \$50 million would allow the worst levees in the most populous areas to be repaired, yet the President's budget provides only nominal funding to the IBWC for this purpose.

The Rio Grande Valley in Texas is home to over 1 million people who are living behind inadequate IBWC levees. A rain event, not even a hurricane, could cause another horrible situation like New Orleans. Hidalgo County, the most populous in the Valley with 650,000 population, recently passed a bond issue and is going to just give the IBWC \$10 million to fix a small part of the most damaged levees in the county. According to the U.S. Census, Hidalgo County is one of the poorest urban county in

the country with over half of its residents living below the poverty level. Yet my constituents are going to have to pay higher local property taxes because the federal government is not living up to its responsibility. What does the Administration plan to do to address this critical situation?

*on (a) International Levees on the Texas side?
and on (b) Mexican side of the International Levees?*

Response:

The Administration has doubled its funding request for the U.S. Section of the International Boundary and Water Commission from \$2.5 to \$5 million to enable it to proceed more rapidly with rehabilitation efforts on the U.S. side of the border. The USIBWC intends to address areas that it has identified as having the highest priority in what is envisioned as a multi-year program. The levees on the Mexican side of the border are the responsibility of the Mexican Section of the IBWC, with whom the USIBWC is working in close coordination. Any funding for work in Mexico would be covered by the Mexican Government.

QUESTIONS SUBMITTED BY THE HONORABLE CONNIE MACK, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF FLORIDA

Question:

Madam Secretary, last week, Venezuela's self-proclaimed communist President Hugo Chavez was granted free rein to accelerate changes in all areas of society by presidential decree.

This action, granted to him by the National Assembly which is completely under his control, is putting Venezuela on a rapid path toward dictatorship.

Venezuelan lawmakers unanimously gave President Chavez sweeping powers to legislate by decree and impose his radical vision of a socialist state in the mold of Castro's Cuba.

The new law gives Chavez more power than he has ever had in eight years as president.

And, based upon his own words and statements, he plans to use this power to nationalize many privately held companies, snuff out political dissent and freedom of the press, and remove term limits thereby allowing him to serve indefinitely as president.

You and I have discussed President Chavez in the past and I know that you are very concerned about this gathering storm in our own backyard.

Venezuela with Chavez at the helm is on a glidepath towards a dictatorship disguised as a democracy.

We should all be concerned about the direction President Chavez is taking his country. Any leader who tries to tighten his grip on power by destroying the institutions of democracy, curtailing press freedom, and using his office to intimidate pro-democracy opponents is setting in motion a dangerous process with potentially ominous consequences.

Madam Secretary, it's time to realize Chavez must be taken seriously. We must refocus our efforts in Latin America and defeat this gathering storm.

What is our plan for dealing with President Chavez's growing influence in the region?

Response:

The emergence of democratic governance in the Hemisphere has brought with it an increase in expectations, a legitimate desire in people to see democracy deliver the goods the benefits of good governance to the citizens of the Hemisphere. We offer a positive vision based on the benefits of representative democracy, economic integration, and faith in the transformative power of freedom in individual lives. Our policy engagement, our diplomacy, and our foreign assistance are aimed at drawing the link between democracy and development, and showing that democracy can indeed produce a better quality of life.

The Bolivarian Republic of Venezuela offers a competing vision of authoritarian leadership and commodity-driven economies. This model is neither sustainable nor replicable in other parts of the region. In fact, a poll released late last year suggested that, in most countries in the region, people were pleased to accept Venezuelan petro-dollar aid while largely rejecting Venezuela's political and economic message.

We see no benefit in engaging in rhetorical arguments with Venezuela. We have responded firmly to Venezuela's actions or inactions on global issues, specifically:

On May 15, 2006, the President declared Venezuela “not fully cooperating” in U.S. anti-terrorism efforts;

Since August 2006, we have denied all applications for licenses to export defense articles and services to Venezuela and closed Venezuela’s military purchasing office in Miami;

We have informed key arms supplier countries of our policy and its rationale and encouraged them not to contribute to the Venezuelan military build-up;

For the past two years, the President has determined that Venezuela “failed demonstrably” to take actions in fulfillment of international counter-narcotics agreements and to stem the growing flow of drugs through the country;

In addition, due to the deteriorating investment climate and regulatory policies, Venezuela is not eligible for OPIC or EXIM financing.

Question:

Secretary Rice, we’re at a precarious time for private media in Venezuela.

Chavez, who won re-election in December, has expanded government-backed media like the cable network Telesur and the state-run Bolivarian News Agency.

His recent decision not to renew the broadcasting license of the opposition-aligned Radio Caracas Television network also has media owners worried about the future.

This, coupled with the many other new laws and intimidating statements made against journalists and the media can be interpreted as nothing more than an attack on free speech.

Many Venezuelans have asked for a U.S.-financed, Radio Marti-style station for their country.

I support this idea because a free and open democracy cannot exist without freedom of speech.

Secretary Rice, can you please discuss what the United States government is doing in order to encourage a free and open press in Venezuela. Can you discuss what programming we are broadcasting in Venezuela?

Response:

As the President said January 31, we are concerned about the “diminution of democratic institutions” in Venezuela, which includes the free press. The Administration is working persistently both bilaterally and multilaterally (through the OAS and EU), encouraging Hemispheric and European partners to support press freedom, and civil society in general, and urge the Government of Venezuela to adhere to its obligations under the Inter American Democratic Charter, which cites a free press as an essential component of the exercise of democracy. In particular, we have focused on the government’s decision to shut down the country’s oldest independent television station. We also applaud the efforts of many NGOs such as the Inter American Press Association in vigorously defending the Venezuelan press. As a result, there is increasing criticism in the international media of Chávez’s efforts to restrict freedom of the media.

Each year, our international visitors program gives Venezuelan journalists the opportunity to interact with and receive support from their U.S. counterparts. Our embassy in Caracas sponsors U.S. professionals who speak to Venezuelan audiences about the importance of a free press and international protections for free speech. Broadcasts in English and Spanish by the Voice of America are heard in Venezuela, and their radio and television programs are transmitted through a strong network of local Venezuelan affiliates.

QUESTION SUBMITTED BY THE HONORABLE TED POE, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF TEXAS

Question:

Madam Secretary, considering the state of our relationship with Cuba, why are we offering that country foreign aid?

Response:

We do not offer aid to the Cuban government, in accordance with U.S. law and Administration policy. Pursuant to specific statutory authority, the United States does provide limited assistance to individuals and NGOs for democracy-building efforts in Cuba.

QUESTIONS SUBMITTED BY THE HONORABLE EDWARD R. ROYCE, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CALIFORNIA

Question:

Madam Secretary—As you know, Congress has been extremely supportive of the Special Court for Sierra Leone. It has been supportive because assistance establishing the rule of law is key if the African continent is to escape from its conflicts. The last time you appeared before this Committee for a budget presentation, former President Charles Taylor was still in exile. Now, thankfully, that has changed—and Charles Taylor will soon begin his trial before the Special Court. This is a credit to the Administration and many in Congress. Yet, the Administration's Budget does not specifically include a funding request for the U.S. contribution to the Special Court for Sierra Leone. In contrast, contributions to the Yugoslavian and Rwandan tribunals are detailed. It concerns me that the Special Court for Sierra Leone doesn't receive a specific line-item. Last year the Court received \$13 million in U.S. support. Can you assure this Committee that the Administration will continue to support the Court with approximately one-third of its annual budget so that it can conduct the trial of Charles Taylor and others charged with war crimes?

Response:

Given the increases in the Court's 2007 budget and the recent passing of the Continuing Resolution, at this time the Department cannot guarantee that the USG contribution to the Court will be one-third of the Court's total budget. However, the Administration intends to continue support of the Special Court for Sierra Leone and hopes to provide the Court with an appropriate 2007 contribution within the parameters of the recently passed Continuing Resolution and our other foreign policy priorities. Ideally, we would like to do so without using the funds planned for other important assistance. Unfortunately, the \$13 million USG contribution to the Court in FY 2006 came at the expense of funding priority peace building programs in Sierra Leone.

Later this month, the Court is expected to present the Management Committee with a larger-than-expected \$37 million budget for 2007 in addition to a revised completion strategy and budgets for 2008 and 2009. At nearly \$15 million more than the Court has raised in any previous year, we are troubled that the large 2007 budget will present a serious fundraising challenge for the Court and the Management Committee. We are concerned, as well, that the Court has not demonstrated that it is drawing down its operations. The delays in completing the Court's work and the costs associated with those delays are also worrisome. The Department is closely monitoring the Court's progress, particularly with respect to the recommendations of an independent expert, Judge Antonio Cassese, to improve efficiency at the Court and to ensure that the Court completes the three Freetown trials and appeals by the end of 2008, and the Charles Taylor trial and appeals at The Hague by the end of 2009, if not sooner.

Question:

Madam Secretary—As you know, Special Agents of the Bureau of Diplomatic Security are on the frontlines of combating terrorist travel—working abroad with partner nations to target document fraud rings and working at home to prosecute document fraud violators. A fraudulent passport or visa in the wrong hands could support devastating destruction. Unfortunately, the magnitude of the problem confronting our Diplomatic Security Agents is too large for any of us to rest easy. In submitting the Department's Visa and Passport Security Strategic Plan recently, Assistant Secretary Griffin wrote that implementation of this plan "will be dependent upon significant new resources." How does the FY08 Budget request fulfill the needs of this new strategic plan?

Response:

The State Department budget request for FY 2008 was submitted before the program requirements of the Visa and Passport Security Strategic Plan were finalized. However, the State Department and the Bureau of Diplomatic Security recognize the urgency in immediately supporting as many elements of the Strategic Plan as possible. At this time, Diplomatic Security is aggressively re-positioning Special Agents overseas utilizing existing bureau resources and revenue from work-visa (H/L) fees. Subsequent program and resource requirements will be a significant part of the FY 2009 budget request.

Question:

Madam Secretary—You told the 9/11 Commission (in 2004) that the U.S. "for reasons of history and culture and therefore law, had an allergy to the notion of domes-

tic intelligence . . .” You went on and cited some of the changes that we’ve made, including the creation of DHS and the Patriot Act. What more could be done to improve our understanding of the enemy: its intentions and capabilities, and does the U.S. remain allergic to domestic intelligence?

Response:

The Department defers to the Department of Homeland Security which has jurisdiction over this matter.

Question:

Historically, there has been an agreement between the Administration and Congress to continue to ensure military parity between Armenia and Azerbaijan. As such, could you explain the reasoning behind your request that favors Azerbaijan over Armenia in the critical areas of Foreign Military Financing (FMF) and International Military Education and Training (IMET)? Specifically, in FMF you are requesting \$4.3 for Azerbaijan and \$3 million for Armenia and calling for \$1 million for Azerbaijan compared to \$300,000 for Armenia in IMET assistance in FY08. Given the dynamics of the South Caucasus region, is this the correct approach?

Response:

Our goal is to help Armenia and Azerbaijan achieve a peaceful resolution of the Nagorno-Karabakh conflict and increase regional security. Military assistance to both countries in light of that ongoing conflict is carefully considered and calibrated to ensure that it does not hamper ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan and to also ensure that it does not increase the capabilities of one country against the other. Specific increases for Azerbaijan are linked to U.S. priorities in fighting terror, peacekeeping, and maritime security. The Administration believes that building the capacity of Azerbaijan and other Caspian Sea littoral states is important to prevent the transit of dangerous materials, to deter and prevent terrorist activity, and to secure reliable supplies of oil and gas that are critical to U.S. national security interests.

While we do not have a policy that security assistance funding levels for Armenia and Azerbaijan should be identical, we work to ensure that assistance does not adversely affect the military balance between the two states. We do not believe that the differences in security assistance in the FY 2008 budget requests undermine prospects for peace or send the wrong message.

Question:

I am very pleased to learn that President Bush will travel to Brazil, Uruguay, Colombia Guatemala and Mexico from March 8–14. What are the issues that the President plans to raise with his counterparts in each country?

Response:

The President’s visit to the region will reaffirm his commitment to furthering political, economic, and social advancement in these countries and will provide him the opportunity to emphasize progress on hemispheric goals of making democracy serve every citizen more effectively and justly, generating broad-based growth through freer trade and sound economic policies, investing in people, and protecting the democratic state.

In Brazil, the President plans talk to President Lula about energy, particularly biofuels, and will praise Brazil’s regional leadership role in UN peacekeeping efforts. He will also raise key hemispheric issues such as regional stability, democratic consolidation, counternarcotics, counterterrorism and non-proliferation.

In Uruguay, Presidents Bush and Vazquez will likely discuss strengthening our excellent economic relations further, as well as development of renewable energy sources, counterterrorism efforts, and combating trafficking in persons. President Bush will also note Uruguay’s exemplary peacekeeping efforts in Haiti.

In Colombia, the President will stress U.S. commitment to the success of Plan Colombia and our support for President Uribe’s efforts to consolidate those gains through his “Strategy to Strengthen Democracy and Social Development,” announced January 26. Along with counterterrorism and counternarcotics efforts, this strategy will focus on respect for human rights, consolidation of democratic institutions and economic and social development.

President Berger has made substantial efforts to fight drug trafficking, corruption and impunity in Guatemala. The benefits of CAFTA will also likely be discussed between the two leaders as Guatemalan exports to the United States over the second half of 2006 increased 8.5 percent from the same period in 2005.

Finally, in Mexico, President Bush will stress to President Calderón that the United States values Mexico as a key partner on law enforcement, economic and for-

sign policy. He also plans to discuss issues of immigration, drug trafficking, and job creation, particularly in rural areas.

QUESTIONS SUBMITTED BY THE HONORABLE BRAD SHERMAN, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CALIFORNIA

Question:

Since Armenia's independence in 1991, some \$1.6 billion in bilateral assistance has been allocated to Armenia to encourage sustained reform, to recognize Armenia's consistent results in market reform and democratization, and to counter the devastating effect of Azerbaijan's and Turkey's blockades against this landlocked republic in violation of U.S. and international law.

In December 2005, Armenia was granted \$236 million in aid over a five year period through the performance-based Millennium Challenge Account (MCA). Previously allocated levels of bilateral assistance to Armenia played a significant role in accelerating reforms that enabled it to be competitive in the Millennium Challenge Corporation (MCC) process.

Given Armenia's successful performance and the mutually beneficial U.S.-Armenia relationship, why is the Administration calling for nearly a 50 percent cut in regular assistance to Armenia over the previously allocated level in its Fiscal Year 2008 budget request? Is it the Administration's intention to reduce regular foreign assistance levels to those countries which receive MCC assistance? If so, how are decisions made on reductions in regular aid for such countries?

Response:

The FY 2008 budget request for Armenia decreased by 48% (over \$35 million) from FY 2006. This decline reflects in part Armenia's significant MCC Compact and Armenia's good indicators and performance, particularly in promoting economic growth and addressing rural poverty. The Administration considers the totality of U.S. assistance resources available when formulating its bilateral budget requests. If estimated MCC disbursements (over \$60 million) for FY 2008 are taken into account, the actual FY 2008 funding level for Armenia increases by 34% to more than \$98 million.

While Armenia's economic growth and standard of living surpass most developing category countries, the sustainability of this performance is placed in doubt by the government's inconsistent approach to implementing democratic reforms. In line with the MCC Compact signed in 2006 and Armenia's good indicators and performance, investments in economic growth and investing in people have lessened in favor of increasing focus on governing justly and democratically to promote the sustainability of reform. Armenia's MCC Compact is focused on economic development, agriculture, and infrastructure projects. Development funding in this 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:

In the aftermath of September 11, Congress granted the President limited and conditional authority to waive Section 907 of the Freedom Support Act. As part of that waiver, there was an agreement made between the Administration and Congress to continue ensuring military parity between Armenia and Azerbaijan.

Moreover, Azerbaijan continues its land blockade against Armenia and Nagorno Karabakh, its exclusion of Armenia from East/West commercial corridors, and continues threats of a second war against its neighbor. The intent of these policies is to retard Armenia's economic growth in hopes of forcing capitulation in the dispute over Nagorno Karabakh.

How does the Administration justify another asymmetrical military assistance plan in favor of Azerbaijan by requesting \$4.3 million for Azerbaijan and only \$3 million for Armenia in Foreign Military Financing (FMF), and calling for \$1 million for Azerbaijan compared to \$300,000 for Armenia in International Military Education and Training (IMET) funding in FY 08?

Response:

Our goal is to help Armenia and Azerbaijan achieve a peaceful resolution of the Nagorno-Karabakh conflict and increase regional security. Military assistance to both countries in light of that ongoing conflict is carefully considered and calibrated to ensure that it does not hamper ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan and to also ensure that it does not increase the capabilities of one country against the other. Specific increases for Azerbaijan are

linked to U.S. priorities in fighting terror, peacekeeping, and maritime security. The Administration believes that building the capacity of Azerbaijan and other Caspian Sea littoral states is important to prevent the transit of dangerous materials, to deter and prevent terrorist activity, and to secure reliable supplies of oil and gas that are critical to U.S. national security interests.

While we do not have a policy that security assistance funding levels for Armenia and Azerbaijan should be identical, we work to ensure that assistance does not adversely affect the military balance between the two states. We do not believe that the differences in security assistance in the FY 2008 budget requests undermine prospects for peace or send the wrong message.

QUESTIONS SUBMITTED BY THE HONORABLE DIANE E. WATSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Question:

Madame Secretary, thank you for coming. Mr. Royce and I sent you a letter in September regarding Liberia. You responded at that time—and thank you for that response—but I wanted to follow-up on the three specific points in the letter to find out what more has been done and what more needs to be done.

What is State doing to assist with President Sirleaf's personal security?

What are you doing to help support the justice system and the rule of law in Liberia?

And what is your long-term strategy to support Liberia's rebuilding, security and development?

Response:

The personal security of President Ellen Johnson Sirleaf remains a top priority of the U.S. Government. In 2006, the State Department committed nearly \$5 million toward efforts to reform, train, and equip the Liberian Special Security Service (SSS). We have now begun a new program to embed five contracted advisors in the SSS to assist in the professional development of senior SSS personnel; to mentor mid-level SSS managers; to develop systems and standard operating procedures for the SSS; and to assist in identifying promising SSS officers for advancement to mid and senior ranks after appropriate training. The team of advisors has already arrived in Liberia and will spend at least a year on this project. We are committing \$2 million in FY 2006 funding to this new effort, and we are requesting additional funds in FY 2007 and FY 2008 to continue the program.

The reform of the Liberian justice system is another major U.S. priority. With over \$7 million in FY 2006 funds, we are supporting programs to provide technical support to Liberian police, prosecutors, defense attorneys, and court administrators. We are establishing legal aid centers and victim support centers. We are supporting the University of Liberia law school to increase the number of qualified public defenders. We are supporting a large-scale reform effort carried out by the Liberian law reform commission. We also sponsored and participated in the launch of a youth-oriented campaign to assist the Truth and Reconciliation Commission, which is responsible for determining the root causes of the civil war. We will continue our efforts through fiscal years 2007 and 2008.

Our long-term strategy for Liberia supports the top U.S. priorities in Liberia: enhancing security, rebuilding the economy, promoting good governance, delivering basic services, and reintegrating those uprooted by war. We are pursuing a broad-based post-conflict strategy in Liberia.

USG-funded security sector programs are rebuilding Liberia's armed forces, strengthening its police, and helping ensure the safety of top Liberian leaders. We are rebuilding Liberia's economy by creating infrastructure, developing markets to encourage private-sector investment, promoting transparent economic management, and supporting sustainable use of Liberia's national resources. Capacity building in the executive branch, judicial reform, support for rule of law, and anti-corruption programs are helping to rebuild Liberia on a foundation of good governance. Education, primary health care, and other basic services programs complement community-focused rehabilitation and reconstruction activities. Refugee programs are helping to return Liberian refugees and other conflict victims and to rebuild their communities.

Question:

Your request for international basic education for Fiscal Year 2008 is \$535 million. Basic Education plays a critically important role in reducing widespread poverty as

well as advancing your transformational diplomacy goals. And I am encouraged by the significant increase in total funding for basic education in the budget request.

But why are you seeking to shift a significant portion of basic education funds from the Development Assistance (DA) account into the Economic Support Fund (ESF) account?

Response:

The intent in shifting funds from DA to ESF is to draw cleaner lines around their use, as identified by country characteristics. The shift is in no way reflective of a reduced prioritization of development activities and certainly will not restrict activities in basic education.

ESF funding allows funding for a wider definition of basic education program activities than does DA. These additional ESF-funded programs are very useful in responding to the unique opportunities and needs found in many countries of special policy interest to the USG. Many of these countries have large out of school youth populations whose basic education needs exceed the traditional literacy and numeracy programs, and extend to inter-personal, citizenship and work-related activities that cannot be addressed under DA funding. Politically sensitive target countries include those emerging from conflict and crisis where work-study, re-integration and counseling support are important parts of the basic education processes that cannot be funded through the DA account. For these reasons, ESF has consistently been used to fund education programs in politically sensitive countries in the past, and this practice will certainly continue.

Question:

How will the funding cuts to DA impact U.S. assistance for basic education? Specifically, which countries will no longer receive basic education funds in the DA account, which countries will see cuts to basic education from the DA account, and will any of these cuts to basic education programs in the DA account be covered by EFS funds? What countries will receive basic education funds from the ESF account? Will the ESF account retain its historical flexibility for funding diversions?

Response:

The planned allocation of basic education funds from the DA and ESF accounts is intended to strengthen U.S. assistance for basic education by supporting more strategic and focused interventions. While there are clearly basic education needs in numerous countries, the U.S. maximizes available funding by supporting education programs that represent demand driven interventions wherein education is a critical gap in moving the country forward, and focusing on those countries which are critical to long term stability and prosperity.

There are thirteen countries that received DA basic education funds in FY 2006 for which we are not requesting basic education funds in the DA account in 2008: Democratic Republic of Congo, Guinea, Liberia, Madagascar, South Africa, Sudan, Afghanistan, India, Nepal, Pakistan, Bolivia, Haiti, and Mexico. However, six of these countries will receive funding from the ESF account: Democratic Republic of Congo, Liberia, Sudan, Afghanistan, Pakistan, and Haiti. Three of the countries (Liberia, Sudan, and Afghanistan) will have their cuts to basic education programs in the DA account covered by ESF funds and they will actually see increases. The remaining three countries, Democratic Republic of Congo and Haiti, will receive ESF funds but they will see a decrease between FY 06 and FY 08 levels.

Overall, the FY 2008 DA basic education request for 29 countries is less than FY 2006; one will be at the same funding level, and twelve are requesting increases in funding from the DA account.

Seventeen countries are requesting FY 2008 basic education funds from the ESF account: Democratic Republic of Congo, Ethiopia, Liberia, Sudan, Tanzania, Burma, China, Philippines, Egypt, Jordan, Lebanon, West Bank and Gaza, Yemen, Afghanistan, Pakistan, Guatemala, and Haiti.

These seventeen countries are key focus countries for U.S. foreign assistance. The idea is to provide increased funding—across sectors—on a more finite number of strategic countries rather than spreading our resources so thin that we are not able to leverage or achieve significant development outcomes. In general, education programs may continue as planned, but it may also be helpful to take advantage of the flexibility in the ESF account to build on new opportunities for synergy arising from increased resources in target countries.

Question:

What are the Administration's priorities for basic education funding?

Response:

The goal of basic education programming is to promote equitable access to quality basic education, which serves as the foundation for individuals and institutions to build stable and prosperous lives and democratic states. It reflects an ongoing commitment to improve education quality and access, especially among girls, orphans and vulnerable children, and in countries in crisis.

The United States is committed to aligning its assistance with that of other donors in support of the Education for All (EFA) initiative's objective of full primary school enrolment by 2015, and the related Fast Track Initiative (FTI). This alignment includes support to country-driven education strategies consistent with transformational development objectives.

Thus, in all regions, the first priority is to support activities which will help ensure equitable access to relevant and quality educational opportunities for all students in basic education. The second priority is to respond to serious educational shortcomings that impede economic growth and democratic progress.

Regional differences result in more specific targeting of resources. In the Latin America and Caribbean (LAC) area, the focus will be on improving teachers' skills, curricula and teaching materials, and increasing accountability through student testing and national report cards. In the Europe and Eurasia region, the focus will be on identifying needed education system reforms and implementing them; an objective also shared by LAC. In Africa, a large number of children are not in school due to the impact of HIV/AIDS and other crises. In that region we are emphasizing increased access to quality education and teacher training. In the Asia and Near East (ANE) region, programs will include knowledge and skills applied to development needs in areas with high youth unemployment and underdevelopment, and in crisis or conflict-affected areas.

These priorities will be supported in part by the Centers for Excellence in Teaching and Training and the African Educational Presidential Initiatives. The priorities will be coordinated with support provided under the Middle East Partnership Initiative, the Millennium Challenge Account and the Trafficking in Persons Initiative. The school fees reform activities in the Democratic Republic of the Congo and in Malawi will continue to be a priority.

Question:

With more funding for basic education going to the ESF account than the DA account, what on-the-ground changes to the implementation of education programs by USAID do you foresee?

Response:

The United States continues to be committed to aligning its assistance with that of other donors in support of country-driven education strategies. The collective decision-making process used to determine the FY 2008 funding request for basic education involved core teams in Washington and country teams in the field. These groups considered what programs and activities would be required to stimulate and sustain transformational development.

ESF funding permits a greater range of basic education program activities in countries which represent unique strategic needs to the USG. Many of these countries have been embroiled in crisis. Shifting from DA to ESF will require management support at an appropriate level to match the size of the education program and level of funding involved.

Question:

State Department officials have told us that their FY08 request provides all development funding for Rebuilding and Restrictive countries through the ESF account. You appear to be altering the purpose of the ESF account which traditionally and under the law provides assistance for countries which could not justify a certain level of development assistance. Under the President's request ESF funds will be used for an expanded scope of countries which are in dire need of substantial amounts of development assistance. Could you comment on my assessment?

Response:

In the FY 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 country 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. The Economic Support Fund (ESF), which focuses primarily on providing eco-

conomic support under special economic, political, or security conditions, has 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. I cannot overemphasize that the shift is in no way reflective of a reduced prioritization of development activities. You will find that, to the contrary, total funding in the three objectives supporting long-term development (Governing Justly and Democratically, Investing in People, and Economic Growth) increased by approximately \$100 million from FY 2006 levels in the FY 2008 budget request.

Question:

It is my understanding that the Administration is reevaluating the visa waiver program. At last year’s NATO summit, the President indicated that he would consider the admission of a number of Eastern European countries who are NATO allies. I am supportive of this effort, but I also hope that our friends and partners in other parts of the world are not forgotten.

One country that deserves strong consideration is the Republic of Korea. My congressional district has a large Korean-American constituency. They have a special understanding of the importance of this issue, of its resonance both in the U.S. as well as Korea.

Could you provide with an update on this process? When does the Administration intend to make its decision public?

Response:

We value Korea as a close and important ally, and recognize its interest in participating in the Visa Waiver Program (VWP). Korea is in the VWP “Roadmap” process and has been aggressively addressing key law enforcement and border security issues that match our objectives. Though the U.S. visa refusal rate for Koreans worldwide has been below 4 percent for the last four years, it still remains slightly above the legislatively-mandated 3 percent requirement.

The Administration is working with Congress to make changes to current VWP legislation that will strengthen the security of the program and allow for flexibility on the 3 percent visa refusal rate requirement for countries that meet enhanced security requirements. Obviously, we will keep the Government of Korea apprised of action on that front and how it may affect their eligibility.

Question:

What provisions would the President’s budget make to aid the 1.7 million internally displaced in Iraq and the over two million that fled to neighboring countries?

Response:

Our overall request for Iraq will address the underlying causes of Iraqi displacement by supporting the government of Iraq’s efforts to stabilize the country, bolster the economy and achieve national reconciliation.

The President’s FY07 supplemental budget request includes \$45 million for USAID (Office of U.S. Foreign Disaster Assistance—OFDA) to assist internally displaced persons in Iraq.

An additional \$15 million for the State Department Bureau of Population, Refugees, and Migration (PRM) is also requested to assist refugees in neighboring countries and conflict victims inside Iraq.

To support Iraqi refugees and conflict victims, PRM plans to use \$20 million in Migration and Refugee Assistance (MRA) from the FY07 Continuing Resolution appropriation.

The President’s FY08 budget includes \$35 million in MRA for protection and assistance programs for Iraqi refugees in neighboring countries and conflict victims inside Iraq.

Question:

What are we proposing to do to assist Iraq’s neighbors, who are now sheltering and bearing the strain on their economies to deal with some 2 million refugees from

Iraq—750,000 in Jordan; 750,000 in Syria and growing numbers in Lebanon, Egypt, Yemen and Turkey (—estimates by UNHCR, Refugees International, Intl Organization for Migration and others.)

Response:

We recognize the increasing demands Iraqis are placing on host countries. Our goal is to minimize the burden that Iraqis place on the public services of host countries by ensuring adequate humanitarian assistance so that these countries can continue to offer refuge to Iraqi asylum seekers.

The Department plans to make a significant contribution to UNHCR's \$60 million appeal for Iraq. Our contribution will help UNHCR meet the protection and assistance needs of vulnerable Iraqi refugees in Jordan, Syria, Lebanon, Turkey and Egypt as well as supporting UNHCR's activities inside Iraq.

The Department's Bureau of Population, Refugees and Migration (PRM) will issue NGO Guidelines in February for NGOs providing emergency assistance and other services to Iraqi refugees in Syria, Lebanon and Jordan. PRM hopes to fund at least \$10 million to NGOs in 2007 to support Iraqi refugees (vice \$3.3 million in 2006) pending availability of funds.

The USG will also take a leadership role in the April 17–18 international conference on Iraq's displaced called by UNHCR. The conference will seek international commitments to help ease the strain on host countries.

Question:

Do you think action by the US and possibly bilateral and multilateral (UN, ICRC, etc) assistance to these countries and direct humanitarian assistance to the refugees in need would encourage these neighboring countries to keep their doors open to sheltering Iraqis and to supporting the effort to stabilize Iraq?

Response:

Our overall request for Iraq will address the underlying causes of Iraqi displacement by supporting the government of Iraq's efforts to stabilize the country, bolster the economy and achieve national reconciliation.

The Department intends to make a significant contribution to UNHCR's \$60 million 2007 Iraq appeal as well as to almost triple our support to NGOs providing assistance to Iraqi refugees in host countries. We believe by expanding our support to UNHCR and NGOs we will help ease the burden Iraqi refugees are placing on host country resources.

The Department is also planning to request that the governments of Syria and Jordan continue to permitting Iraqis to enter, remain and access services. These governments will also be informed that the USG intends to increase its funding to UNHCR to support Iraqi refugees in their countries.

The Department will take a leadership role in a proposed international conference on Iraq's displaced being planned by UNHCR for later this year.

Question:

What steps has the US taken to protect and aid particularly vulnerable Iraqis who are displaced or refugees? Can the US and coalition forces protect the displaced? Is there money for protection of the displaced by the forces? For legal and physical protection in neighboring countries? How long will it take the US to resettle particularly vulnerable refugees? How much have we given UNHCR, UNICEF, WFP, UNDP, ICRC to deal with these needs? Does this year's budget include full funding for needed assistance and resettlement programs? How quickly can we get the programs going? If not why not?

Response:

Our overall request for Iraq will address the underlying causes of Iraqi displacement by supporting the government of Iraq's efforts to stabilize the country, bolster the economy and achieve national reconciliation.

Two of the Department's humanitarian accounts in the foreign assistance budget, IDFA and MRA, will have a total of \$80 million available to assist displaced Iraqis if Congress passes the Administration's FY07 Supplemental request for these two accounts. The \$80 million would address the needs that we have identified to date for protection and assistance to Iraqi IDPs and refugees.

The Department plans to significantly increase its contribution to UNHCR's \$60 million 2007 Iraq appeal. UNHCR's 2007 Iraq appeal will greatly expand UNHCR's protection and assistance programs for displaced Iraqis inside the country as well as for Iraqi refugees in Syria, Jordan, Lebanon, Egypt and Turkey. UNHCR has already begun ramping up its programs in Jordan, Syria and Lebanon to meet the

needs of Iraqi refugees. The Department also expects to meet about 20% of ICRC's \$46 million 2007 Iraq appeal.

The Department plans to request the governments of Syria and Jordan to continue to permit Iraqis to enter their countries and to remain and access services until they can return home. We will also inform the two countries of our plan to increase USG assistance for Iraqi refugees.

MNF/I and Embassy Baghdad closely coordinate to meet the protection and assistance needs of displaced Iraqis.

The Department has already begun working with UNHCR, embassies in the region and NGOs to begin processing vulnerable Iraqi refugees to the US Refugee Admissions Program (USRAP). We expect UNHCR to refer at least 7,000 Iraqi refugees to the USRAP this year.

