

**FOREIGN POLICY PRIORITIES IN THE PRESIDENT'S
FY10 INTERNATIONAL AFFAIRS BUDGET**

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

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WEDNESDAY, MAY 20, 2009

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

The committee met, pursuant to notice, at 1:30 p.m., room SH-213, Hart Senate Office Building, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Dodd, Feingold, Boxer, Menendez, Cardin, Casey, Webb, Shaheen, Kaufman, Gillibrand, Lugar, Corker, Barrasso, and Wicker.

**OPENING STATEMENT OF HON. JOHN F. KERRY,
U.S. SENATOR FROM MASSACHUSETTS**

The CHAIRMAN. This hearing will come to order. We have seven Senators present. Madam Secretary, we're delighted, obviously, to welcome you here. But we are going to try to have a business meeting and get two of your folks out of here as fast as we can. I know you won't object to that if we interrupt, but we do need 10 Senators here to do it. We'll wait until we get the requisite number.

Meanwhile, let me just say how pleased we are to have you up here. This is the first time that you've testified before the Senate since your confirmation hearing, and it's obvious to everybody here that you've been enormously busy from that moment on. I read just the other day that at the end of the last month, you traveled 74,107 miles, logged over 157 hours in the air, visited some 22 countries. So we're happy to have a very short trip for you today, and appreciate you coming up here from Foggy Bottom and testify about the foreign affairs budget.

It's only been 4 months, but for every member of this committee and the Congress and I think for the country, it's been heartening to see diplomacy restored to its rightful place, at the forefront of American foreign policy. This administration, with the President's and your leadership, has quickly turned the rhetoric of engagement into some promising new realities on the ground.

The dialogue that you have offered to Iran and that we hope will occur, and Syria, the resetting of relations with Russia, reaching out to Latin America and China, reviving the Middle East peace process, recommitting to Afghanistan and Pakistan, really, there isn't a corner of the globe that's been untouched by the administra-

tion's diplomatic initiatives, and there certainly isn't a vexing challenge that you haven't tackled head-on.

As we all know, if we're going to realize the promise of these opening days, there's a lot of work yet to do. In a globalized world, it's become trite, but nevertheless, it is important to remember how interconnected, and so, ultimately, our security. And that's why this century's security challenges demand a new level of commitment to diplomacy and development. The budget that you've come here to testify on today, I believe helps to move us in that direction.

We must address weak and failed states as well as strong states. We need to reach new understandings with China and India and the developing world to avert catastrophic climate change and put low-carbon technologies into the hands of billions of people.

We need to find ways to bolster vulnerable allies in places like the West Bank, Pakistan, and Afghanistan. And we need to find new ways to speak to disenfranchised populations and to address the conditions that empower extremists.

So it's clear that even as we confront an economic crisis here at home, we can't delay the task of strengthening our diplomatic and development capacity. We can't afford to come up short on the promises that have been made to allies and to vulnerable populations and to the world.

I know you are determined, and we want to help you seize this opportunity to make significant strides toward restoring America's leadership role. And we believe that in doing so, we will make the world safer and we will make us safer.

The President's fiscal year 2010 request of \$53.8 billion for international affairs recognizes these realities and begins to marshal the resources to address them. It starts the process of rebuilding our diplomatic and development operations and significantly increases the size of the Foreign Service, providing 800 additional officers to the State Department and 350 additional Foreign Service officers to USAID.

It puts the United States on the path to double foreign assistance by 2015.

It vastly increases our civilian assistance to Pakistan and sets us on a course toward redefining our relationship with the people of Pakistan, something that Senator Lugar and I and Vice President Biden have been particularly focused on.

Finally, the President's budget proposes important global initiatives in food security, climate change, global health, and basic education. It doubles agricultural development funding to \$1 billion, doubles environmental and climate change activities to nearly \$600 million, and it sustains our commitment to fighting HIV/AIDS, funding global health programs, and increasing our investment in basic education.

Each of these priorities is essential in its own right. Together, they represent a commitment to reinvest in our civilian programs and ensure that our diplomats and developmental professionals have the resources and expertise they need to meet 21st century challenges.

Our aid programs, as you well know, need to be enhanced and modernized for a new set of challenges. When we talk about

reforming foreign aid or rebuilding civilian capacity, what we're really talking about is having the right people on the ground with the right resources to manage our strategic relationships and to address threats before they fully materialize, and to advance our most important ideals.

Congress welcomes the role that we share in supporting and initiating this reform process. We have not successfully passed a State Department authorization bill since 2002, and I look forward to working with you to pass an authorization bill that will reform and strengthen our civilian institutions.

We have a long way to go before we fully address the imbalance between our military and civilian capacities, and restore to the State Department some of its traditional responsibilities. I know you spoke about that at some length at your confirmation hearing, and I know you are working with Secretary Gates to make that happen. Still, this budget in that context is a very important step in the right direction.

As we face multiple crises and major challenges, we need to redouble our commitment to a robust international affairs budget that will build the capacity of our civilian institutions. I commend you and the administration for this strong and ambitious budget, and we look forward to working with you to get it through the Congress and to help you implement these important initiatives.

Senator Lugar.

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

Senator LUGAR. Thank you, Mr. Chairman. I join you in welcoming Secretary Clinton. We are pleased to have the opportunity to examine the State Department budget and ask fundamental questions about the Obama administration's foreign policies.

Secretary Clinton is presenting today a foreign affairs budget that reflects an increase of roughly 9 percent over the previous year. Now, that's an important figure, but it's not sufficient to illuminate whether the budget meets our national security needs.

Although our defense, foreign affairs, Homeland Security, intelligence, and energy budgets are carefully examined from the incremental perspective of where they were in the previous year, evaluating whether the money flowing to these areas represents the proper mix for the 21st century has not been a strength of the budget process to date.

In the past, neither Congress nor the executive branch has paid sufficient attention to whether we are building national security capabilities that can address the threats and challenges we are likely to encounter in the future. The failures of the budget process usually have left funding for diplomacy and for foreign assistance short of what is necessary.

Even as we examine the State Department and foreign assistance budgets today, we should be cognizant that the Obama administration officials have been engaged in international talks on enormous budgetary commitments that could go well beyond the \$53.9 billion we are considering today.

The administration chose not to include its \$108 billion request for the International Monetary Fund as part of the regular 2010

budget. Instead, really at the last minute, the administration asked that the money for the IMF be included in the supplemental appropriation bill before the Senate this week.

Although I believe the IMF is essential to shoring up the international financial system, this process has truncated Congress' opportunity to evaluate the proposed funding. It has also encumbered the public transparency of the administration's proposal, which is critical to building broad support for the U.S. commitment to the IMF, not just this week, but looking forward to months and years to come.

Climate change negotiations have the potential for an even bigger fiscal and economic impact. Although the administration is consulting with Congress, we still have few details, and only those about the structure of a potential climate change agreement or associated financial issues with that.

There are broad expectations, and an agreement would include the establishment of several funds through which the United States and other OECD countries would help developing nations adapt to climate change and develop clean technology. This could involve the expenditures of tens of billions of dollars in Government revenue.

I mention these potential international commitments to underscore that we must see beyond the narrow confines of the State Department budget. The global financial crisis, the strains on global food and energy supplies, nonproliferation pressures, the threat of international pandemics, the potential impact of climate change, continuing instability in the Middle East, among other issues, will place enormous demands on United States leadership and resources. We have to expect additional political, economic, or even national security shocks. We know from history that societies under severe economic stress often do not make good political choices. In the face of job losses, wealth evaporation, homelessness, hunger, and other outcomes, the fabric of many nations will be tested.

The crisis is likely to stimulate nationalism that could lead to demagogic policies or governments. Under such conditions, some nations might experience a retreat from democracy. This in turn increases the possibility of violent conflicts within and between nations.

But we should be clear that expenditures should fit into a strategy that seeks the maximum impact from funds and addresses our most critical national security deficits. Expenditures that prevent problems from spiraling into crises deserve the higher priority they are receiving.

For example, as I mentioned several months ago at Secretary Clinton's confirmation hearing, food and energy, in particular, should receive far more diplomatic attention than they have in the past. Energy vulnerability constrains our foreign policy options around the world, limiting effectiveness in some cases, forcing our hand in others.

Progress will require personal engagement by the Secretary of State. I am hopeful that the Secretary will soon appoint a Senior State Department Energy Coordinator, who will have direct access

to her, in accordance with the legislation this committee passed into law during the last Congress.

I appreciate the attention the Secretary has focused thus far on global hunger. Eradicating hunger must be embraced as both a humanitarian and national security imperative. Unless nations work together to reverse negative trends in agricultural production, the combination of population growth, high energy prices, increasing water scarcity, and climate change threaten to create chronic and destabilizing food shortages.

Without action, we may experience frequent food riots and perhaps warfare over food resources. We almost certainly will have to contend with mass migration and intensifying health issues stemming from malnutrition. Our diplomatic efforts to maintain peace will be far more difficult wherever food shortages contribute to extremism and conflict.

Madam Secretary, as always, it is a pleasure to have you with us today and to have worked with you in the past weeks, as the chairman has pointed out. We look forward to your insights on these and many other matters. We thank you much. I thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Lugar. We now have a quorum present.

[Business meeting held.]

The CHAIRMAN [resuming hearing]. Secretary Clinton, we are, as I said, happy to have you here, and we look forward to your comments. Thank you very much.

OPENING STATEMENT OF HON. HILLARY R. CLINTON, SECRETARY OF STATE, DEPARTMENT OF STATE, WASHINGTON, DC

Secretary CLINTON. Thank you very much, Mr. Chairman, Senator Lugar, members of the committee, and I appreciate greatly your action on our nominees. Obviously, that's a matter of great concern, and I am grateful for your attention.

When I last appeared before this committee at my confirmation hearing in January, I emphasized the need for a comprehensive approach to the challenges that our Nation faces, instability in Afghanistan, Pakistan, Iraq, threats in the Middle East, in Iran, transnational threats, like terrorism, nuclear proliferation, energy, security, climate change, and urgent development needs, from extreme poverty to pandemic disease, all of which have a direct impact on our own security and prosperity.

These are tough challenges, and it would be foolish to minimize the magnitude of the task before us, but we also have new opportunities. By using all the tools of American power, the talent of our people, well-reasoned policies, strategic partnerships, and the strength of our principles, we can make great strides in solving or managing these problems. We have faced some for generations, and now we can also figure out ways to address the new threats of the 21st century.

The President's 2010 budget is a blueprint for how we intend to put smart power into action. The FY 2010 budget request for the State Department and USAID is \$48.6 billion. That's a 7-percent increase over fiscal year 2009 funding. Other accounts that are not

directly in the State Department and USAID jurisdiction, but are part of our overall foreign policy, are also deserving of attention.

We know that this request comes when some agencies are going to be experiencing cutbacks and when the American people are facing a recession, but it is an indication of the critical role the State Department and USAID must play to help advance our Nation's interests, safeguard our security, and make us a positive force for progress worldwide.

Our success depends upon a robust State Department and USAID working side by side with a strong military in furtherance of our three Ds—diplomacy, development, and defense—that will enable us to exercise global leadership effectively.

This budget supports the State Department and USAID in three key ways. It allows us to invest in our people, implement sound policies, and strengthen our partnerships. Let me begin with our people. Many key posts across our embassy world are vacant for the simple reason we don't have enough personnel. In Beijing, 18 percent of Embassy positions are open. In Mumbai, 20 percent. In Jeddah, 29 percent. And we face similar shortages here in Washington.

We need good people, and we need enough of them. That's why the 2010 budget includes \$283 million to facilitate the hiring of over 740 new Foreign Service personnel. This is part of the President's promise of expanding the Foreign Service by 25 percent.

The staffing situation at USAID is even more severe. In 1990, USAID employed nearly 3,500 direct-hire personnel to administer an annual assistance budget of \$5 billion. Today, the agency's staff has shrunk by roughly a third, but they are now tasked with overseeing \$13.2 billion in assistance. To provide the oversight our taxpayers deserve and to stay on target of delivering aid effectively and doubling foreign assistance by 2015, we need more people.

Our people also need the right skills to help meet the challenge of development, especially in conflict and post-conflict arenas. We're requesting \$323 million for the Civilian Stabilization Initiative, and that includes an expansion of the Civilian Response Corps.

With the right people in the right numbers, the State Department and USAID will be able to focus on our priorities: First, the urgent challenges in regions of concern; second, the transnational challenges; and third, the development assistance.

You know very well that our efforts in Afghanistan and Pakistan center on the President's goal to disrupt, dismantle, and defeat al-Qaeda. It requires a balanced approach, and that is what we are attempting to do by integrating civilian and military efforts. We're helping the Afghans, for example, to revitalize their country's agricultural sector.

With respect to Pakistan, we're supporting the Pakistani military as they take on the extremists who threaten their country's stability. But we're also making long-term investments in Pakistan's people and the democratically elected government through targeted humanitarian and economic assistance, and I appreciate the leadership that Chairman Kerry and Senator Lugar are providing on that front.

We are also seeking the resources to deploy a new strategic communications strategy. We can win the war on the ground and literally lose it in the media, and that is what is happening in so many parts of the world today. As we move forward with the responsible deployment of our combat forces from Iraq, this budget provides the tools we need to help transition to a stable, sovereign, self-reliant Iraq, and we are working with Israel and the Palestinian authority to advance the goal of a two-state solution. Now, there are many other hot spots around the world, but suffice it to say, we are attempting to address all of them.

And in addition to these urgent challenges, we face a new array of transnational threats, and these require us to develop new tools of diplomatic engagement. We cannot send a special envoy to negotiate with a pandemic or call a summit with carbon dioxide or sever relations with the global financial crisis. We have to engage in a different way, and I appreciate Senator Lugar's commitment to working with us on energy security.

An announcement will be forthcoming soon on a coordinator who will have very significant authorities within the Department in addition to our Special Envoy on Eurasian Energy, which is already making a difference in terms of encouraging the Europeans and others to begin to work more on their own energy needs.

We're also working through the Major Economies Forum to prepare for the United Nations Climate Conference in Copenhagen. And we're working now as a full partner in the P5+1 talks with respect to new approaches to prevent Iran from obtaining nuclear weapons. And the President and I have launched a 6-year global health initiative to combat the spread of disease.

It's very important to recognize the leadership of this committee when it comes to nonproliferation, energy, and climate change, and also to know that if we don't get these right, a lot of what we're doing in terms of dealing with the day-to-day headlines will not be sufficient.

It's important that development plays a critical role in our foreign policy, and that's going to require a new approach. We're taking a stem-to-stern look at USAID and our other foreign aid programs. How are we going to deliver aid more effectively? How are we going to get more of the dollar, the hard-pressed taxpayer dollar, that is appropriated for development aid to actually end up where we expect it to be? And we know that smart development assistance advances our values and our interests, and we look forward to working with you as we attempt to try to recast and revitalize our development efforts.

We also need new partnerships within our own Government. Secretary Gates and I testified before the Appropriations Committee a few weeks ago to talk about how we are working with the Defense Department and how, in the process of that effort, the State Department will be taking back authorities and resources to do the work that we should be leading on.

Now, all of this is going to require new partnerships, not only strengthening our multilateral, but also our bilateral ties, and our budget requests will fulfill the United Nations peacekeeping support that we have committed to. But in addition to our government-to-government work, we are focused on people-to-people diplomacy.

We're working with women's groups and civil society and human rights activists around the world.

Last week, I announced the creation of a virtual student Foreign Service that will bring together college students in the United States and our embassies abroad on digital and citizen diplomacy initiatives. All of this must be premised on sound principles and on sound management. So we're working to make the Department and USAID more efficient, more transparent, and more effective.

Mr. Chairman, we're pursuing these policies not only because it is the right thing to do, but because we believe it advances America's security, as well as democracy and opportunity around the world. We actually are the greatest beneficiaries when the world is flourishing, and if not, we bear the cost of the consequences.

As you said, I have traveled many miles since testifying before this committee, and I can guarantee you that there is an enormous eagerness to partner with us. I look forward to working with this committee on translating our plans and our words into the kind of action that will ensure a better, more peaceful, and prosperous future for our children. Thank you very much, Mr. Chairman.

[The prepared statement of Secretary Clinton follows:]

PREPARED STATEMENT OF SECRETARY OF STATE HILLARY RODHAM CLINTON,
DEPARTMENT OF STATE, WASHINGTON, DC

Mr. Chairman, Senator Lugar, and members of the committee, it's a pleasure to be with you this afternoon.

When I last appeared before this committee at my confirmation hearing in January, I emphasized the need for a comprehensive approach to the challenges on our Nation's agenda. We face instability in Afghanistan, Pakistan, Iraq, and the Middle East; transnational threats like terrorism, nuclear proliferation, and climate change; and urgent development needs ranging from extreme poverty to pandemic disease that have a direct impact on our own security and prosperity.

These are tough challenges, and we would be foolish to minimize the magnitude of the task ahead. But we also have new opportunities. By using all the tools of American power—the talent of our people, well-reasoned policies, strategic partnerships, and the strength of our principles—we can make great strides against problems we've faced for generations, and also address new threats of the 21st century.

This comprehensive approach to solving global problems and seizing opportunities is at the heart of smart power. And the President's 2010 budget is a blueprint for how we intend to put smart power into action.

The President's FY 2010 budget request for the State Department and USAID is \$48.6 billion—a 7-percent increase over FY 2009 funding levels. We know that this request comes at a time when some other agencies are experiencing cutbacks. But it is an indication of the critical role the State Department must play to help advance our Nation's interests, safeguard our security, and make us a positive force for progress worldwide.

In the face of formidable global challenges, our success requires a robust State Department and USAID working side by side with a strong military. To exercise our global leadership effectively, we need to harness all three Ds—diplomacy, development, and defense.

This budget supports the State Department and USAID in three key ways: It allows us to invest in our people, implement sound policies, and strengthen our partnerships. We know it represents a major investment. And we pledge to uphold principles of good stewardship and accountability.

Let me begin with people. The men and women of the State Department and USAID have the world in their hands, but too many balls in the air. Many key positions at posts overseas are vacant for the simple reason that we don't have enough personnel. In Beijing, 18 percent of our Embassy positions are open. In Mumbai, 20 percent. In Jeddah, Saudi Arabia, it's 29 percent. We face similar staffing shortages at the Department in Washington.

To address the challenges confronting our Nation, we need good people—enough of them. That's why the President's 2010 budget request includes \$283 million to facilitate the hiring of over 740 new Foreign Service personnel. These new

staff are part of a broader effort to fulfill the President's promise of expanding the Foreign Service by 25 percent.

The staffing situation at USAID is, if anything, more severe. In 1990, USAID employed nearly 3,500 direct-hire personnel to administer an annual assistance budget of \$5 billion. Today, the agency's staff has shrunk by roughly a third, but they are tasked with overseeing \$13.2 billion in assistance. To provide the oversight that our taxpayers deserve and stay on target to meet our goal of doubling foreign assistance by 2015, we need more people manning the decks.

We also need personnel with the right skills to respond to the complex emergencies of the 21st century. To help meet this challenge, we are requesting \$323 million for the Civilian Stabilization Initiative—that includes expansion of the Civilian Response Corps.

This group of professionals will help the United States stabilize and reconstruct societies in transition from conflict and civil strife.

With the right people in the right numbers, the State Department and USAID will be able to use smart power to implement smart policies. We are focusing on three priorities: First, urgent challenges and regions of concern, including Afghanistan and Pakistan, Iraq and the Middle East; second, transnational challenges, and third, development assistance.

In Afghanistan and Pakistan, our effort centers on the President's goal to disrupt, dismantle, and defeat al-Qaeda. We know that this will require a balanced approach that relies on more than military might alone. So we are expanding our civilian efforts and ensuring that our strategy is fully integrated and adequately resourced. To create conditions that will prevent al-Qaeda from returning to Afghanistan, we are helping Afghans revitalize their country's agricultural sector, which was once a major source of jobs and export revenue.

We are supporting the Pakistani military as they take on the extremists who threaten their country's stability, and we are making long-term investments in Pakistan's people and democratically elected government through targeted humanitarian assistance. In both Afghanistan and Pakistan, we are holding ourselves and these governments accountable for progress toward defined objectives. Finally, we are seeking the resources to deploy a new strategic communications strategy to combat violence and empower voices of moderation in both countries.

As we move forward with the responsible redeployment of our combat forces from Iraq, this budget provides the tools we need to facilitate the transition to a stable, sovereign, self-reliant Iraq and to forge a new relationship with the Iraqi Government and people based on diplomatic and economic cooperation. Elsewhere in the Middle East, we are working with Israel and the Palestinian Authority to advance our goal of a two-state solution and a future in which Israel and its Arab neighbors can live in peace and security.

In addition to these urgent challenges, we also face a new array of transnational threats, including climate change, energy security, nonproliferation, and disease. These issues require us to develop new forms of diplomatic engagement—we cannot send a special envoy to negotiate with a pandemic, call a summit with carbon dioxide, or sever relations with the global financial crisis. By supporting the Department's use of new tools and strategies, the President's budget will enable us to confront the threats and seize the opportunities of our interconnected world. For example, we are working through the Major Economies Forum and to prepare for the United Nations Climate Conference in Copenhagen. We are deploying new approaches to prevent Iran from obtaining nuclear weapons, and are now a full partner in the P5+1 talks. And the President has launched a 6-year Global Health Initiative to help combat the spread of disease.

On the subject of transnational challenges, I want to recognize Chairman Kerry and Senator Lugar's work on nonproliferation, energy, and climate change. Your leadership has helped shape the global debate on these issues, and we will need your wise counsel going forward.

This budget also reflects the critical role that development assistance must play in our foreign policy. We are proposing significant investments in critical programs including maternal and child health, education, food security, and humanitarian assistance. These initiatives build good will, alleviate suffering, and save lives, but they also make our country safer and our partners stronger. Smart development assistance advances our values and our interests. Our assistance programs will also reduce the risk of instability in countries that face a variety of political, economic, and security challenges. Providing responsible governments with economic support now can help avert far more expensive interventions in the future.

Our smart power approach will rely on partnerships to magnify our efforts. These partnerships begin within our own government. We are seeking an unprecedented level of cooperation between agencies. Secretary Gates highlighted this cooperation

when he testified with me before the Appropriations Committee last month. Partnerships are also vital beyond our borders.

None of the great problems facing the world can be solved without the United States, but we cannot solve any of these problems on our own. We are energizing our historic alliances in Europe and Asia, strengthening and deepening our bilateral ties with emerging regional leaders like Indonesia, Brazil, Turkey, Mexico, and India, and establishing more constructive, candid relationships with China and Russia. As we work to maximize the benefits of our policies and to ensure that global burdens are broadly shared, we must also make more effective use of international organizations. Our budget request will fulfill the United States obligations to the United Nations and provide support for U.N. peacekeeping operations.

We are also expanding our partnerships beyond traditional government-to-government efforts. In addition to working with women, civil society, and human rights activists around the world, we are also encouraging more people-to-people cooperation. Last week at Yankee Stadium, I announced the creation of a Virtual Student Foreign Service that will bring together college students in the United States and our embassies abroad to work on digital and citizen diplomacy initiatives.

Finally, we must rely on sound principles to guide our actions. We are committed to practicing what we preach. And this includes a commitment to accountable governance at home and abroad.

As we seek more resources, we have a responsibility to ensure that they are expended wisely. We are working to make the Department more efficient, more transparent, and more effective. For the first time, we have filled the position of Deputy Secretary for Resources and Management. Together, we are working to increase efficiency and implement reforms throughout the State Department and USAID.

Mr. Chairman, we're pursuing all of these policies because it is the right thing to do, but also because it is the smart thing to do. No country benefits more than the United States when there is greater security, democracy, and opportunity in the world. Our economy grows when our allies are strengthened and people thrive. And no country carries a heavier burden when things go badly. Every year, we spend hundreds of billions of dollars dealing with the consequences of war, disease, violent ideologies, and vile dictatorships.

Since last testifying before the committee, I have traveled around the globe, covering many miles and many continents. I can assure you that there is genuine eagerness to partner with us in finding solutions to the challenges we face.

Our investment in diplomacy and development is a fraction of our total national security budget. But this country will make very few investments that do more, dollar for dollar, to create the kind of world we want to inhabit. By relying on the right people, the right policies, strong partnerships, and sound principles, we can lead the world in creating a century that we and our children will be proud to own—a century of progress and prosperity for the whole world, but especially for our country.

Thank you again for this opportunity to present the President's budget request. I look forward to answering your questions.

The CHAIRMAN. Thank you very much, Secretary. Let me begin by asking you about the Middle East peace process. In conversations with Prime Minister Netanyahu, who's visited here the last couple of days, and in the course of many conversations during my recent travels to the Middle East with varied parties that are central to the peace process, there was just a unanimity of expression of their willingness to take steps, to, No. 1, take steps with respect to Israel; No. 2, even to take steps with respect to the Palestinians in the West Bank, to try to improve things, and to move forward.

There's a refocus on Iran. There's less intensity to the relationship with Israel, and a very strong sense of the possibility of trying to move forward, because everybody understands what the basic parameters of the settlement are. Given that, there was also a very powerful expression of the need to keep the window open by not inadvertently, or in some cases, perhaps purposefully, closing it by the extension of the settlements.

And so I would ask you if you could share with the committee—we shared that thought with the Prime Minister in the course of our meeting with him, and he expressed a sense that he was going

to be working with you all to come to some kind of an agreement or arrangement with respect to the—can you tell the committee sort of where you see the Middle East peace process in the aftermath of his visit here and what the process will be going forward?

Secretary CLINTON. Thank you, Mr. Chairman. Well, as you know, when the President held his press avail with Prime Minister Netanyahu, he repeated in public what he had said in private, which is that the settlements must stop. We emphasized, both in the President's meeting and in my dinner with the Prime Minister later that day, two points. No. 1, we are committed to a two-state solution. And we are going to engage intensively, as we already have begun through our special envoy, George Mitchell, to hammer out the details as to what that two-state solution would look like.

As part of that, it is clear that the settlement activity has to cease, both because on the ground, it changes the reality, which interferes with the efforts to try to achieve a two-state solution, and, as you have rightly said, it is a matter of great concern and symbolic importance in the region, not only to the Palestinians, but to others.

The second point we made is that we shared the deep concern that Israel has expressed about the potential of Iran obtaining a nuclear weapon, and that is why we are pursuing, again, very actively, along with others, an approach that we wish to explore as to persuading and demonstrating to the Iranians that the acquisition of nuclear weapons will actually make them less secure, not more.

And in the course of that, we emphasized how important it is that at this moment of history, there is a meeting of the minds among many of the countries in the region and certainly their leaders over the threat posed by Iran and the importance of working in tandem with United States to deal with that threat, but that in order for us to move forward, it cannot be either/or. We have to be working on Iran, and we have to be working to bring the Israelis and the Palestinians into a negotiation, and that's what we intend to pursue.

The CHAIRMAN. Well, Madam Secretary, I congratulate you on the administration's firm and clear statement with respect to that. All of us make that statement and have that position within the framework of our very strong, long-term, and real commitment to the State of Israel, and there is nothing in that position that I believe, and most of us believe, does anything except act in Israel's best interest. I think that it's important that you and the President have been willing to take that position, and obviously, we're very hopeful it will be fleshed out further in the days ahead.

Would you, in the interest of the duality of actions that are necessary, perhaps share with the committee the things the administration is contemplating that the Arab world might undertake in an effort to give everybody a better sense of confidence about the mutuality of this process?

Secretary CLINTON. Well, Mr. Chairman, I think that the Arab Peace Initiative speaks to the kinds of actions that we would be hoping to see occur, a move toward normalization of relations, a recognition of Israel's right to exist, economic exchanges and opportunities between Israel and other countries in the region.

I think that the general approach which we are taking is built on the same conversations that you have had as well. There is an openness to proceeding, but it is an openness that requires on all sides some evidence of good faith and putting actions down on the table that people can evaluate and assess.

I know that Senator Mitchell has had very in-depth conversations with all of the major leaders but one or two in the region, and he has a long list of the kinds of actions that are being sought by all sides. I don't want to get into much more than that because I think that has to come with the intense negotiations that are going to be starting next week, and we hope will lead to the kind of confidence-building steps that you're referring to.

The CHAIRMAN. We really appreciate that, and we appreciate the fact that you can't go into all of the details now. The committee has spent a fair amount of time, and you have spent an enormous amount of time, and Special Envoy Holbrooke, on the issue of Pakistan and Afghanistan.

If I could ask you specifically with respect to Pakistan. We have legislation that the Senate will be considering. It's a healthy amount of money. It's meant to be, in order to try to change the relationship with the people of Pakistan and to have a different kind of engagement. You have not yet had an opportunity to speak to that before the committee as a whole, and I thought it might be helpful for members here who have some questions about that funding if you would share your perceptions of why that is important and how you see that not being business as usual, and how it might leverage a better outcome than people have thus far been able to perceive.

Secretary CLINTON. Well, Mr. Chairman, our commitment to the strategy that we have devised after an intensive effort begins with our recognition of the vital security interests that the United States has in both Afghanistan and Pakistan. We believe that the threat posed to our national security emanating from the extremists, led by, coordinated by, encouraged, and funded by, to a great extent, al-Qaeda, is one that we ignore at our peril.

And I believe if you go back and look at 30, 40 years of American policy toward Pakistan, it is a quite uneven picture. It's a kind of approach avoidance, one step forward, two steps back. One of the greatest State dinners ever given was for one of the Pakistani military dictators at Mt. Vernon under President Kennedy. Our relationship has ebbed and flowed. It's gone up and down.

But I think it is fair to say that many of the problems we are dealing with today in that region are a direct result of American policy and funding during the 1980s, and our decision after the fall of the Soviet Union and the Berlin Wall to basically walk away, and our inconsistent approaches toward Pakistan and Afghanistan in the years following, and then our big bet on another military dictator, with Musharraf in the last years.

And to be just very candid, because many of you have lived through this, you've tried to help to channel it and figure out which direction to go, we are making a commitment to the democratically elected Government of Pakistan, to intensifying the personal as well as the governmental relations between elected officials and administration officials, our military leadership. And I believe that it

is a commitment that is, No. 1, worth it because of what's at stake, but No. 2, beginning to bear some fruit, as hard as this is.

If you look at the political support today, with statements that are being made by the Prime Minister and others in support of the military's action against the Taliban, we've never seen anything quite like this before. That doesn't guarantee the outcome, but it certainly is, to some extent, reassuring that the government, both in power and opposition, are now united in their recognition of the threat posed by extremism, and they are willing to make a very significant effort. And we are supporting them in that.

If this were easy, Mr. Chairman, I wouldn't be sitting here, and none of you would be as worried and concerned as you are. But I think that we are pursuing the path that holds the greatest promise for the best possible outcome. And I think your recognition and Senator Lugar's recognition that we have to demonstrate American commitment to the people of Pakistan, investments that will visually improve their understanding of what the United States stands for and actually improve their lives, is an important security priority for the United States.

The CHAIRMAN. Well, I thank you. And I would just say that the meetings that we had here were really quiet unique. I agree that the words and the meetings themselves don't do everything we have to do, but they certainly, when you consider the alternatives available to us, have provided a better set of options than we had on the table thus far.

Senator Lugar.

Senator LUGAR. Secretary Clinton, I appreciate very much you and the President nominating, swiftly, Rose Gottemoeller, who is now, as I understand, perhaps, working with Russians as we speak on the START treaty and its continuation after December 5.

I appreciate this because the intrusive inspections which occur under the START treaty are absolutely essential for us to know what is occurring with Russian weapons of mass destruction in the same way they want knowledge of what the United States is doing, and our credibility with the rest of the world depends on this type of inspection and the maintenance of the treaty. I appreciate the movement there.

I was dismayed to read in the press yesterday an article depreciating Rose Gottemoeller's presence, indicating—and this was a member of the previous administration, who I'm certain does not speak for President Bush, who had, I think, very different views suggesting that all of this arms control business was nonsense. That, as a matter of fact, the Moscow treaty was sufficient. Namely we all get there to the finish line in some fashion and intrusive inspection is hardly required, and certainly a troublesome thing to have start again.

I mention that because I suspect that many are not aware of the work of this committee for each of the 8 years during the last administration and in the Armed Services Committee and in the Energy Committee each year to beat back troubling amendments, all sorts of interferences with the ability of our country to destroy weapons of mass destruction in the Nunn-Lugar program. And I cite specifically the celebration that will occur in Russia next week when the Shchuch'ye Chemical Weapons Destruction Facility,

which is going to be the only operating facility in the world capable of destroying 2 million chemical munitions, will be initiated.

Now, anyone who believes that Shchuch'ye would ever have occurred without the United States and Russia working together, international contributions, very sizable contribution from this country, that by 2012, the Russians would have agreed to build one of the largest facilities in the world for chemical weapons destruction does not understand history.

I cite this because when President Obama went with me in 2005, we initiated another round of the so-called Nunn-Lugar legislation, which he was pleased to do and which I was pleased to have him along. I mention this, we're going to offer another bill this year, Senate Bill 873, and it implements the two important recommendations made by the National Academy of Sciences, removing limitations on the countries where the Nunn-Lugar program can undertake important disarmament work and allow the Defense Department to utilize funds from other countries to assist Nunn-Lugar projects around the world.

In the past, this was a big deal. When we found weapons above Tirana, Albania, I had to watch very closely the progress of certain legal determinations that had to be made before we could go get the Albanian weapons. I had to get personal support from President Bush and Secretary Powell, so we could in fact get those weapons out of there and destroy them. Thank goodness, we did, but we need to think in terms of proliferation in a broader sense. And so we try to destroy any barriers to countries we could work with, or contributions from countries to assist us, so the American taxpayer does not bear the whole load of nonproliferation indefinitely.

So I would like your consideration of Senate Bill 873. I think it's consistent with the things that you have testified about and the President has, but I take advantage of this hearing to mention that.

I thank you also for your announcement that we will have an Energy Emissary. Boydon Gray, in the last stages of the administration, I think did a great job going over to Europe in particular. I was with him in August and we picked up a trail after I left Georgia, coming through Azerbaijan and Turkey, to try to think through the so-called Nabucco Pipeline project. Most journalists said Nabucco is dead in the water, largely the Russians pushing Gazprom through Nord Stream and various other functions had European acceptance of the fact that they were going to be beholden to whatever the Russian supply situation might be.

But now Nabucco is back. Nabucco is back in part because of developments with Gazprom, but likewise, because Turkey, with whom we visited on that occasion, has come to some new conclusions about what is important for that country. Likewise, Romania, Hungary. Even in Brussels, where there was limited support for Nabucco, now the EU is aboard.

I mention this because this kind of diplomacy—and this came really through the President's nominee and through whatever efforts I could give to assist—I think was helpful. I think we need to do a whole lot more. The energy problems are enormous, and

your own administration at the State Department I think will be enhanced by a greater attention to energy diplomacy.

So I thank you for mentioning you're going to proceed. Let me mention that you've also indicated through the budget, support for global food security initiatives and the Lugar-Casey bill you've commended, and we appreciate that.

I'm hopeful that you will make comments as we proceed really with not only the debates on that in both Houses, but in the administration, because it clearly is an attempt to coordinate the many ways in which our country has been trying to give emergency food aid, but even more, how we can help production.

There are big disputes there. In the EU, the whole idea of genetically modified seed is still almost a theological debate. It is a debate that debilitates Africa, whatever may be the self-sufficiency of European countries. And yet, it's not going to be resolved without there being considerable advocacy.

The Bill and Melinda Gates Foundation, and both of them personally in their African work have done a great job in marking the way. Robert Paarlberg, and his remarkable book, has also observed how an aversion of GM may negatively affect food production in Africa.

But really, I'm hopeful for your help through this budget, through your own personal leadership, in coordinating a global food security strategy, in getting some focus so that we do not come to one emergency after another wondering, where should we buy the food? Here or abroad? Do American ships have to be involved with conveying every pound of it? Is the production situation so hobbled by the genetically modified argument that we just say, well, do the best you can with so-called natural processes, often a single woman on a half-acre in Africa doing the best she can. That is not going to be good enough—be the sentimental ties that some Europeans have to this type of thing, but which we do not share, and which we argue with the EU about all the time.

So I take once again advantage of this to talk about the food, energy, arms control areas, which are well-known to you, but I think can have some support in this committee in a strong bipartisan way, which has always been the case, because these are issues that we share as Americans.

But let me ask, do you have any comment about any of the above?

Secretary CLINTON. I do, and thank you very much, Senator, for your leadership and your persistence on each of these issues. We support S. 873. We agree with you that our job now should be to do as much as we possibly can to reduce the threat that you and Senator Nunn first saw and began working on, and that the threat is not just in the former Soviet Union, and that we need tools to be able to expand our threat-reduction efforts.

With respect to the energy issue, I couldn't agree more with you about Nabucco. Ever since Dick Morningstar has become our special envoy for Eurasian Energy—I think he started early April—he's probably been to Europe three or four times. He's been to the Energy Conference that was held in Sofia, Bulgaria. He has been meeting, along with me and on his own, with leaders from the caucuses and elsewhere. And we are seeing a real opportunity here.

We're going to build on the work that has been done to try to engage key partners from Turkey and Azerbaijan to all of our European friends to really look more carefully at what they need to do on behalf of their own energy security. The coordinator has the rest of the world to worry about, and there's a lot to worry about. But there are also opportunities.

When I was in Iraq a few weeks ago, we had a good discussion about ways that we might be able to assist the Iraqis. Obviously, we've got issues in our own hemisphere that we need to be paying attention to, Africa, other parts of Asia. So we will be focusing on that, and I see it as you do. I see this as a critical security challenge.

And finally, with respect to food, I see Senator Casey here, and he was gracious to come to the breakfast we hosted where we talked about the program that we are rolling out. The President asked the State Department to coordinate our government, and it's really the first time that we've had this concerted effort because there are different pots of money and different programs in different places.

But we think both in terms of making our emergency aid more efficient and getting more dollars into the actual aid, as opposed to the 60 or 70 percent that now goes into administration and transportation, which is a shockingly high figure.

But we also need to be looking at sustainable agriculture. We're going to be working with several key countries and trying to introduce where they are willing—hybrid seed, fertilizer practices, new irrigation approaches. Because the soil is depleted, and the small parcels, as you rightly point out, where women bear most of the physical burden of trying to grow whatever can be grown, are just not sufficient.

So this is an exciting effort we're undertaking. We look forward to working with you and Senator Casey and others who share our passion and commitment.

Senator LUGAR. Thank you very much.

The CHAIRMAN. Senator Dodd.

Senator DODD. Thank you very much, Mr. Chairman, and welcome once again to the committee. You're doing a remarkable job. I just—listening to you respond to Senator Lugar's observations, very, very impressive that you're just knowledgeable and thoughtful about these issues and giving it a lot of attention over the last number of weeks. So we're very fortunate to have you where you are.

Let me pick up on Senator Kerry, the chairman's opportunity he gave you to talk about Pakistan and to talk about the aid coming up. And clearly, this is a priority of the administration, a priority of all of us, and should be, given the military efforts against the Taliban, the refugees just coming out of Swat Valley, as you point out, at least an improved response. Senator Kerry held a very worthwhile, I thought, luncheon with Members of Congress, and President Karzai and the Prime Minister as well. So it was a very good opportunity for us to see them come together. The language, you point out, is very different than it would have been only a short time ago.

There have been reports, obviously, in the last few days about the aid package and the possibility this aid package might be used by Pakistan to increase its stockpile of nuclear weapons or increase the military forces along the Indian border. Obviously that raises a lot of concerns. I know it does with you and everyone as well.

I wonder if you might share with us your observations about that, what the administration's position is. And second, in terms of aid to the Pakistani people, which is something all of us would like to see, how should that be—give us—flesh that out a bit, if you would, as to what you think might be the best way to frame that in a way that deals with education, poverty, sort of rebuilding that relationship with the Pakistani people, which is something I think critically important, as well as obviously the support for their efforts against al-Qaeda.

Secretary CLINTON. Well, thank you so much, Senator. First, with respect to the Pakistani nuclear stockpile, we are very clear, very firm, and quite convinced that none of our aid will in any way affect the efforts by Pakistan regarding their nuclear stockpile. I mean, over the medium term, we hope to see a reduction of tension between Pakistan and India. The nuclear deterrent is obviously there as a backstop with respect to a much larger conventional force.

But the hope is that there can be a resumption of discussions between the two countries that will perhaps give a little more confidence to each. But we are absolutely committed not to seeing any diversion of our money or any use of it that would be other than what it's intended for.

And I think that's related to your second question. We feel very strongly that we need to be working with civil society in Pakistan. It was quite remarkable what the lawyers did, and there are other signs of a growing sense of civic activism on the part of Pakistani citizens.

We're also encouraging the Pakistani diaspora to create funding mechanisms, comparable to what was done with the Irish-Americans, with the Ireland Fund, or with Jewish-Americans and the support of Israel through Israel bonds. We've begun to organize a group of Pakistani-Americans to create those kinds of funding mechanisms that go right to specific projects.

We're going to be very detailed about the requests that we make of the Pakistani NGOs and government and our own funding vehicles, because our goal is to, as you alluded, to demonstrate that it makes a difference in the lives of the people of Pakistan.

I'll give you one small example of what we're trying to do in our aid to refugees. I asked that as part of our \$110 million initial refugee aid package, that we set aside money to buy wheat produced in Pakistan. Actually, President Zardari deserves credit for the bumper wheat crop, because he took some very tough economic decisions right at the beginning of his term in office, and the Pakistanis are now self-sufficient and actually in a position to have a very good year in wheat.

Well, let's buy it from them. Let's put some of the Pakistanis to work making clothes and other necessary items that their fellow citizens who are fleeing the Taliban need. We want to encourage the economic development and the development of civil society in

Pakistan. So we're trying some different things. We're also looking to the Pakistani Government to be much more transparent, much more accountable, and we have that kind of entrain, as well.

And all of these are our efforts to be as sure as we can that we see results. We want to know how many schools are built to replace the madrassas. We want to know how many clinics are built and how much a difference it's making. We want to see the accountability measurements, and we're working, and we'll have such metrics available shortly to share with you.

So we're going at this in as specific a way as possible, because we know it's the only way that we can come back to you and come to the American people and say, "Here's what we have tried to do and the results we've gotten."

Senator DODD. And just on the last point on the—there's always a resistance I think, to some degree, on overburdening these efforts with minute conditionality, because it would be counterproductive. At least, that's been my experience.

But on the stockpile issue, would you recommend or suggest anything that we ought to be considering from a congressional standpoint to include as part of an aid package that would help in that regard?

Secretary CLINTON. I think that's worth considering, and let me come back to you. Because obviously, that's our intention. That's our policy. That's what we expect. And let me explore whether there might be a way we can partner up on that.

Senator DODD. Great. Thank you very much. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Dodd.

Senator Corker.

Senator CORKER. Thank you, Mr. Chairman, and Madam Secretary, welcome back.

Secretary CLINTON. Thank you.

Senator CORKER. Thank you for the job you're doing. And one that's actually on the topic for just a moment—I know we're talking about foreign aid, and certainly I support robust foreign aid. When you were being confirmed, we talked a little bit about prioritizing these programs. I would guess if you're in the State Department or USAID, you have to be a little bit of a budget-juggler to figure out which fund to go after in order to provide services. That, obviously, is not healthy.

But then in addition to that, it kind of waters down our effort strategy. You mentioned at that time—I know you have a lot going on—that 6 months out, you might provide that for us. And I just wanted to remind you. I know you're busy, but I do hope that that will be forthcoming to help us. I think that here, a lot of times we hear of good ideas and we pass out an authorization, and a lot of times, we just water down already effective efforts. So if you would help us with that, that would be most appreciated.

Secretary CLINTON. Senator, I really appreciate your emphasis on that, because it's exactly what we should be doing for ourselves, as well as for you. We know we've got to prioritize, and part of what we've done with special envoys and the teams that we've built around them is to say that these are some of the higher priorities, and then we're working on some additional areas that we think

have significant international and regional consequence. And 6 months, I guess, is July or August. We'll try to get something to you about that.

Senator CORKER. Now, back off topic. We did have an interesting lunch that many of us attended with the President of Afghanistan and Pakistan. We have different views of what was said at that lunch, but I was really stunned by the President of Afghanistan's inability to articulate in a way that's comprehensible what our mission in this country is. And I think it probably stunned most people who were there.

So certainly, we deal with the people that are there to be dealt with. I understand that that's the way it is. We have an amendment on the floor right now as part of the supplemental I'd hope you will support. It's one that does not tie the hands of the administration in any way, but does ask for metrics and benchmarks so that we actually know whether we're achieving our objectives in Afghanistan and Pakistan.

My guess is there's not a soul in the body that could actually articulate in a full way what our mission is today in Afghanistan. And I know that's not a criticism. I understand that there are new efforts that are underway and people are trying to coordinate things in a much different way than have happened in the past. But it'll also require some quarterly reporting back to let us know if we're meeting those objectives. And obviously, it gives the departments the flexibility to alter those if that's necessary.

Now, I don't know if you want to give comment now, but I would hope it would be adopted. I can't imagine a Senator here, with the sacrifice that our men and women in uniform are going through, and all the folks on the civilian side, would not want, as a matter of funding, to know what our real objectives are there on the ground.

Secretary CLINTON. Well, Senator, I haven't had a chance to look at the amendment. We will look at it. But your general point is one that we agree with, that we need measurements of performance for ourselves, for our partners in government, in the military, in law enforcement, in every area of the society that we are interacting with. And we have put together our suggested metrics. They're going to be integrated with the intelligence approaches, with the DOD approaches and others, and the National Security Council is coordinating that.

But we do intend to have such measurements and to hold ourselves and others accountable to them. And it is—you know, it is somewhat challenging because, for example, in many of the conversations that I've had with the leaders of these countries—President Karzai, for example—there are very specific results that we point to.

When the Taliban fell in Afghanistan, there were only about 4,000 students in higher education, and they were all men. Now there are more than 40,000, and half of them are women. There were no access to health services hardly anywhere in the country. We've made tremendous progress on that. A very successful program, the National Stability Program, that we helped to fund, but which is run through the World Bank, is now in more than 20,000 villages. And they are learning democracy by making decisions.

So there are actually some very good milestones that we have helped the people and the Government of Afghanistan achieve. But we're going to put all of that into our process and come up with the specifics going forward that we're going to be looking to judge ourselves and others.

Senator CORKER. That would be very helpful. And again, I think it's not only helpful to the Department and hopefully to those of us who are appropriating money to help cause this to come to an end and be successful, but I think it actually might be helpful to the leaders that we're working with, and I know to the men and women in uniform that are on the ground. So thank you very much.

We had a meeting the other day with the Prime Minister of Israel. It's been alluded to here. Before he came in, I was a little—his nonagreement to a two-state solution thus far was a little bit of a putoff. Actually, in listening to him, I'd have to say that I felt like he gave some very sophisticated answers. Smart person. Been around the political arena quite a while and has the ability to certainly navigate verbally in that way.

One of the things, though, that did strike me about the meeting—and I have hopes that, by the way, we're going to be very successful there, and I think he may end up being a very good partner in that. But one of the things that he was asking first is that before there's any kind of agreement regarding the Palestinian areas, that there will be an agreement with the United States. And he emphasized that two or three times in this meeting.

You talked earlier about what it is that we stressed to them. OK? I'd love for any indication of what he might have been stressing to us when he was alluding to the fact that he wants to have an agreement with us first.

Secretary CLINTON. Well, Senator, I can't speak for the Prime Minister, but I think that it's likely he was referring both to the grave concern that he feels about Iran and the threat that a nuclear weaponized Iran would pose to Israel. And he wanted to be kept fully informed, which, of course, we told him he would be, in the efforts we're undertaking with Iran.

I would also imagine that he wanted to be reassured and have our commitment to Israel's security reinforced, which, of course, we feel strongly about and did. And then finally, with respect to any future agreement with the Palestinians and with their Arab neighbors, there may be undertakings and agreements that the United States would be asked to participate in, which are not yet formed or in any way decided. But there might be additional security guarantees, for example, that Israel would seek. So I would imagine those are the broad areas that he is referring to.

Senator CORKER. Well, thank you. And then my final question—I know my time will be up soon—the whole energy issue that I'm so glad Senator Lugar and you discussed earlier, and I know that we now have an envoy that's focused on Eurasia.

It's pretty fascinating to think about a pretty civilized part of the world, Europe—been around for a long time. Has a European Union that is put together. And it seems that we, in many ways, are far more concerned about their energy security than they are.

They put in place a cap-and-trade system not long ago, which created a tremendous amount of fuel switching. They were dependent upon coal. They switched to natural gas as a result. It made them even more vulnerable, OK, to Russia. Nabucco was off the table. Now, thankfully, we've got it back on the table. We were in Azerbaijan not long ago, quizzical about the fact that that was not front and center to Europe.

I wonder if you might explain to us, from your perspective, the dynamics of why a civilized society mostly that exists in the European Union would be so much lesser concerned about their energy security than we are.

Secretary CLINTON. Well, Senator, I don't pretend to have any psychological insights. I can only say that what we have seen in the last 4 months is an increasing concern. It may very well have been less prominent on their list of priorities before, but certainly now, it is back front and center.

And there is a great willingness now on the part of a number of the Europeans, as well as the EU, to discuss these issues. For example, there have been recent efforts by the EU to try to get Ukraine to look at the development of their natural gas supplies. They have quite a healthy reserve, which they've never adequately developed.

So I think that sovereignty, somewhat being complacent, we've fallen into that trap ourselves, obviously. We didn't take our own energy security and our own climate implications as seriously as we needed to. I think that it hasn't been on the front of people's political agenda the way it's needed to be, but I think it's now much more prominent than it was. And we're going to take advantage of that, and we're going to work with our friends and our allies.

And the reason, of course, that—I mean, we think energy security is a classical security issue, particularly for the Europeans, vis-a-vis Russia and some of the actions we saw in the last year. We think it's a part of the answer to climate change, being smarter about where you get your energy, how more efficient you can be, and the like.

But we also think it is a real test of governance capacity for a lot of these countries to recognize that they just can't be complacent. And so we're working on all of those fronts simultaneously.

Senator CORKER. Thank you very much.

The CHAIRMAN. Thank you, Senator Corker.

Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman, for holding this hearing, and Secretary Clinton, it's good to see you again. I know you are very busy, and I appreciate your willingness to come before the Congress today on the budget issues. And more generally, I just want to thank you again for your willingness to consult with your former colleagues on a regular basis. It's a reminder of how the various branches of government are supposed to work together, and frankly, it's a refreshing change.

Madam Secretary, the administration intends to continue providing foreign military financing, or FMF funds, to the Pakistani security forces in the fiscal year 2010 budget. And yesterday, you noted that "Our policy toward Pakistan over the last 30 years has

been incoherent,” which is why it’s so important that as we consider a continuation or increase in assistance, we fully address ongoing concerns.

You’re obviously well aware of these reports of ties between elements of Pakistan’s security services and the Taliban. So is State preparing contingency plans in the event that these elements continue to support the Taliban, or if Pakistani leadership fails to hold them accountable for providing such support?

Secretary CLINTON. The short answer is, yes, Senator. We are encouraged by the very candid, open relationships we have developed, not just with the elected leadership in Pakistan, but indeed, with the intelligence service, with the military, and with other elements of the government as well. And we’ve been very forthright and very demanding of the kind of response we expect with respect to the money that we provide.

We are going to be vigilant and keep our eyes open about what we see happening on the ground. But at the moment, we think that we’ve got a good understanding to proceed on.

Senator FEINGOLD. Do we disburse these funds for the Pakistani military—whether FMF or coalition support funds or in the future, counterinsurgency funds—directly to the military or to the civilian government?

Secretary CLINTON. You know, historically, it has been a mixed bag, because the civilian government was not really a civilian government. And so it was kind of one and the same. We are trying to get to a regular order as much as possible. There are exceptions to that because there are certain programs and certain urgencies in providing funds that might go directly for procurement or directly into immediate battlefield support. But we are trying to regularize this to go through the civilian government. That is our goal.

Senator FEINGOLD. Secretary, section 1206 of the National Defense Authorization Act for Fiscal Year 2006 not only provides funding for training and equipping foreign military forces, but also provides the Secretary of Defense with primary authority for programs carried out under those auspices. Traditionally, however, support for foreign militaries has fallen under the FMF or IMET accounts at the State Department.

In your efforts to rebuild and restore capacity at the State Department, why wouldn’t you seek to have these funds transferred to State?

Secretary CLINTON. Senator, we are in the process of actually working to begin that transfer, both of authority and funding. In the supplemental, as you know, we requested money for Pakistan that will be under the supervision of the State Department, but go through the Defense Department. In the 2010 budget and beyond, we are working at the highest levels of our two Departments to begin to bring back the authorities and the resources that go with them to the State Department. And that is our goal.

Senator FEINGOLD. Would you object to the Congress appropriating these funds directly to the State Department with the exact same authority provided to the Pentagon under current law?

Secretary CLINTON. Senator, what we would like to do, because there is a question of capacity at this moment and our ability to

actually deliver—we're building it up, and I think we're building it up in an appropriate and robust way—I'd like to get back to you on that. Because we have worked through with the Defense Department the kind of transition that we're working on. I don't want to short-circuit it if it's going to cause problems in the actual delivery and accountability that you deserve.

Senator FEINGOLD. Thank you. I was interested to see that the President's fiscal year 2010 request for foreign military financing includes a substantial increase for Africa. In particular, the FMF request for Ethiopia is some \$2.2 million more than last year's request, and I certainly understand the important strategic role that Ethiopia plays in the volatile Horn of Africa.

I am worried and have raised concerns about ongoing reports of misconduct and human rights abuses by the Ethiopian military. In addition, I'm concerned that in the runup to the 2010 Ethiopian elections, additional funds for their military could send the wrong message when we're seeing an increasingly diminished political space, tightening restrictions on civil society, and ongoing reports of human right violations in the conflict-affected areas.

Can you explain why you're proposing this influx of funds and share your thoughts on how, along with the legally required Leahy vetting, we can ensure our assistance is not funding militaries that undertake abusive behavior?

Secretary CLINTON. Well, Senator, I think that you know that I have asked our new Assistant Secretary, Ambassador Johnny Carson, to immediately review what we're doing in the Horn of Africa to determine our best way forward. I take very seriously all of the questions you've raised about additional funding for Ethiopia. I think we have to balance it, as you alluded, between the security needs, plus our human rights, and the—we don't want to interfere with the internal affairs in Ethiopia by omission or commission, in terms of what messages we send.

I believe that we will have this review done shortly. I've asked Ambassador Carson to really focus in on this. And we'll take everything you said into account and try to come up with the best approach we can.

[The written information submitted by the State Department follows:]

The increase in funding will further develop the command and control capabilities of the Ethiopian National Defense Force (ENDF) to build effective counterterrorism operations, including respect for human rights as a counterterrorism tool. This also supports a broader interagency effort to address possible terrorism threats emanating from Somalia. As Somalia's instability has increased, the threat posed by a terrorist safe haven in southern Somalia to U.S. interests and our regional allies has grown more urgent as a key security priority.

The enhanced command and control that is the goal of this programming will foster better unit discipline and accountability, both of which will render human rights abuses less likely. Please be assured that all of our security assistance activities promote adherence to U.S. standards on human rights, civil-military relations, and the rule of law.

We remain vigilant for any abusive behavior by the ENDF, particularly with regard to the upcoming general elections in 2010, and we remain ready to register our strong disapproval and take other yet-to-be determined measures, should doing so become necessary.

Senator FEINGOLD. But, Madam Secretary, are there circumstances where United States military support to Ethiopia would be discontinued or rescinded?

Secretary CLINTON. Yes.

Senator FEINGOLD. Thank you for that direct answer. Let me switch to something else. At your confirmation hearing back in January, I asked about State Department policy regarding the partners of LGBT Foreign Service officers, and you indicated that you would be conducting a review of the existing policy.

The President's budget clearly demonstrates a commitment to building a more robust and effective diplomatic and development corps, but I remain concerned that our ability to recruit and retain qualified individuals may be hindered by the existing policy. Could you please tell me what the status of the review is and when any decision on possible changes to the policy might be made?

Secretary CLINTON. Senator, we have conducted a very thorough review and analysis, and our decision memo is in the process right now. We should have a decision and an announcement shortly.

Senator FEINGOLD. Very good. This may relate to my followup, which is that in a markup today on the Foreign Relations authorization bill in the House, Representative Berman removed language that would have extended domestic partner benefits to same-sex partners of eligible Foreign Service officers, and which also addresses international LGBT issues through improved reporting and the annual human rights reports, engagements on global decriminalization efforts, and LGBT training for Foreign Service officers.

He said that he agreed to this removal only because he had received indications that you were already planning on implementing these recommendations. Could you comment on that?

Secretary CLINTON. Well, Senator, we will be able to comment on it very shortly. We're in the review process, and I don't want to get ahead of myself. But I believe that we should have an announcement very soon.

Senator FEINGOLD. I look forward to hearing the results of your review. Madam Secretary, despite a bungled election in Zimbabwe, the two major political parties were able to come to an initial agreement that obviously, while still far from perfect, is an important step forward.

As you recall, in 2001, I worked with then-Senator Frist to pass the Zimbabwe Democracy and Economic Recovery Act, and the bill did impose restrictions on assistance to the Government of Zimbabwe until there was a peaceful democratic change, equitable economic growth, and restoration of the rule of law.

At this time, I don't believe, Madam Secretary, that those benchmarks have yet been met, and therefore, I question whether it's appropriate to consider lifting the punitive portions of this bill.

However, I do think we need to consider how we can provide strategic assistance to the progressive elements in the new unity government and support reforms, while maintaining appropriate restrictions to ensure our assistance does not fall into the hands of Robert Mugabe and his cronies.

Accordingly, as we review the FY10 budget, how are you planning to support Zimbabwe's transitions, what kind of assistance are

we prepared to provide, and what conditions will we require in order for individuals in the government to receive this kind of assistance?

Secretary CLINTON. Well, Senator, I share your concern about Zimbabwe. It's been an area of great tragedy because of the unfortunate governance of the country. The new unity government is making some progress. I agree with you, we're not yet ready to lift the punitive sanctions.

We are reaching out to South Africa with its new government, which we think can play a major role, if it so chooses. As you know, other aid groups, both multilateral and unilateral, have lifted their boycott of Zimbabwe and are beginning to provide aid again. But we are committed to assisting the people of Zimbabwe insofar as possible, while we work with other partners, like South Africa, to try to ensure that many of these changes are going to be lasting and are not left to the whims of President Mugabe.

So I don't have a good answer for you right now. I think that this is an area that we've just begun to raise with the South Africans. They obviously have the most influence in Zimbabwe and with the leadership there. And they've urged us to come back in with our aid, and we've responded that we want some greater transparency and awareness.

I mean, I have to say I was just heartsick to read an article a few weeks ago about the new Minister of Education, who was on a survey of the schools that had no teachers, no books, no facilities of any sort. And he was getting an urgent phone call from the President's office, which he finally was able to take, and he was told he should come immediately to pick up his new Mercedes. And I just was just dumbstruck.

So we're not going to participate yet, Senator. And I don't want the people of Zimbabwe to suffer any more than they have. They don't deserve what has happened to them, and that country, which had such promise, now has been so badly misused. But we also are not going to play into that kind of behavior, either.

Senator FEINGOLD. Thank you very much, Madam Secretary.

The CHAIRMAN. Senator Boxer.

Senator BOXER. Madam Secretary, thank you so much for your dedication and for coming before us today. And I will get right to a subject that I know you and I share concern about. Last week, Senator Feingold and I held a joint subcommittee hearing with the full support of our chairman to examine the use of violence against women, particularly rape, as tool of war in conflict zones.

Ambassador Verveer was on our first panel. She was very knowledgeable and very helpful. We looked specifically at the Democratic Republic of Congo and Sudan. I could tell you, it was one of the most disturbing and troubling hearings that I've ever sat through in my life, and I've been to many.

At the hearing, my colleagues and I heard heart-wrenching testimony from witnesses who have seen firsthand these brutal acts. One of them—I won't name her name again—she was there. She's a journalist. She flew in from the Congo and told a story of a mother of five children who was kidnapped by rebels, taken into the forest with her children, and kept there for several days.

As each day passed, the rebels killed one of her children. And I will spare you the rest of her story, because it even gets worse than that, but I just can't even bring myself to tell it.

This journalist also went on to tell the story of women who were raped and set on fire, and then, after a string of these stories, this journalist said, "Why? Why such atrocities? Why do they fight their war on women's bodies?"

Well, we heard a number of recommendations, because my focus, and Senator Feingold's was to ask—what can we do now? So here's what I want to ask you about. I do not expect you to answer in any way in depth any of these suggestions. What I want to do is to tell you that I'm working on a letter with Senator Feingold and any other Senator who wants to join. We are going to send to you these recommendations that we heard that we think are good.

So I'm going to lay out what a couple of them—just a couple, to give you a sense of it, and then the one commitment I hope to get from you today is that you will absolutely get back to us as soon as possible after conferring with Ambassador Verveer on which recommendations make sense so we can start to move forward. We cannot wait until the war ends in Darfur. We cannot wait until the war ends in the eastern Congo. We have to act now to stop this torture, if I could use the word.

So in respect to the Democratic Republic of Congo, we're looking at proposing something like this—a plan to deploy sufficient numbers of surgeons to perform the surgery that's necessary for victims of brutal rapes who suffer from obstetric fistula. Right now, we're told there's just a couple of doctors in East Congo that are trained to do this.

Also, we propose that the United States help to train and deploy mental health professionals, to help victims of these atrocities get back some semblance of a normal life. We also propose a plan to train an all-female Congolese police force, and to create a strong legal system, and an intensified diplomatic effort with Rwanda and Uganda to bring an end to the instability and the violence.

In respect to Sudan, we're looking at working with the NGOs to get them back in there, because it is a horror story, that they have been forced out of the country. And with respect to the whole situation in Africa, we would love to see a major address by someone in our Government—if it's not the President, then the Secretary of State—in conjunction with the United Nations' report that's coming out on Resolution 1820, which demands an immediate and complete cessation of all parties to armed conflict in all acts of sexual violence against civilians. So that report is coming.

We think America needs to step forward. Senator Shaheen and I are very dedicated to lending our voices. And I know there are many others, both male and female who want to lend their voices as well. So, if you could just give me a general response to what we're trying to accomplish here and a specific commitment to get back to us when you see the letter.

Secretary CLINTON. Well, you certainly have that commitment, Senator. And thank you for your willingness and your passion to raise these issues time and time again, because they deserve them.

We are as distraught as you about the specific acts of violence against women in conflicts like the Democratic Republic of Congo

and more generally the way that women have been used increasingly in war. And I think your specific suggestions are really worth considering. There may be some ways to work with some of the NGOs to get more surgeons in. We have provided some of that. There are a dedicated group that go in periodically to do exactly what you're referring to.

We learned some lessons out of Bosnia. Whether they're applicable or not we need to explore, but I think the mental health professional piece of this is very important. The police force, the training, giving women more control over their own security is more challenging, but I think an excellent idea worth pursuing. We have our special envoy to the Sudan. Former GEN Scott Gration working tirelessly to get NGOs back in to Darfur, and we are dedicated to doing that to try to help the people there.

And I agree completely that we need to elevate this issue and I will take this on board to do with respect to Resolution 1820 and the report.

Senator BOXER. Well, I'm really happy, because I think we can make an enormous difference, and there's lots of other ideas I don't have the time to go into, but I think you'll find a lot of these are well thought out. They come from very good people with smart ideas, so we hope you'll look at them.

I want to also just say in Darfur we found out that one of the big issues is that women are attacked when they have to leave the security of their camps. So we could do very simple things like getting solar ovens so they don't have to go get the fuel and go out on the roads, simple things that, you know. NGOs could help us with this. This is really a matter of will. It's not a matter of money.

Secretary CLINTON. Well, you know, and your—

Senator BOXER. We have the—if we have the wherewithal to do this, we can do this.

Secretary CLINTON. And we can be creative about it. I mean, the single activity that women have to engage in under the norms of their societies, collecting firewood—

Senator BOXER. Exactly.

Secretary CLINTON [continuing]. Which takes them often hours away from their camps, we need to try to resolve with other means of cooking stoves.

Senator BOXER. Right.

Secretary CLINTON. And there's a lot that we would like to be able to do, and we have a whole list, if we can get back into Darfur to actually act on that.

Senator BOXER. Well, you know, my view is that when you or the President—this is my hope—go to the United Nations, it's going to be hard for people to turn away from such a simple point. So anyway, I hope that I'm right on that. I wanted to also thank you very much for your support behind the scenes with me in working to get more funding into the supplemental for Afghan women and girls. And as it turned out, we got what we wanted. We got \$100 million for the women and girls and we have very specific language in the supplemental that will go to women-led NGOs, because that's a big problem.

You know, in Afghanistan we still have so many problems. You know Dr. Sima Samar who is the chairperson of the Afghan Inde-

pendent Human Rights Commission? She tells us stories, including one of a 75-year-old woman who—oh, it's hard to say these things. She was nailed to a tree for allegedly collaborating with the Afghan Government and the United States.

Female government and police officials are targeted for assassination. And women and girls are victimized with brutal acid and poison attacks just for going to school. In 2008 there were 292 attacks on schools resulting in 92 deaths. That's why my own view is that I don't want to walk away from the people of Afghanistan now until we give it a real try. I was happy to know and you'll be happy to know that Eleanor Smeal just wrote a letter to me supporting the supplemental, because the supplemental is so strong on making this attempt to help women.

My last question I have for you has to do with Aung San Suu Kyi who was put on trial on Monday. I know you've been very outspoken about it. And from what I understand the Chinese and the Indians have quite a significant trade relationship with Burma. Do you think there's an opportunity for the United States to encourage China and India to use their economic leverage with Burma, to push for her release? And do you see any other opportunities for pressuring the Burmese regime on this matter?

Secretary CLINTON. Well, Senator, thanks first of all for the great work that you did and led on specifying money for Afghan women and girls. It's a high priority for us, and I'm very grateful to you. With respect to Burma and Aung San Suu Kyi, we have been working very hard since I became Secretary of State to look at all of our options regarding Burma. How can we influence their behavior more than we obviously have to date? Clearly, China, India, and a few other countries are major players, and we're going to try.

I don't think we can make any kind of assurance, because we don't know whether we'll have any success in convincing them otherwise, but it is outrageous that they are trying her and that they continue to hold her because of her political popularity, and they intend to hold elections in 2010 which from the beginning will be illegitimate because of the way they have treated her.

So it's our hope that this baseless trial will end with a quick release of her and then a return to some political involvement eventually by her and her party.

Senator BOXER. So will you raise the issue with India and China, though, because—

Secretary CLINTON. That is part of our—

Senator BOXER. Very good. I thank you so much. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Boxer.

Senator MENENDEZ.

Senator MENENDEZ. Well, thank you, Mr. Chairman. Madam Secretary, thank you for your service to our country. I certainly admire it. I wanted to ask you about Pakistan, and I've heard some of your answers already but I'm not assuages, and here's my concern.

You know, as someone who has consistently supported our efforts there with my vote, I look at the reports that Senator Harkin and I asked for at the GAO and \$12 billion later we have very little to show. And so, the question is not a commitment to Pakistan. The

question is, Are we going to have a strategy and metrics of benchmarks by which we can judge that continuing to use billions of dollars of the Federal taxpayer money is going to achieve our goal?

And I look at the President's budget. It's got \$1 billion in economic support fund. I look at the supplemental that is before us tomorrow. It's got \$906 million. I learned today—I was told originally that there was no coalition support funds in this supplemental. Now, I understand there's about \$750 million in the supplemental going to Pakistan and coalition support funds. That was one of the slush funds that existed in the past.

And I look at what Pakistan has done over the last 2 weeks, which may have been impressive but I'm looking at it in the more total context. You know, you have a set of circumstances where you have our CIA director there supposedly in a private meeting, and all of a sudden there's a video tape put out by the Pakistanis of their conversation. What was that for, if not to undermine the very essence of that conversation?

You see one step forward and two steps back. You see the ISI was just reported to be reticent. And I heard your answer about none of our funds will allow the Pakistanis to purchase nuclear weapons, but the reality is money's fungible. And so, we give them money to do one set of things, their money is freed up to go ahead and buy nuclear arms.

So what is it that you can say to me that is going to assuage me that we are doing something different? That we have benchmarks here in accountability that will be different? That we have a coherent comprehensive strategy that there are benchmarks against that will be different? And I hear that we are reticent about benchmarks because they're constraining, but by the same token, you know, if you look at that GAO report, they basically said the lack of indicators to judge has left us \$12 billion and no success.

Secretary CLINTON. Well, Senator, I certainly understand your questions, because they're ones that arise naturally out of the events and the consequences of the last 8 years, and I'm well aware of the report that has recently come out about the coalition support funds and the questions that it raises. We are starting our efforts with a commitment to metrics of measurement and benchmarks. We will very soon have the integrated set of these that will come out of the process that we've all been engaged in, but I think it is quite a difference from what we've seen over the last 8 years.

We will be measuring ourselves and measuring others, and there are ways to measure. You know, do we see the kind of sustained, concerted efforts by Pakistani security forces against the Taliban? As we share information with them, do we see that information being used effectively in the joint efforts against the extremists? Are we able to track the money that we give for economic development or for education and see the results?

We are going to hold ourselves to this. I mean, I was as frustrated as anybody when I sat where you sit on the Armed Services Committee, and we couldn't get any kind of measurement for either a rock or Afghanistan or Pakistan out of the prior administration. And you remember how resistant they were in sharing information. We intend to be forthcoming and we intend to share with you exactly how we're going to measure ourselves.

Senator MENENDEZ. When do you think those metrics will be available?

Secretary CLINTON. Very soon. I mean, you know, as I say, we finished the strategic review, the President announced it, the Department of Defense has made its recommendations, the State Department has made its, intelligence agencies have, and the National Security Council is integrating all of that, and I expect there to be a product that, you know, will be forthcoming soon.

Senator MENENDEZ. "Soon," a month? A week?

Secretary CLINTON. I don't know, because that's in the—

Senator MENENDEZ. Let me ask you this about—

Secretary CLINTON [continuing]. White House's hands.

Senator MENENDEZ [continuing]. Pakistan. There's widespread concern that its corruption is such that the country has neither the capacity to absorb or the monetary mechanisms to oversee the kinds of aid that we are anticipating. Is that not a concern for us?

Secretary CLINTON. It is, and it's why we are working very hard to identify vehicles for our aid to go through that we can hold accountable. NGOs, both some locally and Pakistani NGOs, international NGOs, others that we think are good, trustworthy mechanisms. We're also working closely with the government to help them develop the capacity, because you're right. It doesn't exist.

I mean, part of what has happened in Pakistan is because democracy was never really given the chance to take root the way it needed to be. You're right. The institutions are not strong, they're weak. And we understand that we have to work with the Pakistani Government to help build those and provide support.

Others are helping us. This is not just an American project. There are other countries that are equally invested, and we're working hard to have their assistance. At the Tokyo donors' conference for Pakistan, over \$5 billion was pledged. So there are a lot of countries that are willing to put their money on the table in return for more accountability and transparency, and that's what we're trying to provide.

Senator MENENDEZ. Well, I'll look forward to the metrics and the accountability, because there's no question that Pakistan is important. Important to us, important to the region and the world. The question is, you can throw all the money in the world at it, but if you don't have the right measurements and you don't have the right effectiveness, that money doesn't necessarily produce your national goals.

So let me just turn to one other topic with what time I have left, and that is the OAS, the Organization of American States. Article I, Article III, Article VII of the OAS, the democratic charter of the OAS, the Inter-American Democratic Charter of the OAS talk about what are the standards by which a country who is going to participate in the OAS must meet?

It talks about the right to a democracy. It talks about representative democracy. It talks about human rights. It talks about fundamental freedoms. It talks about the exercise of power in accordance to the rule of law, the periodic free and fair elections based on secret balloting, and universal suffrage as an expression of the sovereignty of people. It talks about a whole host of what we would

consider inalienable rights here at home and for many people across the world.

So my question is, If that is not our standard, but the OAS's standard, do we believe that that standard needs to be preserved or are we willing to undermine that standard? And if the answer is we believe that standard needs to be preserved then would we oppose the entrance of a country who in every measurement by every independent nongovernmental human rights organization would say those standards cannot be held?

Secretary CLINTON. And the answer is, yes. We believe that those standards as embodied in the principles of the Inter-American Democratic Charter are ones that were adopted unanimously by the member countries of the OAS. They are certainly reflective of our principles and our values, and any effort to admit Cuba into the OAS is really in Cuba's hands.

They have to be willing to take the concrete steps necessary to meet those principles. We've been very clear about that. Move toward a democracy, release political prisoners, respect fundamental freedoms, you know, that is what it means to be a member of the OAS. And when the OAS Charter was unanimously adopted, there was an agreement that it governs the OAS.

And if Cuba is not willing to abide by its terms then I cannot foresee how Cuba can be a part of the OAS, and I certainly—

Senator MENENDEZ. And finally—

Secretary CLINTON [continuing]. Would not be, you know, supporting in any way such an effort to admit it.

Senator MENENDEZ. If the OAS were to, however, nonetheless admit it, wouldn't we be sending a message beyond Cuba to the entire hemisphere that those principles of democracy, human rights, universal suffrage, are something that we'll just, you know, look the other way on and it won't be any more of the core issues at a time in which the hemisphere is increasingly moving in directions that I think move us opposite to those fundamental principles?

Secretary CLINTON. Well, Senator, we're hoping that the members of the OAS will abide by their own charter.

Senator MENENDEZ. Thank you.

The CHAIRMAN. Senator Cardin.

Senator CARDIN. Thank you, Mr. Chairman. Secretary Clinton, it's a pleasure to have you before the committee. We're very proud of the work that you have done on behalf of our country. We see new opportunities in so many parts of the world, and you have been making that happen. So we first welcome you and thank you for making a difference with respect to our objectives internationally.

I want to concentrate on Russia for one moment if I might. We've had some discussions about the START treaties. It seems to me that in many of our foreign policy objectives Russia is a key player, and we clearly have our differences with Russia. Their incursion into Georgia is an issue of continued concern. Their violation of human rights standards, particularly as it relates to the media, journalists, and the rule of law, are all issues that we obviously are concerned about.

But it seems to many of us that Russia may have a common objective with the United States in relation to Iran, that they recognize that Iran represents a risk to their security and to some of the former republics of the Soviet Union. Russia has put forward a new security document for discussion within Europe that is getting serious consideration.

My question to you is this: there is going to be an informal meeting of the members of the OSCE and Greece later next month. And I know it's an informal discussion. It's an accommodation, I believe, to the Russians to be able to talk about these new security arrangements. Many of us think that the OSCE was meant to be the type of an organization that includes both the United States and Russia to deal with security issues in Europe, and that we could strengthen if Russia would join those, strengthen those security provisions within the OSCE.

I guess my question to you is this: Can you at least perhaps talk a little bit about how you see this thing unfolding and whether the United States will be participating in the discussions in Greece?

Secretary CLINTON. Well, Senator, we think that you are quite accurate in pointing out the opportunities that the OSCE forum provides to discuss these issues. As you and I have talked before, this is the Helsinki forum, this is the security and human rights forum, that has played such an important role.

I will be attending the OSCE meeting, because I believe it is of that significance, and it is part of our continuing effort to revitalize existing multilateral organizations that we think have a role to play in the future, and it is also one in which we and Russia are both members.

The European security discussion is one that has many aspects to it, but I think the opportunity to discuss it openly and hear different perspectives, because obviously a representative from Estonia has a very different view than someone from Russia or someone from Greece or Portugal, and we need to be able to talk very openly about some of the continuing concerns that we have. So I think this is exactly the right forum and I look forward to attending.

Senator CARDIN. Well, I'm very pleased that you will be doing that. I think it's very important. As I've told you, there have been meetings between Russian parliamentarians and United States parliamentarians and the OSCE to try to see whether we can't find some more common ground areas for security within Europe, because I think we all now recognize the greatest threats are coming from outside Europe, from Iran and the Middle East, representing issues in which we should be able to make progress with Russia on a common agenda. And if we can do that, we will have certainly a much more effective policy against Iran.

Let me bring up a second subject that I've talked to you about before, and that's refugees. I know there was an announcement made this week in regards to funding for refugees, and I just want to put three parts to it. There's the issue concerning accommodating Iraqi refugees in the United States, but there's also the issue of refugees in the surrounding countries, in particular in Jordan and Syria.

And then, there are the displaced Iraqis within Iraq that it seems to many of us have not been getting the type of attention

from the Iraqi Government or the international community that we think requires United States leadership. I'm pleased to see a focus on trying to bring several more Iraqis into the United States that helped us and are in peril because of their loyalty to the United States.

Could you perhaps shed some light as to how you see this as a priority, dealing with those who have been displaced in Iraq as a result of the war?

Secretary CLINTON. I think it's a very important priority. I raised it in my recent visit to Iraq with all of the officials with whom I met, and obviously there are political and economic implications of refugees from outside and the displaced persons within Iraq, but this is one of the highest priorities for Ambassador Hill. We are looking for ways to assist with the resettlement of Iraqis who wish to come back, and we've also made clear to the Iraqi Government that a lot of the segregation that took place during the course of the last several years where people left their neighborhoods out of fear, they should be working to try to reverse insofar as a possible.

So we are making that a priority, and it is part of our ongoing discussions with the Iraqi Government as we transition from where we are now to the redeployment of our troops out of Iraq and to a more diplomatic relationship.

Senator CARDIN. I'm pleased to hear that. I'll just give you an observation. Several of us were in Syria, in Damascus, and we visited the refugee centers and met with the Iraqi refugees that are in Syria. Syria has been fairly positive in dealing with the refugee issue. They've been keeping their borders open to allow for the ability for Iraqis to return back and forth to Syria, but the conditions are terrible and it just calls out for attention.

The circumstances aren't going to get better, and it needs to be dealt with if we're going to have any conclusion to direct stability. Last—

Secretary CLINTON. Well, Senator, if I could add just that we do have \$300 million in the 2010 budget for Iraqi refugees to deal with a number of these related issues.

Senator CARDIN. And I noticed that now being in there, and it's a major improvement, and I thank you for that. I hope the international community will join us, and I think it requires effort on the part of the United States to move the international community to put more attention to Iraq refugees, and I just encourage you to continue those efforts.

Last, let me comment about the traditional issue that Congress has put conditions on funding to Serbia based on its cooperation with the international tribunal as it relates to war crimes. A lot still has not been turned over to The Hague, and I just really want to mention this issue because this should have been concluded well before now. We allowed for the conditions to be waived.

I just urge this administration to try to get a conclusion to these war crimes and get these individuals who are indicted over to The Hague so that we can complete this chapter in the history of the former Yugoslavia.

Secretary CLINTON. Well, Senator, on that point, you know, Vice President Biden is in Serbia. We do think that the current Government in Serbia has made significant efforts with respect to war

crimes, and we believe that the waiver is appropriate, but it doesn't in any way interfere with our continuing emphasis on the commitment we have to rounding up and finally bringing to justice those who should be in The Hague, and we're going to proceed on both fronts.

Senator CARDIN. I appreciate it. I just would observe that their cooperation has been inconsistent over the years. There have been times that they've been very helpful; there have been other times in which they have not allowed this access that is important for the people in The Hague to have, and they could have been more helpful in apprehending those that have been indicted and helping us deal with these issues.

But I appreciate the progress that you're making. I'm glad the Vice President is in that region. I think that'll have a very positive effect, and we look forward to working with you. Thank you very much, Mr. Chairman.

Secretary CLINTON. Thank you.

The CHAIRMAN. Thank you.

Senator CASEY.

Senator CASEY. Mr. Chairman, thank you, and Secretary Clinton, thank you for your testimony today, and we want to especially thank you for the great leadership you've provided at a time of real danger and uncertainty around the world, and you have had a great start. And I was remarking to you recently how I couldn't imagine how you could do so much traveling in such a short amount of time. We're impressed by that.

We need it, and I think your travels have had, in a relatively short time period, a transformative effect on our image around the world and our ability to engage effectively on so many difficult problems, so we're grateful for that. Our committee is grateful that you allowed us to come for breakfast not too long ago. It was a healthy breakfast and we had a good start that day, and we're grateful for that.

I was thankful as well for your support for what Senator Lugar and I and so many others have tried to do on food security and the strategy that undergirds that legislation. We look forward to working with you on that issue, as well.

I wanted to raise a sensitive topic, but one that I think we can't spend enough time on, and I know you've spent a great deal of time on this. It's not just the concern we have about what's happening in Pakistan, but in particular the singular threat, the concern we have about their nuclear capability and the concern that we have that extremist elements—who seem to be making progress toward Islamabad even though they've been repelled recently—could get their hands on fissile material or in other ways threaten not just Pakistan but the world because of the potential insecurity of that nuclear program.

I wanted to ask you—and I know some of this is limited in terms of what you can say because it is a particularly sensitive—but I just wanted to get a sense, the confidence the President has on the control over their weapons and the technology and fissile material. He expressed confidence, as have others, about the security of that nuclear capability.

From where does that confidence arise? What gives you and the President and the administration that that nuclear capability is under control?

Secretary CLINTON. Senator, it's our assessment based on the information available to us, much of which is classified as I'm sure you understand, and the work that has been done over a number of years following and evaluating the security that the Pakistanis themselves employ, and I think that the President's confidence based on what we know is one that I share.

Senator CASEY. Thank you. And I wanted to raise one other related issue, and that's the question with regard to funding for the Pakistani Atomic Energy Commission and their nuclear security efforts. I'm told that in a recent report those efforts have been cut by more than a third. I don't know if you know about that or can speak to that report that was issued recently.

Secretary CLINTON. I don't know what you're referring to, Senator, I'm sorry. I don't know about that report.

Senator CASEY. We can follow it up.

Secretary CLINTON. OK.

Senator CASEY. I wanted also, with regard to the nuclear question as it relates to Iran, as you know, the Congress has weighed in on this over a number of years. I and others have cosponsored legislation recently that deals with the refining issue of gasoline in Iran. If a country is providing support for Iran, this legislation gives the President some authority to use that kind of leverage or sanction to allow the divestment of pension funds connected to companies doing business with Iran.

And I know that sometimes what any administration wants to do at a certain period of time may not be chronologically consistent with what the Congress wants to do, but I just wanted to get your sense of where you see this question evolving in terms of we know from what the President said to Prime Minister Netanyahu that we have to engage diplomatically but there does have to be an end-game or a boundary on that.

Can you speak to that question of the availability or the use of sanctions that Congress would put forth in the context of the efforts by the administration to keep the Iranians from having that nuclear capability?

Secretary CLINTON. Well, Senator, part of our objective in our engagement with Iran is to persuade other countries that if our efforts do not bear fruit that they need to join with us in multilateral sanctions that will have the greatest impact on the Iranians. And I think that until we have tested, within the time period set forth by the President of where we think this engagement is going, I'm not sure that adding new unilateral sanctions is really that helpful.

At some point, it might very well be, because we already have a lot of sanctions on the books, but the most effective ones are the ones that we've been able to persuade a lot of our partners to pursue, as well. So it's a little bit of a chicken and an egg issue. How we proceed with sanctions depends upon how the engagement works, and the fact that we do have some sanctions and that they express the will of the international community is a powerful tool

in our toolbox. So I think we have to, you know, calibrate this as we go.

Senator CASEY. Now, finally, I wanted to address the reason you're before this committee today, and that's your budget and the operations of the Department, which I know we probably skip over sometimes when we ask questions about a whole range of topics. I was especially heartened to hear and to read in the testimony—I'm looking at Page 4—with regard to the reference that \$283 million to facilitate the hiring of over 740 new Foreign Service personnel.

I don't think there's a better investment that we could think of in this part of the Federal budget because of the dire need that we have for more Foreign Service officers and anyone who's traveled to places around the world where we have Foreign Service personnel on the ground. You've been to many, many countries. You know how important they are, you know how courageous they are, and how vital they are to not just our diplomacy, but in the end to our national security.

So I was heartened to see that and I hope you'll continue to come to us for help with budgetary priorities as we go forward.

Secretary CLINTON. Well, that's music to my ears. Thank you very much, Senator.

Senator CASEY. Thanks very much.

The CHAIRMAN. Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman. Madam Secretary, I join my colleagues in applauding your leadership in the State Department and the work that you've been doing since taking over there. Thank you very much. And thank you for spending the time with us this afternoon to answer our questions.

I want to go back to Senator Boxer's comments. I certainly appreciate your willingness to talk about the rights of women around the world and the President's willingness to do that, as well. I attended that hearing with Senator Boxer and found it every bit as troubling as she described, and I was troubled not just by the substance of the testimony from the women from Africa, but also by the suggestion that the Western world had turned our backs on what was happening in the Congo and in Darfur.

And I would hope that we would take every opportunity available to us to raise the issue of what is happening there and loudly demand that the world not allow this to continue. This would not be acceptable, I think, in any other part of the world, and we should not allow it to go on in Africa. So I know you feel that way, too, and I just want to reiterate that for the future.

Let me go back to Afghanistan now. I've been encouraged by the strategy of the administration with respect to a new focus on our policy in Afghanistan by the focus on helping to rebuilt civil society there and economic efforts on behalf of the people of Afghanistan, but I recognize that this will be a particular challenge given the increased military effort there.

And so, I would ask, are you comfortable that there is support in the budget request and in what might be in the supplemental that the kind of civilian supports that we're looking for in Afghanistan will be there?

Secretary CLINTON. Senator, I'm very encouraged by the commitment to civilian support in Afghanistan, and certainly with the leadership of the chairman and Senator Lugar with the civilian support in Pakistan. So I think that the resources will be there. The challenge will be, as you know so well, to make sure that the resources are deployed in the way we intend them to be and achieve the results that we're looking for.

But I think that this administration and the President's commitment to having an integrated civilian military strategy and having shoes on the ground as well as boots on the ground in order to work on important capacity-building and specific projects like agriculture and women's programs is exactly what we need to be doing, and now we just have to deliver it. We have to actually produce the kind of outcomes that we think are going to make a difference.

Senator SHAHEEN. And one of the other things we've seen is some reports issued by the special inspector general for Afghanistan reconstruction which raises serious questions about the oversight that has been provided in Afghanistan for the money that's been spent there. Are there efforts that you will be undertaking or supporting on the part of defense to ensure that there is greater oversight for how the money's being spent?

Secretary CLINTON. Well, with respect to the Defense Department spending, obviously that is within their jurisdiction. But I know that Secretary Gates is committed to trying to have greater accountability. With respect to our responsibilities, we have reorganized our Embassy, we have a very able ambassador who has an understanding of the military, having just retired as a three-star general, but a real feel for what it means to have smart power.

We have a very experienced deputy ambassador in effect who is part of a team that we're putting together, and we've recruited another ambassador to be in charge of all of our development aid. We are working with the United Nations and have an American as the deputy to the U.N. Administrator there.

So we're putting in place the very best people that we can attract. Ambassador Holbrooke's team is a multiagency team. It has representatives from USDA as well as the CIA and everybody that possibly has a contribution to make, so we're going at this with everything we possibly can so that at least on the civilian side we're able to track the money and show where it goes.

We stopped all AID contracts going into Afghanistan. We just said "no" until they are scrubbed, until we know what they're supposed to produce. We're not signing off on them. So we're trying to take steps that will better position us to be able to come before you and say, "OK, here's what we've done. Here's what worked and what didn't work, to be very honest about it." And we're organizing ourselves to produce that.

Senator SHAHEEN. Thank you. I want to switch topics at this point, because one of the things that we haven't talked about that I think is very important to our diplomatic efforts around the world is what's happening with climate change and the policy that we determine here in this country around climate change, and as the chairman has worked very hard to raise this issue in this committee.

And at our last committee hearing with Todd Stern, the U.S. special envoy for climate change, he said something that I think is very telling. When talking about the opportunity before us, he said "We're going to spend the next few years probably trying to push China. And 5 years from now, we're going to be chasing them, because the Chinese are moving and they're going to move very rapidly."

So do you agree with this assessment, and could you give us a sense of our opportunity and what happens if we stand by and don't seize the opportunity around taking a leadership role on climate change?

Secretary CLINTON. Well, I think that Todd is absolutely on the mark. In my very first meetings with the Chinese, I raised the importance of the climate change issue, encouraged them to become partners with us, recognize that they were at a different starting point, so there might be different modalities that they would pursue, and that has been a constant issue in our bilateral relationship.

And I think the Chinese are taking this very seriously. We see a lot of commitment to new technologies, deployment of at least cleaner energy, and understanding that there are economic opportunities here for the Chinese. We are about to embark, we hope, in the same vein with the Indians, you know, talking to them, as well.

But you're really on an important difference here is that we have to lead and we have to lead for our own sakes as well as for the world's. And the work that has to go on right here in the Congress as well as on the other end of Pennsylvania Avenue, to set the tone and to put into place the system that we're going to be utilizing is going to be enormously important.

If we don't step up and produce a robust, effective approach to climate change in addition to all of the pieces that the administration is now adopting as we saw yesterday, we're not going to have the credibility we need to really push this at Copenhagen and beyond, because remember Copenhagen is not the end. It's maybe the end of the beginning of the work that's going to be required.

So I agree with you very much, Senator, and I hope that, you know, this committee will be one of the leaders in getting the changes we need domestically.

Senator SHAHEEN. Well, thank you very much both for your efforts in this area and the President's, and also again I want to applaud Chairman Kerry for all of the work that he's done in this area. Thank you.

The CHAIRMAN. Thank you, Senator Shaheen. I appreciate that. Senator Gillibrand.

Senator GILLIBRAND. Thank you, Mr. Chairman, for hosting this hearing, and thank you, Madam Secretary, for coming to meet with us. It's been such an honor and a privilege to get to work with you, certainly in the capacity as now the Senator for your previous seat. And I want to thank you for the breakfast briefing that you hosted for us, for the whole committee. I think that was extraordinarily generous on your part, and it was a real pleasure to meet your team, and thank you for the initial briefing on some of the issues that you've been working on.

And I would like to spend some time following up on some conversation that we started at the breakfast, particularly about Pakistan and Afghanistan. And on Pakistan, I have read the recent reports about the millions of people that have fled their homes due to the violence that the Taliban is forcing upon them, and you very quickly responded with \$100 million of aid, particularly to make sure these peoples who have been displaced can receive the kind of immediate attention that they need.

I've been talking to folks who have been on the ground in Pakistan and some say that it might be as much as \$300 million of cost to address the urgencies needed there, and I just wanted to get your impressions about what's happening, what we could be doing, what we should be doing, and what do you see in the next months to come?

Secretary CLINTON. Thank you so much, Senator, and I appreciate your continuing focus on these very practical issues. When I made our announcement yesterday I pointed out that this was not the end of the aid that we would be providing. The Pakistani Government is doing an assessment about what they think they will need. They're going to be asking other donors to assist them, as well.

But it was important for us to get out in front of this and to make clear to the Pakistani people that we were going to stand with them as they stood against the Taliban. So the \$110 million is both the \$100 million of payments and \$10 million of in kind.

We are focusing obviously on the necessities like, you know, food and shelter, but we're also trying to be creative in two respects. One, we want to spend money inside Pakistan. Rather than just buying outside and importing in, we want people in Lahore or Karachi to feel as connected to this fight against the Taliban as the people in the Swat Valley are.

So we're going to be purchasing locally, and I think that's very significant. Second, we are pioneering a cell phone program so that we can communicate information to the displaced persons on their cell phones, give them the opportunity to reach out for additional information, but also, you know, give them updates and tell them where they can go for certain kinds of aid.

And third, we're asking the American people if they wish to participate, and we have a text messaging opportunity. You can text message to SWAT, 20222, and contribute at least \$5. And we did that at the State Department yesterday because we want to enlist not just Pakistani Americans, but all Americans who are in support of the Pakistani Government and the Pakistani peoples' courageous stand against the Taliban. So we're moving on many fronts as once, Senator.

Senator GILLIBRAND. And some of the hearings that I participated in last year when I was on the Arms Services Committee on the House side was focused on what kind of investments we can make in Pakistan that can make a difference, because, you know, we've given over \$10 billion over the last several years, and we, you know, when I went to visit Pakistan the general there said there's been no accountability on how the money's been spent ever. We've never had that benefit.

And when I was touring around in Islamabad, you know, the driver of my taxi said, you know, "There's this beautiful white building. That's the university built by Japan." And, you know, I said, "Where's the university built by America?" and we don't have those kinds of investments that are standing there to show the people of Pakistan that we are there to be helpful and to be allies.

What's your opinion and your hope for the kinds of investments we can work together with the Congress and with the administration, investments perhaps in education or health care or job training so that we are creating a long-term beneficial relationship and trying to prevent the next generation of terrorists from being born out of Pakistan?

Secretary CLINTON. I think that's an excellent question, because you're right. Other countries are still giving aid in a very public infrastructure-driven way, and they can point to the hydropower dam, or they can point to the university, or the hospital. And we, over the years, really moved away from that, in part for good reasons, because there were problems with some of the projects we invested in.

But I think then it's harder for people on the ground to know: What are the Americans doing for us? You know, we're investing in rule of law programs or democracy promotion programs or, you know, programs that have significance, but they're not tangible; you can't touch or feel them.

So we are looking at building schools and building health clinics, and making investments in addition to the other work that we do that we can point to as demonstrating the American peoples' investment. And I welcome your thoughts and ideas about it, because I think it is a big part of getting our story out and letting people know what we stand for, and certainly, you know, education we think is a key to the future in both countries, and it's one of the problems we've had, because there haven't been adequate education facilities for most of the children. So I'd like to see us do more that we can actually point to.

Senator GILLIBRAND. I want to commend your recommendation and the President's appointment of Ambassador Holbrooke to the region and I think it's very important that we're looking at Afghanistan and Pakistan together. It's one of the main recommendations that came out of all the work last year.

And, you know, I've spoken to Ambassador Holbrooke, particularly about Afghanistan, and I wanted to get your thoughts on poppy crop eradication and crop replacement, because some of the best crops that we could grow in Afghanistan are fruit trees, and they take 6 to 7 years, so it takes a very long time.

And I wanted your thoughts on how we best do that to create the opportunity for job growth in Afghanistan so that we can more effectively undermine the Taliban and al-Qaeda that's recruiting there. And second, I would like you just to touch upon, we are using PRTs now for the Provincial Reconstruction Teams, but some of the testimony that we heard last year was all about creating a new force, and I think we're going to do the Civilian Response Readiness Corps, and we've got about 250 people trained and with a thousand standing by.

But what we had talked about and many people envisioned was having a joint force that's both Department of Defense and State Department led, funded by both entities, that can be this ready force that doesn't have the combat missions that the Department of Defense has, but has the kind of training so that the folks who sign up for this are prepared to work in dangerous places with the kinds of missions that are reconstruction and stability related.

And I don't know if the Civilian Response Readiness Corps is going to be that, because it seems to be situated in the State Department. And perhaps I don't know if this corps is going to be prepared to work in dangerous places, but I want your thoughts on that and how we can be helpful to create the kind of force that we need that is prepared to do reconstruction and stability operations, but in a dangerous climate, something that a typical State Department employee perhaps would not want to sign up for.

Secretary CLINTON. Well, thank you. First, with respect to the crops in Afghanistan, we are very committed to an agricultural program. We have already begun to design it in conjunction with the Afghanistan Government, and we will be deploying people into Afghanistan to work on everything from irrigation to fertilizing to different kinds of hybrid seeds, but you're right that, you know, for many years Afghanistan was considered the garden of Central Asia because of the orchards.

And there are so many crops that if we can get the soil ready to produce again, because it's been so eroded over the last 25, 30 years, this could be an enormous benefit for the people of Afghanistan. You know, most, 70 percent of Afghans are in rural areas. That's where they are going to live. That's where they're looking for their livelihood, and we think that there are better ways of going after the poppy crop than what we've been doing up until now.

But we can't do it in isolation. It has to be done in conjunction with the agricultural approach. And with respect to, you know, the PRTs and the work that they have to do and the role of the civilian initiative, especially the reconstruction and stabilization force, we are totally committed to that.

It is a State Department program. It would be deployed through the State Department, but in conjunction of course with the Defense Department, and we're working very hard to provide the funding, much of which we will get in this 2010 budget to really take it to the next level. It's been established, but it's just really taking baby steps, and we want to have a ready-to-deploy auxiliary unit, as well as a fulltime force.

A comparable analogy might be, you know, fulltime military service and Reserve, but we want to have both so we can deploy people immediately and we can call up people who have agreed to serve.

Senator GILLIBRAND. Have we given you enough funding for that? We have \$323 million for the Civilian Response Readiness Corps, and I just don't know if the goal of 250 and a thousand ready and that amount of money is what you want. Are you looking for something bigger?

Secretary CLINTON. No, I think that that's what we're looking for now, because we have to build our own capacity to be able to use—

Senator GILLIBRAND. OK.

Secretary CLINTON [continuing]. That.

Senator GILLIBRAND. Thank you, Madam Secretary—

Secretary CLINTON. Thank you, Senator.

Senator GILLIBRAND [continuing]. Again for your leadership.

Secretary CLINTON. Thank you.

The CHAIRMAN. Thank you, Senator. Senator Lugar has one quick wrapup question.

Senator LUGAR. Secretary Clinton, I am prompted by Senator Gillibrand's comment that she saw a university of another country and was entertaining the question of, "Why is there not an American university?" There is currently a candidate for the American university, namely Foreman College in Lahore, Pakistan.

I hesitated and desisted from putting this into the Pakistan Kerry-Lugar bill for fear of being accused of an earmark for Pakistan, but I'll take advantage of this opportunity, as somebody would say, I'll write a letter to you—

Secretary CLINTON. Please.

Senator LUGAR [continuing]. About this college. It's received over the years very strong American support and it's remarkable because it is a multireligious and a diverse college, which really has much going for it, I think. And having seen this President's official several years and USAID has worked with them and is well-acquainted and has been helpful, but this might be a candidate.

Secretary CLINTON. Thank you very much, Senator.

The CHAIRMAN. Thank you, Senator Lugar, and I hope I dare to interpret the lack of Republican questions as absolute affirmation of this budget.

Just a few quick wrap-ups here if we can, and a point. On the international organizations, the budget proposes \$175 million to begin to address some of the deferral of assessment payments through the years, but it doesn't say how it's going to go out at all. In other words, how much of that \$175 million is going to go to whom?

There are particular questions. The Organization for the Prohibition of Chemical Weapons maintains a zero-growth annual budget. The problem is that if there is a deferral by somebody like us or others, then it has to return to other states those funds and we don't get the job done at all.

So our deferrals have really impacted some of these entities, and which one gets what is pretty critical. The Comprehensive Test Ban Treaty Organization Preparatory Commission is another one which we'd like to know the particular attentions, and so could you—you may not have that here now, but if you could get that to us I think we'd be very interested in knowing how it's going to go.

And then, the other thing we'd like to have a sense is how you made those allocations. And obviously we want to try to get back to ground zero, you know, to a baseline—

Secretary CLINTON. Right.

The CHAIRMAN [continuing]. As soon as we can. I know you know that.

Secretary CLINTON. Yes, sir.

The CHAIRMAN. On a second issue, we really commend you for appointing the Ambassador at Large for the Global Women's Issues, and you've heard appropriately the committee really wants to put a focus on that, but the question is there's no specific request to support that budget, and I wonder what the plans are for making sure that that's going to be able to be implemented.

Secretary CLINTON. You know, Senator, I think that's a very good point. We had planned on having resources from the State Department supported, but given the increasing emphasis and the incredible array of problems, I think that's something we need to take another look at.

The CHAIRMAN. OK. If we could follow up with you, and I know you will, it'd be great. And finally, in terms of these questions, the budget seeks \$1.2 billion for international climate change and clean energy funding. Is that contemplated to be the downpayment or a component of the technology/financing components of the Copenhagen Agreement, or is that some other piece that you're thinking of? And, if so, we need to think about where we're going to find the funding to be able to do what we need to do in terms of Copenhagen.

Secretary CLINTON. And again, I'd like to get back to you with the specifics. The general point is really both, that we think we need some funding as you and I have discussed before that is available when we go to Copenhagen.

We also want to continue our bilateral efforts and we want to have funding available when those bear fruit, but we'll get back with the specifics.

[The written information submitted by the State Department follows:]

As the Secretary indicated, this funding will support interrelated efforts to combat climate change, to reach a new international climate agreement, and to help the most vulnerable countries prepare for and respond to the impacts of climate change. The funds will serve not only to address the climate crisis itself but also demonstrate the U.S. commitment to global leadership in international climate change.

This funding request seeks to strengthen bilateral assistance, as well as expand contributions to multilateral funds (e.g., the World Bank's Climate Investment Funds and the least Developed Countries Fund and Special Climate Change Fund created under the U.N. Framework Convention on Climate Change). This request is divided among adaptation (\$312 million), clean energy (\$745 million), and forests and land use (\$170 million).

Attached fact sheet provides further details on our request.

The Obama Administration is seeking over \$1.2 billion in its FY2010 budget for international efforts to combat global climate change, to help the most vulnerable countries prepare for and respond to its impacts, and to demonstrate U.S. commitment to global leadership in the international climate negotiations.

“Together, we must confront climate change by ending the world's dependence on fossil fuels, by tapping the power of new sources of energy like the wind and sun, and calling upon all nations to do their part. And I pledge to you that in this global effort, the United States is now ready to lead.”

—President Obama, April 25, 2009

This request is a key part of the Administration's comprehensive energy and climate change strategy. As the United States takes steps to meet the climate and energy challenge through strong domestic action, we are also working hard to shape an effective international climate change agreement at the December UNFCCC conference in Copenhagen. By helping now to cut emissions and enhance climate resilience in developing countries, the President's request will play a critical role in demonstrating U.S. credibility and international leadership.

The resources requested in the FY10 budget represent an important down payment on a lasting global solution to the climate and energy challenge. With developing country emissions of greenhouse gas pollution due to surpass developed country emissions soon, we need a global effort to protect Americans and the world from the impacts of climate change. This request, a 286% increase in international climate programming over FY09, includes significant new resources to promote clean energy in developing countries and to cut emissions from forests and

land use. Even as we pursue dramatic emissions cuts, many countries are already suffering adverse impacts of climate change, and their situation will worsen. This request therefore includes a nine-fold increase to help vulnerable countries adapt to climate impacts.

Adaptation –\$313 million requested; includes USAID assistance to vulnerable countries and contributions to key multilateral funds: the Least Developed Countries Fund and Special Climate Change Fund created under the UN Framework Convention on Climate Change and the Pilot Program for Climate Resilience administered by the World Bank.

Clean Energy –\$745 million requested; includes a contribution to the Clean Technology Fund, a multilateral, multibillion dollar effort at the World Bank to catalyze large-scale, transformative private sector investments in developing countries by helping to close the price gap between dirtier, conventional technologies and commercially available cleaner alternatives.

Forests & Land Use –\$170 million requested; includes a contribution to the World Bank's Forest Carbon Partnership Facility and other efforts to address the underlying causes of deforestation and assist countries to measure and monitor emissions from land use, including deforestation, which accounts for about one-sixth of global emissions.

Summary of FY10 Request

		FY 2010 Request (millions)
State and USAID International Assistance Funds		
Adaptation		
<i>Includes \$50M for Funds created under the UN Framework Convention on Climate Change, the Least Developed Countries Fund and the Special Climate Change Fund</i>		233
Clean Energy		219
Forests & Land Use		130
<i>FY10 includes \$10M for the World Bank Forest Carbon Partnership Facility</i>		
Treasury Contributions to Multilateral Funds		
Climate Investment Funds		
	Clean Technology Fund (Clean Energy)	500
	Strategic Climate Fund	100
<i>Includes an estimated \$80M for adaptation through the Pilot Program for Climate Resilience (PPCR) and an estimated \$20M for forests through the Forest Investment Program (FIP)</i>		
	Global Environment Facility (GEF) climate-related investments	26
<i>Additional money for forestry may come from other GEF focal areas</i>		
Additional Treasury Programs		
	Tropical Forest Conservation Act	20
TOTAL		1,227¹

¹ Numbers may not add due to rounding

The CHAIRMAN. Thanks so much. Two last issues or comments, Madam Secretary. One is sort of a pet peeve of mine through the years, but as I travel around, and I'm sure you've noticed this, we all are aware of the changed world we live in and the need to have security. We all understand that.

But we are building some of the ugliest embassies I have ever seen. We're building fortresses around the world. We're separating ourselves from people in these countries. I cringe when I see what we're doing. It doesn't reflect our capacity for architecture. I hope

and we pray that this crisis we face in terms of terrorism is not going to be with us forever, but these buildings can be, and they're a reflection of us, and our values, and they ought to be welcoming.

We all know you've got to have security around them, but I know we can do a better job. I've talked to any number of architects in this country who are dying to come together in a committee and to work with you on this issue. We could do a better job of welcoming people and showing America even as we provide the security we need to.

Secretary CLINTON. I agree with you, and we will follow up that idea.

The CHAIRMAN. We can work on that.

My final comment is on Afghanistan. We've worked hard together. We know this is a very difficult situation, but my plea to you is, as it was at the last hearing and as we go forward here, that we really factor in what we're hearing from General Petraeus and others in this policy. I'm still worried about the level of military footprint.

There are still—I mean, any civilian casualty is too many, but there are too many civilian—we cannot win—we just can't do—"win" is the wrong word. We cannot succeed in doing what we need to do to ultimately get our troops home and to have an independent Afghan security capacity if we're alienating people the way we are. I know you know this, but it is imperative that the civilian side of this be considered. I know they need security. But there's a distinction between some of the proactive and sometimes careless ways in which we have engaged versus the kind of empowerment of tribal leaders and of communities in ways that will grow their capacity even faster to be able to do what we want them to do. And I just wanted to underscore that.

Secretary CLINTON. No, I think that's a very good point to underscore. I know, Mr. Chairman, we are taking as hard a look at the military strategy as we are about the civilian strategy, and I think what you've said is a very important caution to all of us about what it is we're about and how we have to conduct ourselves.

The CHAIRMAN. Well, we look forward to working with you, as you know, and we are very, very grateful to you for the time today. I think you heard from the committee there's a great sense of welcome for the approaches you're taking and the administration is taking. We've got a lot of tough issues, but we really look forward to working with you on them. Thanks so much for being with us today.

Secretary CLINTON. Thank you. Thank you, all.

Mr. CHAIRMAN. Thank you.

[Whereupon, at 4:02 p.m., the hearing was adjourned.]

ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF SECRETARY OF STATE HILLARY CLINTON TO QUESTIONS SUBMITTED BY SENATOR JOHN F. KERRY

Question. On March 27, President Obama said, "Today, I'm calling upon Congress to pass a bipartisan bill cosponsored by John Kerry and Richard Lugar that authorizes \$1.5 billion in direct support to the Pakistani people every year over the next 5 years, resources that will build schools, roads, and hospitals, and strengthen Pakistan's democracy."

On May 12, Special Representative for Afghanistan and Pakistan Richard Holbrooke testified, “Your bill provides more funds in one bill than the United States has spent in that area since 9/11. That is one of the reasons we are so enthusiastic about it. It’s long overdue. This legislation has become so important—I mean, I want to be very frank with you, the phrase ‘Kerry-Lugar’ has a talismanic quality in the Pakistani press now. It’s not just the amount of money, it’s the fact that it is now read as a symbol of our intentions to stick around and be serious about it. The words ‘Kerry-Lugar’ have become a symbol of American support for Pakistan in the emergency.”

On May 21, Chairman of the Joint Chiefs of Staff ADM Mike Mullen testified to the Foreign Relations Committee, “In my military judgment, the programs outlined in the Enhanced Partnership with Pakistan Act of 2009 can serve as an important demonstration of our Nation’s enduring commitment to the government and people of Pakistan.”

- Do you support the President’s call for Congress to pass the Kerry-Lugar bill? If so, please explain how passage of the Enhanced Partnership with Pakistan Act will help advance the policy goals of the United States.

Answer. I support passage of the Kerry-Lugar legislation as originally proposed. This legislation’s authorization of \$1.5 billion in foreign assistance to Pakistan, every year for 5 fiscal years, underscores the United States long-term commitment to Pakistan and its people. Many Pakistanis believe that the United States is not a reliable long-term partner and will abandon Pakistan after achieving our counterterrorism objectives. Our engagement has to be aimed at building a long-term strategic partnership and must be conducted in a way that respects and enhances the Pakistani people’s pursuit of a prosperous economy, a stronger democracy, and a vibrant civil society. If enacted, S. 962 would be a critical demonstration of our commitment.

The Kerry-Lugar legislation’s emphasis on economic and governance challenges reinforces a key aspect to the President’s new strategy on Afghanistan and Pakistan. By increasing economic and educational opportunities, expanding the reach of quality health care, reinforcing human rights—particularly women’s rights—and empowering civil society, we will increase the opportunities for millions of Pakistanis to improve their lives.

The administration shares Congress’ concern that security assistance for Pakistan must show results. As the President has noted, “We must focus our military assistance on the tools, training and support that Pakistan needs to root out the terrorists” but “we will not, and cannot provide a blank check.” Pakistan must demonstrate its commitment to rooting out al-Qaeda and the violent extremists within its borders.

We are committed to accountability and partnering with the Congress in our efforts to ensure that assistance is used effectively and is making progress. At the same time, we appreciate ensuring that flexibility be preserved to provide economic assistance, as needed, on a continuous basis, and also appreciate efforts to facilitate the accountability as well as flexibility with regard to furnishing military assistance.

Question. Both you and President Obama were cosponsors of the Enhanced Partnership with Pakistan Act of 2008, and both of you have publicly supported the revised version of the legislation. Certain elements of the 2008 and 2009 versions of the bills remain unchanged, and I would like to clarify your position on them:

- Do you believe (as provided in both S. 3263 and S. 962) that military aid should be de-linked from development aid—with development aid as a long-term commitment to the Pakistani people, and military aid carefully calibrated to the requirements and the will of the Pakistani military? Or do you believe that military and nonmilitary aid should be authorized in the same piece of legislation?

Answer. Our development and security assistance programs are two pieces of the same strategic goal—to help Pakistan become a secure, stable partner. Both types of assistance are crucial to support the people of Pakistan and defeat al-Qaeda and the Taliban. Our development assistance and our military assistance must be integrated and complementary.

I agree that development aid should be a long-term commitment to the Pakistani people. Development programs to enhance Pakistan’s capacity to provide improved health, education, and other basic services to the Pakistani people will require patience and commitment to have an impact. Our military assistance to Pakistan demonstrates our long-term commitment to helping Pakistan confront the threat of terrorism and extremism. Both are necessary tools but should not be limited by being inappropriately tied together.

The question of whether authorization for development and military aid should be in the same piece of legislation is for Congress to determine. What we seek is the flexibility to be able to apply the appropriate resources at the appropriate time depending on specific needs or unique opportunities.

Question. Do you believe (as provided in both S. 3263 and S. 962) that the level of military assistance channeled through the State Department should be authorized on an annual basis, depending on the actions, needs, and commitment of the Pakistani military? Or do you believe the level should be locked in place now for the next 5 years?

Answer. The President expressed support for the Kerry-Lugar bill as originally proposed. Both Afghanistan and Pakistan perceive the United States as having previously abandoned them during their times of need and so it is important that our military assistance to Pakistan demonstrate our long-term commitment to helping Pakistan confront the threat of terrorism and extremism, and also include mechanisms to maximize effectiveness.

The situation on the ground in Pakistan is quite fluid, with the needs of the Pakistani military evolving with its response to the threat posed by insurgents. Locking in specific levels of authorized military assistance would limit our flexibility in response to the situation on the ground. A strategic commitment to provide ongoing assistance is, however, important.

Question. Do you believe that the Pakistani military will be more cooperative with U.S. efforts or less cooperative if they know that they will receive exactly the same military aid authorization every year for the next half-decade, regardless of their actions?

Answer. Again, year-to-year authorization levels are appropriate to the fluid nature of the security situation in Pakistan. However, a strategic commitment to provide ongoing assistance is important. That said, better cooperation with Pakistan is not contingent exclusively on funding levels, but also depends on building relationships and breaking down misconceptions. These efforts help overcome the trust deficit and help Pakistan follow through on the changes needed to confront our common threat.

Question. What do you think would be the impact of conditioning military aid on issues of great political sensitivity in Pakistan, such as F-16 transfers and the fate of A.Q. Khan (conditions absent from both S. 3263 and S. 962)? What would be the impact of providing the President with only a highly restrictive level of waiver (“vital to the national security”—a level absent from both S. 3263 and S. 962)?

Answer. Our security assistance to Pakistan, which has included support for Pakistan’s F-16 program, is a tangible symbol of the United States-Pakistan relationship. Pakistan cannot regain control of its border region absent a robust counterterrorism and counterinsurgency capability, which includes the use of a targeted close air support capability. Upgraded F-16s, in conjunction with appropriate training, provide Pakistan with this capability. Thus, overly restrictive conditionality on military aid to Pakistan could compromise our efforts to assist the Government of Pakistan as it seeks to dismantle terrorist networks in Pakistan. The highly restrictive waiver of “vital to the national security” would limit the President’s authority and flexibility.

However, we are not considering the use of additional foreign military financing (FMF) for the Pakistan F-16 program at this time. To date, the Government of Pakistan is current on its F-16 payments for the new aircraft and for related weapons systems.

Regarding A.Q. Khan, we believe that conditionality of military aid would not be an effective or appropriate means of influencing the fate of A.Q. Khan. We appreciate Pakistan’s efforts in shutting down the proliferation network led by A.Q. Khan as well as the cooperation Pakistan has provided the United States and the IAEA to investigate the Khan network. Key people involved with the network have been put out of business or are facing prosecution. We believe diplomatic means are a more effective tool in this case.

Question. Is the amount of funding authorized in S. 962 for operational and auditing expenses (\$10 million per year and \$20 million per year, respectively) adequate to the expanded scope of the mission? If additional resources are required—particularly in the area of operating expenses—please provide a detailed explanation of how the additional funds will be used. [Note: If any adjustment from the figures contained in the bill is deemed necessary by the administration, it is very important that this explanation be as complete and transparent as possible]

Answer. The best way to ensure that the Department of State and Mission Pakistan will have the operational and auditing resources for administering and implementing Foreign Assistance programs would be for Congress to enact the Pakistan FY 2010 request of \$76.2 million for State operating expenses and the request of \$30.8 million for USAID operating expenses for Pakistan. We hope that Congress will also move expeditiously to approve the FY 2009 supplemental including the requested amounts for State and USAID Operating Expenses, as well as \$806.2 million requested by State for secure and upgraded facilities, all of which will enhance the capacity of our diplomatic and development efforts in Pakistan.

That said, the authorization to use up to \$30 million of Foreign Assistance annually to cover unexpected or incremental operating and auditing costs associated with S. 962 would seem sufficient.

Separately, I reiterate our support for the Special Inspector General for Afghanistan Reconstruction (SIGAR). SIGAR is Congress' representative on the ground and we would like to see SIGAR deployed in every province in Afghanistan to assist with oversight of our assistance programs. We value SIGAR and respect its independence. To the extent that Congress is willing to expand its mandate and responsibilities, I have made clear we would very strongly support that.

Question. On May 19, Secretary Clinton pledged at least \$100 million would be used in Pakistan to address emergency humanitarian needs from military operations in the Swat Valley. Which account will these funds be drawn from? How is the administration allocating funding for further humanitarian support to Pakistan which will likely be necessary in the coming months?

Answer. Secretary Clinton's pledge has been met by pooling FY 2009 omnibus, bridge, and supplemental funds from a variety of accounts: OFDA/IDA funds \$46.6 million; Food For Peace P.L. 480 Title II emergency food, valued at \$15 million; USAID/OTI Economic Support Funds \$12 million; PRM/MRA funds, \$10 million; USDA Food For Progress \$16.8 million; and DOD OHDACA funds, \$10 million. A forthcoming USDA Food For Progress vegetable oil contribution, valued at \$11.2 million, will bring the total contribution to \$121.6 million.

Even with the resources authorized by S. 962, our response to this humanitarian crisis will require significant additional resources. The crisis is consuming resources of the Government of Pakistan and budgets of the North West Frontier Province local government which were originally intended for security, development, and economic stability. Likewise there may be a requirement to use a portion of U.S. economic support funds in the FY 2009 supplemental to meet urgent humanitarian relief requirements, which were originally intended to help Pakistan meet its IMF commitments by covering costs of social safety net programs and items such as electricity for schools and hospitals.

Due to the ongoing military operations we do not have a full damage assessment and rebuilding estimate. We are continuing to monitor the situation and are in constant consultations with the Pakistani Government and donor countries. The displaced population could reach 3 million or more should the Pakistan military proceed with operations in Waziristan, as they have stated they will do soon. Preliminary estimates of the total cost of the three distinct phases of the crisis—relief, return, and reconstruction—are in the neighborhood of \$4 billion through the end of FY 2010 for a population of 3 million displaced persons. Based on similar prior crises, the U.S. portion of the international effort has varied between 25 and 50 percent of the total requirement. Clearly, then, substantially more U.S. funding will be sought over the next year and possibly beyond.

Question. Given the acute needs in Pakistan on global health issues and the administration's robust funding goals for nonmilitary aid to Pakistan, why is there a \$5.6 million decrease in Global Health and Child Survival funds for Pakistan in FY10?

Answer. While there is indeed a \$5.6 million decrease in Global Health and Child Survival funds for Pakistan in FY10, there is an offsetting increase in ESF being devoted to health with such funds rising from \$38.7m to \$149.1m, a net increase of more than \$110m.

Question. On FMF for Pakistan, there is a \$2 million decrease from FY 2009 to FY 2010. Please explain this decrease.

Answer. Given the \$2 million increase in our request for International Military Education and Training funding, there is no net change in the amount requested for military assistance programs for Pakistan. Additionally, the \$298 million FMF request is consistent with actual FMF allocations over past 5 fiscal years.

Question. Why is there a significant increase in FMF for Sri Lanka for FY10 given the recent military conflict and widespread allegations of abuse against the Sri Lankan Government in the recent fighting against the Tamil Tigers?

Answer. The increased FMF funding in fiscal year 2010 budget request is intended to support the purchase of patrol vessels for maritime surveillance and interdiction missions, which would increase Sri Lanka's ability to stop the smuggling of weapons and ammunition into the country. The United States is engaged with the Sri Lankan Government and members of the international community to improve the humanitarian conditions for internally displaced persons. We are also looking to the Sri Lankan Government to implement its plans for resettlement and political reconciliation. U.S. assistance to Sri Lanka will be provided in the context of progress in these areas.

Question. I notice that under contributions to International Peacekeeping Activities, UNAMA is not listed. Through which account does the U.S. support UNAMA?

Answer. UNAMA is a Special Political Mission, which is funded through assessed contributions via the Contributions to International Organizations (CIO) account.

Question. Why is Bangladesh zeroed out for Economic Support Funds in FY10?

Answer. Development Assistance funds are more appropriate for programs in Bangladesh, and are better aligned to U.S. Government assistance priorities for the country. This approach is not new to fiscal year 2010; aside from funding we provided in response to Cyclone Sidr that came from the FY09 supplemental, all of the fiscal year 2009 funds for assistance to Bangladesh are in Development Assistance as well.

Question. Why is the administration cutting \$30 million for International Narcotics Control and Law Enforcement funds for Afghanistan given the pressing counternarcotics needs there?

Answer. There is no reduction to the International Narcotics Control and Law Enforcement (INCLE) account for Afghanistan. While the total funding for FY 2009 including supplemental needs will be \$480 million, the base funding in FY 2009 was only \$351 million (bridge plus actual). The FY 2010 request is \$450 million, an increase in the base request for Afghanistan INCLE programs of almost 30 percent.

Country	FY 2009				FY 2010 request
	Bridge supp.	Actual	Supp. request	Total	
Afghanistan	101,000	250,000	129,000	480,000	450,000

These FY10 funds will build on our FY09 supplemental request and will be used to accelerate and expand counternarcotics, civilian law enforcement, and administration of justice programs to overcome critical security, governance, and rule of law challenges. Funds will support the implementation of the Afghan Government's comprehensive counternarcotics strategy, which combats opium production and trafficking; seeks to sustain and expand the poppy free status of the northern and eastern provinces of Afghanistan; increases coordination between counternarcotics and counterinsurgency activities in the South; amplifies the effects of the incentivized approach to reducing poppy cultivation through the Good Performers Initiative; expands public information, outreach, and demand reduction efforts; and continues to build the capacity and capability of the Afghan counternarcotics police to interdict major traffickers and disrupt Taliban financing. The INCLE funds will be complemented by other funding streams with an increased emphasis on alternative development and agricultural programs, as reflected in the increased FY 2010 request for such programs, in order to provide Afghans with real alternatives to poppy production. Funds will also support the implementation of the National Justice Sector Strategy, which works toward an Afghan justice system with competent prosecutors, functioning courts, and secure and humane prisons.

The pending FY 2009 spring supplemental supports the new strategy by shifting the priority within counternarcotics programming from eradication to additional support for the Good Performers Initiative (GPI), which provides high-impact development assistance to provincial governments that demonstrate concrete counternarcotics progress; proactively discouraging poppy cultivation through preplanting campaigns and assisting the public information and outreach initiatives of Afghanistan's Counter Narcotics Advisory Teams; and building residential and outpatient drug treatment facilities and providing project monitoring by antidrug experts.

The FY 2009 supplemental also strengthens the criminal justice system through training and improved infrastructure and equipment assistance; advances the institutional capacity and professionalism of justice institutions; provides funding for prison facility improvements and mentoring of internal prison management in Afghanistan's most insecure prisons; and provides for rebuilding, equipping, operating, maintaining, and training for staff at Pol-i-Charki prison. These funds will also support programs to provide Afghan women with improved access to justice and legal awareness.

Question. Why is Sri Lanka zeroed out for INCLE funds in FY10?

Answer. Funding for International Narcotics Control and Law Enforcement (INCLE) programs was cut off in 2006 due to the security situation in Sri Lanka. Sri Lanka received \$20,000 in INCLE in FY08 and FY09 respectively to fund an assessment of law enforcement needs in Sri Lanka and for program support. When executed later this year or in early 2010, this assessment will define the ability of INCLE assistance funds to respond programmatically to the current needs in Sri Lanka.

There was no FY 2010 request for INCLE funds in Sri Lanka due to the political situation at the time the request was being developed, lack of an INCLE legacy in Sri Lanka, and the pressing needs of other foreign assistance priorities. Currently the Department of Justice (DOJ) and the U.S. Agency for International Development (USAID) are implementing a 1207 project which assists the Government of Sri Lanka (GSL) to create an effective, equitable partnership between regional government, the security forces (including the Sri Lanka National Police), and citizens. The planned INCLE-funded assessment will recommend how regular INCLE funding could build on the progress made under the 1207 project and build sustainable capacity within Sri Lankan law enforcement institutions.

Question. The House Foreign Affairs Committee reported State Department authorization legislation out of committee last week. The bill will reach the floor in early June. I am putting together related legislation to authorize the State Department for FY 2010 and 2011.

- Are you in support of legislative efforts to authorize the State Department?

Answer. The Department would support legislation that enhances the Department's ability to carry out its responsibilities in the conduct of foreign affairs and that strengthens U.S. diplomatic capacity. The Department looks forward to working with the committee on legislation that is consistent with the administration's foreign policy and management priorities.

Question. When can we expect an official State Department authorization request to reach the Congress?

Answer. We appreciate the willingness of Congress to collaborate with us on the State Department authorization bill. The Department is coordinating its authorization bill request with the Office of Management and Budget and other interested agencies. The Department will transmit its authorization proposals to the Congress upon completion of that process, which we hope to conclude shortly.

Question. What priorities do you plan to include in the State Department authorization request?

Answer. Subject to the completion of the process described in response to previous question, the Department anticipates that its authorization bill request will include proposals to provide additional flexibility to manage State Department personnel and resources and to improve its consular operations.

Question. Why do you believe it is important to reauthorize the State Department through legislation?

Answer. The Department's authorization bill request presents an important opportunity for the Department to work with Congress on legislation that will improve the management of State Department resources and allow us to better address new challenges that arise in the conduct of U.S. foreign policy. The Department's requests have historically included proposals that provide additional authorities or enhance the Department's existing authorities in a wide range of areas related to its operations around the world.

Question. When asked about modernizing the U.S. foreign assistance apparatus during your Senate confirmation hearing, you responded that it was something you would pursue vigorously and that you were hopeful you would be able to rationalize the system within the State Department and USAID and across the U.S. Government. You said you were determined to present "a plan and a system that will try

to maximize coordination, minimize redundancy, and make the case for the increased resources that are so desperately needed if we intend to meet the missions that we've been given." How are these plans going and can you share with us any specific objectives you have laid out thus far?

Answer. I am committed to ensuring that foreign assistance is well-managed and implemented. I take seriously the need to further modernize how we deliver foreign assistance so it is as strategic, effective, and coordinated as possible. We have not yet completed our review of foreign assistance reform. We are thinking through these issues in a thoughtful and deliberative manner and are coordinating with a broad range of stakeholders.

The focus in these first few months has been on securing the necessary resources to implement a "smart power" agenda. I remain committed to improving and streamlining our delivery of foreign assistance and look forward to consulting closely with the Congress in the weeks ahead.

Question. Since the creation of the "F" Bureau in 2006, foreign aid is controlled by the Director of Foreign Assistance (currently serving in a dual capacity as USAID Administrator) who reports directly to the Secretary of State; State Operations budgets continue to be controlled by the Under Secretary for Management who reports to the Secretary and Deputy Secretary.

- What are your thoughts regarding the F Process? Do you anticipate that the F Bureau will be continued in its current configuration? If not, what changes do you anticipate making?
- Do you intend to maintain the dual role of the USAID Administrator in serving as the Director of Foreign Assistance?

Answer. I take seriously the need to modernize how we deliver foreign assistance so it is planned, budgeted, and implemented in the most strategic, effective, and coordinated manner possible. We have not yet fully completed our review of foreign assistance reform. The issues involving the "F process" as well as the dual role of the Director of U.S. Foreign Assistance and USAID Administrator are part of this review. We are thinking through these issues in a thoughtful and deliberative manner and will coordinate with a broad range of stakeholders.

Jacob J. Lew, Deputy Secretary for Management and Resources, serves as my principal adviser on overall supervision and direction of resource allocation and management activities of the Department and USAID. He is focused on ensuring that the Department of State and USAID are well coordinated internally and collaborating effectively with other agencies and organizations, spending smarter as we build the capacity to achieve our objectives and deliver results.

Deputy Secretary Lew is also responsible for the overall direction, coordination and supervision of operational programs of the State Department, including foreign aid and civilian response programs.

The focus in these first few months has been on securing the necessary resources to implement a "smart power" agenda. I remain committed to improving and streamlining our delivery of foreign assistance and look forward to consulting closely with the Congress in the weeks ahead.

Question. In remarks at a townhall meeting with Department of State employees on February 5, you stated, "Because we know that we can't usher in a new era of diplomacy and development without adequate resources and support. We can't exercise smart power if we don't have what we need to do our job at the highest level. We can't continue to take on new responsibilities if we don't have the resources to fulfill them." Can you speak to the need to recapacitate and reprofessionalize our development corps, and what role the USAID Administrator should have in leading that effort?

Answer. We need good people and we need enough of them to effectively carry out our mission. The staffing shortage at USAID is severe. In 1990, USAID employed nearly 3,500 direct hire personnel to administer an annual assistance budget of \$5 billion. Today, the Agency's staff has shrunk by roughly a third, while at the same time, they are tasked with overseeing \$13.2 billion. To provide the oversight that taxpayers deserve and to effectively manage a doubling of our foreign assistance by 2015, we simply need more good people, to do the jobs we're asking them to do.

I appreciate the Congress' continued support for USAID. Indeed, if USAID is to effectively perform in the critical role it is being called to play, we will need your continued commitment to rebuild the Agency's personnel and expertise. Thanks to strong support from the Congress, USAID will add an additional 300 Foreign Service officers to its total workforce with resources provided by the FY 2009 Omnibus appropriation. In addition, the President's FY 2010 request includes funding for 350

new Foreign Service officers under the Development Leadership Initiative (DLI). This effort to rebuild our Foreign Service staff remains our highest priority for USAID.

We will improve the balance between those functions performed by our direct hire staff and those services appropriately provided by contractors. You will see more USAID personnel engaging directly and productively with our recipient country officials, institutions, and communities.

Development is often difficult, halting, and uncertain. In the long-term, we seek to encourage and support good governance, broad-based economic growth, improved health, better education and modern natural resource management in developing countries. At the same time, in the short-term, USAID responds to disasters, pandemics, and post-conflict situations. While we may not always, or immediately, succeed in moving a fragile state to a position of stability, I believe the Agency's historic achievements—from investments in microfinance, nutrition, agricultural research, family planning, education, and legal reform—should make the American people proud.

The USAID Administrator will play a leading role in rebuilding the Agency. We are currently in the process of reviewing names for the USAID Administrator and believe that filling this key position is critically important. In the absence of a Senate-confirmed USAID Administrator, we are still paying a great deal of attention to the Agency and its critical work. The Acting Administrator, the Acting Director of U.S. Foreign Assistance, the Deputy Secretary for Management and Resources and I have all been very involved in foreign assistance budgeting and in operational planning and management issues.

Question. Many current studies have said that the Department is understaffed. What generally is the process that the Department uses in determining the number of personnel it needs now, and as it looks forward to 2013? If the Department's staffing is increased as proposed in the next 5 years, will that provide the Department with an adequate staff level to undertake a varied diplomatic effort, or will you be meeting basic anticipated needs?

Answer. The Department engages in a multifaceted analysis of its resource requirements in terms of both near term budget requests and its assessment of what its long-term staffing will require. The Department uses several quantitative workforce planning models that project staffing requirements at overseas posts as well as domestic elements. These analytical tools incorporate a variety of country-specific geopolitical factors, anticipated workload changes based on Department strategic objectives, and required policy development and support requirements to support the Department's global agenda.

The results of these analyses are integrated with bureau and post-specific analyses of both current and long-term workload profiles based on current policy objectives as well as what strategic goals are envisioned over the next several years. Of course, the results of these efforts undergo rigorous reviews with Department principals to ensure that resource requests provide the staffing wherewithal to meet immediate, critical policy objectives as well as lay the groundwork to meet the Department's long-range foreign policy vision.

The resource requirements proposed over the next 5 years not only meet the Department's most pressing foreign policy needs, they also position the Department to significantly enhance its global engagement strategy and fulfill the ambitious foreign policy agenda articulated by President Obama.

Question. As the size of the Department's Foreign Service is increased, the question of how those increased numbers of personnel are utilized is also relevant. In 2006, the previous administration argued that there was an imbalance between where the FSOs were serving, in established Western allied nations, and where the Bush administration thought the Foreign Service should be posted—in new strategically important countries such as China and India, and in rising regional powers. Secretary Rice started a "Global Repositioning" program that sent hundreds of FSOs to more difficult postings to meet the new strategic requirements. If you were to bring on the requested additional generalist personnel the Department is planning for through 2013, how would you position these diplomats?

Answer. The Department's FY 2010 budget request continues along the resource blueprint set forth in FY 2009, which is to fill existing vacancies, provide additional opportunities for officers to avail themselves of critical language training, increase interagency professional development, continue to build strategic relationships with our Defense colleagues, and enhance the Department's infrastructure to support workforce growth. Resources requested in FY 2010 will enable the Department to fill remaining overseas vacancies that resulted from shifting priorities, such as

standing up our Embassy in Baghdad. While the Department expects to fill many such vacancies with staffing funded in FY 2009, a number of vacant positions at various overseas posts will remain for which additional officers hired in FY 2010 would be assigned.

The FY 2010 request also lays the groundwork for expanding the Department's overseas presence to address several key administration objectives and priorities: (1) Begin to lay the blueprint for smart power with increased core diplomacy and outreach positions, (2) strengthen global partnerships, and (3) address urgent challenges of a country-specific or transnational nature.

With a solid resource foundation in place, workload, and staffing increases anticipated for fiscal years 2011 through 2013 would allow us to continue to expand the President's global engagement strategy. Increased staffing would be allocated to strategic regional priorities to build civilian capacity for both core diplomatic activities and stabilization and reconstruction, promote long-term development and human security, enhance strategic bilateral and multilateral partnerships, strengthen global security capabilities, and maintain resources to meet urgent humanitarian needs.

Question. In many respects, there is a shortage in mid-level diplomats. It is reported that about one-fifth of mid-level Foreign Service positions are vacant, and about 19 percent of FSOs are doing stretch assignments. Newly recruited FSOs would enter the service at the junior ranks. What are your views on mid-level recruitment to meet current shortfalls? Are there any legal or bureaucratic impediments to hiring mid-level professionals?

Answer. We have had mid-level hiring programs in the past and had very mixed results. Experience has shown that, as with the military, building the skills in-house produces the best results. Learning the art of diplomacy, crisis management, and the full range of skills and experience necessary for our Foreign Service employees is best accomplished through time and experience. As a result, again as with the military, our officers enter the Foreign Service as Entry Level Officers—equivalent to lieutenants—and work their way through the ranks. Employees' skills are honed through our career development program which provides a guide for our officers to achieve the experience and expertise to rise to senior ranks through a careful series of assignments and training. As a result, our officers arrive at senior positions with a full range of crisis management, leadership, managerial, foreign language and cultural skills and are equipped to represent the United States and defend our foreign policy interests.

The Department has the authority to hire new Foreign Service entrants and assign them to mid-level positions after a brief orientation and training period and we have done so in the past. We regularly hire Foreign Service specialists, including doctors and psychiatrists, at the mid-levels. Our experience with mid-level hiring programs for Foreign Service generalists (FSOs), however, has not been encouraging. While we can and do recruit and hire for specific skills, such as proficiency in a needed foreign language, experience has shown that other key skills are best gained within the Foreign Service.

Question. Surveys by the American Foreign Service Association show that the most important issue for their members is having pay comparability between serving abroad and serving in Washington, DC. The Federal Pay Comparability Act of 1990 excludes Federal employees posted outside the continental United States from receiving locality pay adjustments. As a result, Foreign Service personnel, who spend about two-thirds of their careers posted abroad, receive less salary when they are posted abroad and less of a career total than their Civil Service counterparts who spend a career in the United States. Is the administration supportive of the effort of the Foreign Service serving abroad to achieve pay comparability with their Foreign Service colleagues serving in Washington, DC.? Some critics contend that because of the various allowances and benefits, including housing, in most cases Foreign Service officers already have pay comparability. How would you respond to this point?

Answer. Rectifying this pay disparity remains a high priority for the administration. Our critics struggle to understand the unique characteristics of a Foreign Service career. Incentives and allowances are often seen in strictly monetary terms, rather than as longstanding adjustments to compensate for higher costs and significantly adverse conditions abroad. With the loss of locality pay in 1994, entry and mid-level Foreign Service (FS-01 and below) members currently take a cut in base pay of just over 23 percent to serve overseas, despite the fact we are asking more of them to serve in difficult, dangerous, and volatile environments. This disparity

in base pay, apparently an unintended consequence of the introduction of locality pay, continues to grow.

Hardship differential, danger pay, housing allowances, which are applicable to all U.S. Government employees overseas, and other allowances were specifically established as incentives to recruit personnel to relocate temporarily from the United States to foreign areas. They were never meant to serve the same purpose as locality pay. The failure to extend locality pay overseas has undermined the purpose and value of incentives, particularly hardship differential and danger pay, which are designed to compensate for difficult and dangerous conditions abroad. In fact, the value of these incentives is entirely negated by the loss of locality pay at posts where the combination of these two incentives is less than 23 percent. It is only in particularly difficult or dangerous posts, such as Amman, Karachi, and Monrovia that these allowances offset the loss of locality pay.

In addition, hardship differentials and danger pay are calculated based on employees' base pay with no adjustment for domestic locality pay rates. Until 1993, employees serving overseas received incentives and allowances based on the same pay as those serving in Washington, DC. In 2009, by contrast, the pay on which employees received allowances is now based on pay 23 percent less than Washington, DC, pay. In other words, Foreign Service employees serving overseas take a double-hit: lower basic pay (by 23 percent) and proportionally reduced allowance and incentive amounts for service in difficult or dangerous overseas assignments.

Moreover, unlike other USG employees, FS members spend upward of 70 percent of their career overseas. Over the span of a normal career, the significantly lower base pay affects retirement (Thrift Savings Plan contributions) as well as the family pocketbook. In today's two-career families, most members overseas also sacrifice the spouses' earning power.

Question. I support the President's efforts to engage in direct dialogue with Iran. President Obama said this week that "we should have a fairly good sense by the end of the year as to whether [Iran is] moving in the right direction," with respect to its nuclear program.

- What are the objectives of this engagement and how will you measure its success at the end of the year?

Answer. Our Iran policy is focused on our full commitment to direct diplomacy, our intent to cooperate with the Iranians on areas where our interests converge, and a commitment to maintain pressures that hold Iran to its international obligations.

We will use all the diplomatic tools at our disposal to address those policies of the Iranian Government that we and the international community deem destabilizing to the region and beyond, including Iran's pursuit of a nuclear weapons capability, its support for terrorism, and its human rights abuses.

Engagement is not an end in itself. The international community is deeply concerned about the continuing expansion of Iran's nuclear program. A nuclear-armed Iran will significantly destabilize the Middle East and will not add to Iran's security. Many share our concerns that it could embolden Iran's aggressive actions, lead to a potential war with Israel, drive others in the region to seek a nuclear weapon, and damage the integrity of the NPT.

Through the P5+1 process, we seek to hold Iran to its legal obligations under several U.N. Security Council resolutions and to prevent Iran's pursuit of a nuclear weapons capability. The President has made clear that Iran has the right under the Non-Proliferation Treaty to a civilian nuclear energy program. But he has also noted that with that right comes the responsibility to address the international community's concerns and restore international confidence in the exclusively peaceful nature of Iran's nuclear program.

We hope that the Iranian leadership makes the decision to pursue a diplomatic approach to address the issues before us, and comes prepared for serious negotiations.

Question. Are there efforts underway to get our allies to agree to tougher sanctions against Iran should our negotiation efforts fail? What is your assessment as to how far the Russians and Chinese are willing to go? Do other members of the P5+1 share our sense of urgency on this issue?

Answer. Sanctions will remain an important tool, alongside engagement, to help Iran appreciate the choice now before it and encourage it to take steps to secure a better future for itself within the international community. We hope that Iran will come to the conclusion that its interests would be better served by different, constructive policies. At their meeting April 8, the P5+1 expressed their shared determination to resolve concerns about Iran's nuclear program through direct diplomacy, in the context of the dual-track strategy. While there is a new emphasis on the

engagement track, all members will continue to hold Iran to its international obligations.

We pursue an aggressive, multifaceted foreign policy campaign to influence Iran, both unilaterally and multilaterally, relying on the flexibility inherent in existing U.S. law and regulation.

Multilaterally, we have forged a coalition that has secured passage of three U.N. Security Council resolutions imposing sanctions, and worked successfully with the Financial Action Task Force (FATF) to issue a statement calling on its Member States to implement “effective countermeasures” to protect their financial systems from the terror finance and antimoney laundering risks emanating from Iran.

FATF further urged its members to reassess their business relations with Iran. We continue to press the EU to proceed with a package of additional designations of Iranian entities. Not only do these sanctions constrain Iranian activity, they also send a message of international solidarity on those concerns—a message that is particularly powerful given Iran’s quest for international legitimacy.

We continue to work with our P5+1 partners, including Russia and China, to find the right combination of direct engagement, incentives, and pressures, to provide the atmosphere and opportunity for Iran to change its policies of concern and become a constructive international player. We would be happy to brief on this subject in greater detail.

Question. The United States-Iraq Status of Forces Agreement requires the U.S. military to be out of Iraqi cities, towns, and villages by June 30, 2009. Will this deadline be met in all 18 governorates, including Ninewa and Diyala?

Answer. The United States plans to implement fully its obligation under the United States-Iraq Security Agreement to withdraw all U.S. combat forces from cities, villages, and localities no later than June 30, 2009. U.S. combat forces are on schedule to leave all Iraqi cities, villages, and localities in all 18 governorates—including Ninewa and Diyala—by the June 30 deadline. In fact, U.S. combat forces have already begun leaving Joint Security Stations in Baghdad and are dismantling or turning over to Iraqi security forces facilities in other cities in preparation for the withdrawal. In coordination with the Iraqi Government, and consistent with the Security Agreement, noncombat forces such as trainers will remain in some locations.

Question. The United States-Iraq Status of Forces Agreement requires the U.S. military to be out of Iraqi cities, towns, and villages by June 30, 2009. How will the June 30 deadline effect the provision of security for the Provincial Reconstruction Teams, particularly in volatile areas?

Answer. The U.S. military will continue to provide security to Provincial Reconstruction Teams (PRTs) and embedded PRTs (ePRTs) after the June 30 deadline, which applies only to combat forces stationed in cities, villages, and localities. U.S. forces will continue to provide security to PRTs living on Forward Operating Bases as well as movement teams to enable PRTs to travel and interact throughout their areas of responsibility. (PRTs in Erbil and Muthanna currently operate exclusively with State Department security teams rather than U.S. military, and will continue to do so.) As the U.S. mission in Iraq transitions, the Departments of State and Defense will continue to coordinate closely to ensure that PRTs have the security necessary to accomplish their mission. As President Obama stated on February 27 at Camp Lejeune, U.S. military forces will continue to protect U.S. civilian efforts in Iraq as one of their key missions after the U.S. military combat mission ends on August 31, 2010.

Question. Sudan. President Obama has named Gen. Scott Gration as his special envoy to Sudan. On his first trip to Sudan General Gration rightly concentrated on addressing the potential humanitarian crisis created by Sudan’s expulsion of 13 of the international aid groups working in Darfur. His second trip took him to many of the capitals of the region to meet with governments pivotal to creating peace and security. He will shortly go abroad again.

- Please describe the staffing and resources available to the special envoy. Are they comparable to those available to John Danforth during his efforts to craft the Comprehensive Peace Agreement of 2005, which ended decades of war?

I ask because if the United States and others cannot resuscitate the CPA between now and 2011 when a referendum on separation for the South is scheduled, then I fear that the almost certain conflict is renewal of a conflict that claimed over 2 million lives.

Answer. Since assuming his duties as the President’s special envoy to Sudan, Scott Gration has made building a competent, quality team a priority. When pos-

sible, this will include key members of other U.S. agencies. Considering the ongoing situation in Darfur, the fast-approaching Sudanese elections in February 2010, and the referendum on Southern Sudanese independence in 2011, assembling an experienced staff committed to advancing USG goals and serving the best interest of the people of Sudan is absolutely critical.

To that end, Special Envoy Gration has been provided a budget of approximately \$4 million to upgrade facilities in Darfur and Juba, to fund a staff of approximately 20 persons, and to travel extensively with his staff in 2009. Additional funds will be required in 2010 to sustain these operations. The 2009 budget and number of personnel exceed annual resources provided for Senator John Danforth.

Question. In February, an article in *The Economist* stated, “The most smashed-up country in the world has reached a crossroads. The recent election of a moderate Islamist, Sharif Ahmed, as Somalia’s new President may offer the best chance of peace in the country for more than a decade. . . . In the next few months, governments of countries with historical, humanitarian, commercial or strategic ties to Somalia, including its African neighbors, the United States, Italy, Britain, Sweden, Saudi Arabia, and the Gulf States, must decide whether to spend time and money to give Mr. Ahmed a chance to rescue his benighted country. If they do not, he will very probably fail—and the country with him.”

- Does Sheikh Sharif still have this chance? If so, what should the international community do to help sustain his efforts?
- What are the necessary components of a comprehensive U.S. strategy toward Somalia? Or should we be thinking about the problem in the broader regional context of the Horn and if so, what do the broad outlines of that strategy look like?

Answer. We have been a key supporter of the United Nations (U.N.)-led Djibouti Peace Process, which was successful this past January in electing pragmatist leaders into the Transitional Federal Government (TFG), including President Sheikh Sharif, expanding the Transitional Federal Parliament to include members of the opposition Alliance for the Re-liberation of Somalia (ARS), and fostering continued political dialogue and reconciliation. We have provided the bulk of the resources to support the deployment of the African Union Mission in Somalia (AMISOM). We are also supporting the development of the TFG’s security institutions, including the National Security Force (NSF), Somalia Police Force and National Security Committee.

If the TFG is to succeed, the international community must work with it to counter ongoing insecurity in Somalia, and to deliver basic services to the population. Assistance to develop the Somali security sector is crucial. We currently intend to provide up to \$10 million this fiscal year to support the development of the NSF as part of this effort, and we are working to strengthen the TFG’s capacity so that the United States and others in the international community can provide additional assistance. We have also provided \$5.5 million to the United Nations Development Program (UNDP) to support civilian police training under UNDP’s Rule of Law program, and we plan to continue this assistance. We will continue to support the TFG, as well as economic development and livelihoods programs in all of Somalia, including in the northern areas of Puntland and Somaliland.

U.S. policy goals in Somalia are to create political and economic stability, eliminate the threat of terrorism, and address the dire humanitarian circumstances. We will continue to work with states in the region that share our goals and will maintain efforts to change the behavior of states such as Eritrea whose actions undermine prospects for stability. We continue to work closely with other USG agencies and departments to ensure development of joint, coordinated approaches to these issues. We are also committed to eliminating the threat of piracy off the coast of Somalia with the realization that a long-term solution to the piracy situation requires addressing Somalia’s many governance and stability issues on land.

Question. The FY 2010 budget proposal continues a trend of proposing to supplement the traditional State Department-funded foreign military training and equipment programs with smaller DOD-funded programs with temporary authority. Do you think that the State Department’s authority, funding, or personnel are insufficient to provide foreign policy oversight and management for our programs to train and equip foreign militaries? How does this budget seek to correct any such problems at the Department?

Answer. The State Department has broad authority to build partnership capacity through our military assistance programs. Our Foreign Military Financing (FMF), International Military Education and Training (IMET), and Peacekeeping Operations (PKO) accounts have proven to be effective tools to further our foreign policy

goals and ensure our national security. Our FY 2010 budget proposal contains robust increases for FMF, IMET, and PKO. Short-term DOD-funded programs may be appropriate, with State Department concurrence, in areas such as Afghanistan; however, the proliferation of small, temporary train-and-equip authorities independent of our FMF, IMET, and PKO programs could ultimately lead to fragmented train-and-equip efforts. In the coming months the administration will be conducting a thorough review of security assistance programs and authorities to determine the appropriate distribution between State and DOD.

Question. The State Department has requested funding in its FY 2010 budget for two additional staff positions to “support new political-military planning efforts to ensure that military planning processes are guided and actual plans are informed by foreign policy expertise and goals.” Will two additional staff positions in the Political-Military Affairs Bureau provide the needed additional capacity to oversee the so-called “Section 1206” authority, or are additional personnel and/or changes to certain legal authorities also needed?

Answer. We agree strongly with the need for additional State Department capacity to oversee “Section 1206” funding. The President’s FY 2010 budget submission to Congress contains a request for four additional positions in the Bureau of Political-Military Affairs (PM): two positions to support new political-military planning efforts, as cited in the question; and two other positions, as written in the Congressional Budget Justification, “support the expanded, jointly managed DOD-State security assistance program known as ‘1206.’” An appropriation of \$350 million is authorized in FY 2010 for the 1206 program, requiring additional manpower in PM Bureau to ensure adequate State program oversight and management. No changes to legal authorities are requested at this time.

Question. What capacity does the State Department lack that would allow it to oversee and administer new training and equipping programs, such as the Pakistan Counterinsurgency Capability Fund, just as it oversees and administers the Foreign Military Financing and International Military Education and Training programs?

Answer. The Pakistan Counterinsurgency Capability Fund was not requested because of specific constraints on the State Department’s capacity to execute security assistance programs. Rather it was requested as a DOD authority, which requires the concurrence of the Secretary of State, to address the exceptional situation in Pakistan where there is an urgent need to allow the Combatant Commander to accelerate, enhance, and resource Pakistan’s counterinsurgency operations and capabilities. At this time, I do not believe the State Department needs additional capacity to administer its military assistance programs. However, this view may be affected by the broad, strategic review of foreign assistance resources (including military assistance resources) that the Department will be conducting in the coming months in order to reduce redundancies, strengthen State’s ability to manage and coordinate programs, and improve the coherence and integration of our foreign aid programs. Part of this review will include an examination of the appropriate balance of authorities vested between the Defense and State Departments, as well as the personnel and resources needed to build the capacity to execute these programs.

Question. The Appropriations Committee has directed the Secretaries of State and Defense to jointly develop a plan identifying the resources, personnel, and authorities required to transition the proposed Pakistan Counterinsurgency Capability Fund from the Department of Defense to the Department of State by FY 2010. When it is completed, will you please provide a copy of the plan to the Committee on Foreign Relations as well?

Answer. We will be happy to provide a copy of the plan to the Committee on Foreign Relations.

Question. You have repeatedly expressed concerns about the wide-ranging ability of the Defense Department’s Commander’s Emergency Response Program to spend as they see fit. As of April 2009, Congress has authorized about \$1.4 billion for FY09 for CERP humanitarian relief and reconstruction operations in Iraq and Afghanistan, of which DOD allocated \$683 million to fund CERP development projects in Afghanistan. As DOD intends to increase U.S. troop presence in Afghanistan, some DOD officials expect the size and funding of CERP to further expand. The previous administration sought to make the CERP authority permanent and apply worldwide. Some have argued, however, that these activities are not core DOD missions and duplicate similar programs managed by civilian professionals at the State Department and USAID. What are your views of CERP? Alternatively, the American Academy of Diplomacy recommends the continuation of CERP in countries where U.S. forces are engaged in combat activity but to create a parallel

authority or expand current State Department and USAID capacity for undertaking civilian reconstruction projects in post-conflict nations. Do you believe this is a workable division of responsibility? To what extent should State/USAID be engaged in planning and coordination of reconstruction operations in combat areas?

Answer. I support the establishment of a CERP-like authority within the Department of State because it would provide, as it has for the Department of Defense, a flexible means of responding to urgent and immediate reconstruction and stabilization needs on the ground during a crisis, or to conduct those activities that could prevent a crisis when a country is at risk of destabilizing.

During a reconstruction and stabilization crisis, such as Iraq and Afghanistan, where there is also military engagement, the U.S. Government needs to bring to bear all available resources to meet U.S. objectives and bring peace and prosperity to the country or region. Those resources should include the CERP authority currently available in the Department of Defense, as well as resources for civilian-led reconstruction and stabilization activity.

I agree with Secretary Gates that reconstruction and stabilization activities should be civilian-led in order for the military to focus on its core warfighting mission. However, the Civilian Response Corps, for which the President has requested \$323.4 million in funding for FY10, was designed, developed and is being implemented to respond to all reconstruction and stabilization crises; those with and without a military presence. To ensure a cohesive and coordinated presence in combat areas, CRC members are trained to work with and regularly exercise with the military.

Question. The FY 2010 USAID Transition Initiative (TI) account request includes \$76 million for a Rapid Response Fund (RRF). How are the intended uses of the RRF different from the intended uses of the SBF and Section 1207 funding?

Answer. The Rapid Response Fund (RRF) is intended to provide a mechanism and a source of funds to enable the USG to respond rapidly to unanticipated windows of opportunity in new and fragile democracies. The purpose of the fund is to help such governments demonstrate to their citizens at critical times that democracies can deliver. RRF will be set up to react quickly before funds can be requested through the normal appropriations process. Funds will be available to a broad range of countries and for a broad range of interventions, but will be approved only when it is judged that RRF resources can make a measurable, timely impact in delivering the benefits of democracy. For example, Kenya is a fragile democracy that recently faced the likelihood of backsliding into authoritarianism or conflict. A RRF would have diminished the need for FY 2009 supplemental funding and would have provided a more rapid response to help the Government of Kenya in the areas of economic growth, governance, and peace and reconciliation.

The RRF is designed for a very different purpose than the Stabilization Bridge Fund (SBF). The SBF will be used in coordination with Civilian Response Corps deployments in civilian-led stabilization missions. The RRF is not designed to support existing or planned reconstruction and stabilization operations through deployment of people or programs and, therefore, would not support security programs, provide police equipment and training, or demining and weapons destruction as envisioned under SBF.

The RRF is also different than funding available under Section 1207 authority which allows the Secretary of Defense to transfer funds to the Secretary of State for the purpose of reconstruction, security, or stabilization assistance to a foreign country. Section 1207 funds help to avert potential crises that could otherwise require U.S. military forces to assist or intervene. Section 1207 involves close inter-agency collaboration among the 3Ds—defense by DOD, diplomacy by the State Department, and development by USAID. Section 1207 funds transferred to the Secretary of State may remain available until expended and can be used for a broad range of activities under foreign assistance authorities and subject to their limitations. Unlike Section 1207 funds, the RRF is requested directly under the Foreign Operations budget in the TI account.

Question. Section 1206 of the National Defense Authorization Act for FY 2006, as amended, not only provides funding for training and equipping foreign military forces, but also provides the Secretary of Defense with primary authority for programs carried out under its aegis. What are the effects of providing authority to train and equip foreign military forces to DOD rather than the State Department under the Foreign Military Financing (FMF) and International Military Education and Training (IMET) rubric? Have U.S. foreign relations been adversely affected since Section 1206 funding was provided to DOD?

Answer. Section 1206 authority has been a valuable tool to increase the resources available for training and equipping foreign military forces. We recognize the concerns that have been raised about having such an authority outside of the Department of State. The State Department has called for a review of our foreign assistance resources and programs with the aim of reducing redundancies, strengthening State's ability to manage and coordinate programs, and improving the coherence and integration of our foreign aid programs. Part of this review will include an examination of the appropriate balance of authorities vested between the Defense and State Departments, as well as the personnel and resources needed to build the capacity to execute these programs.

Question. Do you agree with some Members that some of the Section 1206 programs that have been carried out or that are proposed have been for FMF-type programs? If so, does that argue for an increase in FMF funding, greater than the \$238.5 million increase requested for FY 2010? Should International Military Education and Training funds also be increased more than the \$17 million increase requested for FY 2010?

Answer. Section 1206 is intended to meet emerging or unanticipated requirements, while Foreign Military Financing (FMF) has historically been used generally for longer term support to develop a wide range of partner country capabilities (not limited to counterterrorism or stability operations) as well as for building and maintaining our bilateral security relationships. FMF requests are normally for country-specific programs, whereas 1206 funds are appropriated by Congress as an unallocated sum. This permits allocating the funds toward new opportunities or unforeseen challenges that arise during the fiscal year in which they are appropriated.

The Department supports the President's budget request.

Question. Secretary of Defense Gates has argued that in the post 9/11 security environment, training and equipping foreign military and security forces is an important military mission, and that Section 1206 authority and funding should remain with DOD. Do you agree? If so, should authority and funding for other authorities to train and equip foreign military forces be transferred from the State Department to DOD?

Answer. The Foreign Assistance Act and the Arms Export Control Act recognize the important role that the Secretary of State must play in the provision of security assistance to foreign countries by assigning to the Secretary of State responsibility for the continuous supervision and general direction of such assistance to ensure that such assistance comports with our foreign policy. DOD's expertise in evaluating foreign defense needs and in implementing security assistance programs is also recognized in these acts.

The administration is conducting a thorough foreign assistance review. Part of this review will include an examination of the appropriate balance of authorities vested between the Defense and State Departments, as well as the personnel and resources needed to build capacity and carry out the mission.

Question. In submitting its FY 2009 supplemental appropriations request, the administration proposed establishing a new Pakistani Counterinsurgency Capability Fund (PCCF) under DOD aegis, providing \$400 million for FY 2009 from the DOD budget to build the counterinsurgency capacity of Pakistan's military, paramilitary Frontier Corps, and irregular security forces. The administration also has requested \$700 million in PCCF funds for FY 2010 through the DOD budget, to be overseen by the U.S. Central Command. Through the PCCF, DOD seeks to fold several existing DOD security-related authorities for Pakistan into one program, according to DOD sources. Nevertheless, the State Department currently provides considerable funding for security force training and security-related equipment to Pakistan through several State Department accounts, and the House Appropriations Committee recently voted to shift primary PCCF oversight to the Secretary of State after FY 2009.

- What is the rationale for having both the State Department and DOD provide separate funding streams for Pakistan military and security force assistance? Given the importance of Pakistan to U.S. foreign policy, should the State Department exercise primary authority over these activities and control the relevant funding.

Answer. We have a longstanding, productive security assistance relationship with Pakistan based on our Foreign Military Financing (FMF) program (\$1.5 billion in FMF since FY 2005). In light of the exceptional nature of the integrated Afghanistan-Pakistan theatre and our corresponding new strategy, however, we concluded that it would be worthwhile to request a dedicated account to enhance the capability

of Pakistan's security forces so that we have additional tools we can deploy there. This means complementing our FMF, the foundation of our security relationship with Pakistan, with a new counterinsurgency resource, a Pakistan Counterinsurgency Capability Fund (PCCF).

The proposed PCCF, which will require the concurrence of the Secretary of State, will be used to accelerate and enhance Pakistan's counterinsurgency operations and capabilities. It includes a small component that will be used to enhance the capacity of Pakistan's security forces to provide humanitarian relief in post combat/conflict areas. We are committed to working with DOD to ensure that this assistance is provided in a way that addresses the urgent needs for enhanced counterinsurgency capability in Pakistan while recognizing the key foreign policy imperatives of the region. Both the Department and Embassy Islamabad are taking steps to manage these two accounts to ensure that they are complementary, not duplicative of each other.

Both Secretary Gates and I are committed to enhancing the Department of State's role and rebalancing the division of foreign assistance authorities. The current PCCF proposal should not be considered a long-term solution; rather, it is a temporary fix in a unique theatre with extraordinary resource and timing issues.

Question. In its proposed legislative language for the Civilian Stabilization Initiative, the administration asks for authority for the Secretary of State to "transfer and merge funds made available under any other heading in Titles I, II and IV of this Act" with CSI funds "to maintain and deploy a civilian response corps and to provide reconstruction and stabilization assistance . . ." Under what circumstances would you use that authority? How much do you think would be the maximum amount that you would transfer under that authority?

Answer. This language will allow the Secretary of State to transfer funds, such as the \$40 million Stabilization Bridge Fund requested under the Economic Support Fund account, into the Civilian Stabilization Initiative (CSI) account, in order for the Civilian Response Corps, when deployed, to undertake urgent reconstruction and stabilization activities in the immediate aftermath of a crisis or conflict. This language will allow the Secretary the needed flexibility to respond immediately to crises while other funds are reprogrammed, made available, or appropriated.

Question. Some advocates of a Civilian Response Corps have argued that the deployment of civilians for state-building tasks in S&R operations would be less costly than deploying military personnel to perform the same tasks. This budget seeks funding to provide deployment security to 130 civilian responders at a cost of \$34.4 million for 3 months, or almost \$264,000 per responder. Although there are no authoritative figures for the cost of a deployed U.S. soldier, a commonly used figure has been \$100,000 per year, or \$25,000 for 3 months. Average costs for deployed soldiers in actual peacekeeping operations in Somalia, Haiti, and Bosnia (as calculated by CRS) generally appear less than this amount. Why does the cost of security alone for civilian responders seem to be higher than the cost of a deployed military responder?

Answer. Unlike the military, members of the Civilian Response Corps (CRC) are not armed and not able to "self-protect." Therefore, they require separate force protection when deployed in nonpermissive environments. In fact, in order to travel and interact under hostile conditions and circumstances, each deployed CRC member requires at least three security personnel for adequate protection, while the military requires no other protection in order to carry out their work.

Civilian responders are also subject to security standards as set forth by the Overseas Security Policy Board and specific legislation mandating minimal security standards, such as 100-foot setback and other minimum standards, which do not apply to military personnel under Combatant Command authority.

Finally, the Department of State does not maintain a standing force of armed security personnel to provide force protection or personal security details in a nonpermissive environment in any significant numbers due to the unpredictable nature of the demand for such services. Therefore, if these forces are needed in large numbers or for unique circumstances, these services may have to be contracted for, which also increases the cost per person.

It should be remembered that the security envisioned at the level referenced above is, as I said, for a fully nonpermissive environment. Many reconstruction and stabilization missions are carried out in a semipermissive environment requiring a less robust force protection element.

It should also be noted that the assertion of a lower total (not per capita) civilian cost to respond to crises vice the cost for deployment of the military to that same crisis is correct. In computing the costs of the military, the total footprint of the

military, which includes many more personnel and all the equipment and hardware (ships, planes, tanks, etc.) as well as the logistical costs of warfighting, Department of Defense overhead, etc., need to be included. If all those costs were computed, a military response would be significantly more costly than the \$323.4 million the President is requesting in fiscal year 2010 to support a civilian response.

Question. How much of the funding that has been appropriated for CSI is for startup costs? How much do you anticipate is needed to maintain a full-sized CRC active component? Standby component? Reserve component?

Answer. Of the total funds made available for the Civilian Response Corps in fiscal year 2008 and 2009, one-time startup costs are estimated at \$31 million. These costs include design and development of the training courses, purchase of equipment and armored vehicles for 250 Active and 500 Standby component members, and initial development of the civilian deployment center.

The cost to maintain trained and ready full-sized Active component is \$61.1 million which includes salaries and benefits for 250 members, training costs, and a 20-percent replacement rate on equipment and armored vehicles.

The cost to maintain a trained and ready full-sized 2,000-member Standby Component is \$72.7 million, which includes salaries and benefits when deployed, the costs of training, and a 20-percent rate of replacement for equipment and armored vehicles.

The cost to maintain a trained and ready full-sized 2,000-member Reserve Component is \$72.7 million, which includes salary and benefit costs when deployed or in training, the cost of training, and a 20-percent rate of replacement on equipment.

Question. Will any of the funds requested for the CSI or for the SBF be used for the same purposes for the so-called "Section 1207" funding, requested under the Department of Defense (DOD) budget, that is used to fund S/CRS rapid response activities?

Answer. Section 1207 funds have so far been used to support stability and conflict prevention needs in countries where there has been no civilian deployment. The Stabilization Bridge Fund will be used in countries where civilian-led stabilization missions are underway in order to respond to short-term reconstruction and stabilization needs while longer term funds are identified, reprogrammed, appropriated or otherwise made available. Civilian Stabilization Initiative (CSI) funds were appropriated to support the operational costs of civilian deployments, not the related immediate and urgent on-the-ground stabilization projects and activities required during or following a crisis.

Question. The administration has requested continued funding under the DOD Section 1207 budget account. Does the administration anticipate requesting such funding indefinitely, or will it eventually transfer the request for such funds to the Foreign Operations budget?

Answer. Our goal has always been to have a fully appropriated fund within State Department to support urgent and immediate short-term reconstruction and stabilization activities by our deployed civilian force. The Section 1207 authority has provided State a mechanism to support stability and conflict prevention needs in countries where there has been no civilian deployment. If funds for the Stabilization Bridge Fund are appropriated, we will work with the Department of Defense to review the continued need for the 207 transfer authority.

Question. What level of USAID direct hire staff is the "right" number? What elements—size of program, type of program, program complexity, host country size, etc.—do you think must be considered and given priority to arrive at an appropriate full-sufficiency staff level in each mission?

Answer. USAID uses the Consolidated Workforce Planning Model (CWPM) that is a strategic management tool that uses assumptions to project reasonable future staffing requirements. The strategic and developmental importance to the United States are the basic elements that determine the size and type of USAID mission for a country. Strategic and developmental importance is measured through the use of: spider graphs showing the level of development in certain sectors in the country such as those used by the Foreign Assistance Bureau, the State Department and the Millennium Challenge Corporation; funding levels for each sector; a combination of international indices to create a factor for operational difficulty for each country; and the experience of many current and former USAID Foreign Service officers.

The CWPM is a comprehensive tool that projects all staff types for the Agency (FS, CS, FSN, PSC/Other). It projects numbers for all types of work that USAID performs. It can be used by management to run scenarios to determine the results

of their strategic decisions on personnel numbers and categories. Soon it will be on the web for all to use as a management tool.

APPENDIX I

THE CONSOLIDATED WORKFORCE PLANNING MODEL—THE FOUNDATION OF THE WORKFORCE PLANNING PROCESS, FEBRUARY 23, 2009

The Consolidated Workforce Planning Model (the Model) is a future-oriented tool that projects staffing needs, by number, type (FS, CS, FSN and others), location, and backstop (family of occupations and competencies) and offers flexibility in response to changing circumstances. The Model takes a strategic approach to estimating the Agency's workforce requirements and allocations utilizing strategic, development, and stewardship elements to create a guiding framework. The Model, using the Agency's current strategic direction, underpins USAID's initiative to significantly increase the size of the Foreign Service (FS) and to augment the Civil Service (GS).

In FY 2008, the Model underwent significant changes to enhance its strategic utility. The Model projects staffing requirements by location, occupation, and employment type (FS, GS, FSN, PSC, etc.) now using an approach that includes almost two dozen parameters reflecting:

- Economic growth;
- Governance;
- Health;
- Education;
- Fragility;
- Strategic and development importance;
- Security and Difficulty Factors; and
- Program funding level.

To further illustrate, Then,

The score required to for a given size (large, medium, small, etc.) was determined through an iterative process of setting break points with experienced professionals then vetting with regional and pillar bureaus.

These additional indices allow the Agency to determine mission size and location based on strategic importance, rather than solely on projected program funding levels. It can also be used to analyze potential strategic direction shifts (i.e., it can run scenarios). The current Model parameters show significant increases in the overall number of FS staff, while reducing some other types of employees (e.g., US PSCs). The Model determines the quantitative workforce needs, while the qualitative staffing needs are determined by competency planning.

For USAID headquarters:

Base Staff represents roles and/or functions required by all Offices. Base Staff is arrived at based upon:

- Averages and baselines (standardized across Offices).
- Desired/recommended numbers (from SMEs).
- Workload survey data.

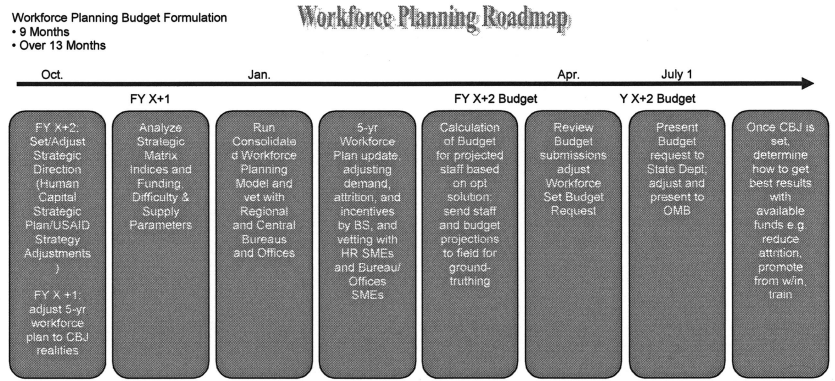
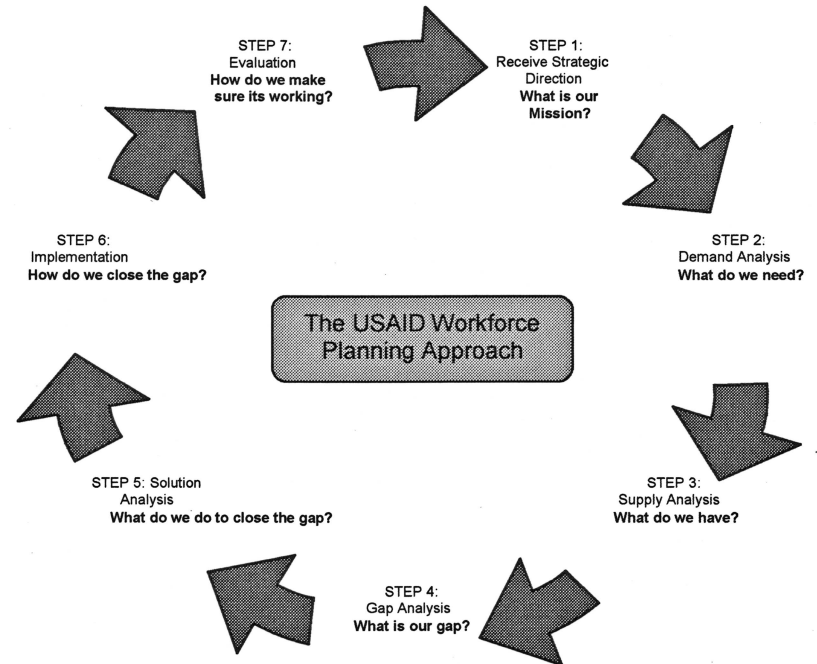
Technical Staff is variable and based upon "good" workload drivers. Technical Staff is arrived at based upon:

- External and/or internal benchmarks.
- Desired/recommended ratios (from SMEs).
- Analysis of the relationship between indicators and staffing levels.

Refined headquarters projections should be ready in April.

The Consolidated Workforce Planning Model, in concert with attrition data, yields the gap analysis which leads to the solution analysis (including hiring plans). The Office of Human Resources (OHR) leads this workforce planning approach annually, looking forward five years. For the FS, a rank-in person personnel system, USAID develops a five-year recruitment plan by backstop (occupational group). For the CS, the Agency uses quantitative data to help plan ahead to close future gaps, particularly for Mission Critical Occupations.

The entire Workforce Planning Process is melded into the Annual Budget Cycle. Based on these analyses, OHR provides data to the Budget Office; and that data serve as the basis for a more accurate operating year staffing budget estimate by determining not only numbers of staff, but types and locations. The Budget Office uses OHR's numbers to set the proposed budget. Missions, Bureaus, and Offices come in with their recommendations. Headquarters, the State Department, and OMB reviews adjust actual numbers for the CBJ. OHR uses the CWPM to redistribute whatever resources it can afford.



The Model eliminates organizational waste and focuses attention and provides a standardized structural template for realignment and reorganizations.

The new Model enhances USAID's capacity to impact global development by positioning staff as USAID representatives with multinational development organizations (e.g., currently with OECD, and FAO; planned with ASEAN and African Union), major donor partner countries, and in other strategic ways.

The updated Model underwent a rigorous vetting process to ensure its accuracy and utility to Regional Bureaus and Headquarters. Projections from the original assumptions in the Model were presented to Regional Bureaus for review. Regional Bureaus coordinated their reviews with Technical and Support Bureaus and Offices and with numerous field missions. Feedback was used to adjust and refine the model. The Agency is now repeating this vetting process in even more detail for both the overseas missions and headquarters bureaus and offices. This will ensure bureaus, offices, and missions understand the "guts" of the CWPM and improve stra-

tegic alignment between the Model and select indices, strategic importance, and ground truth. This vetting will be repeated every year. The Model is dynamic and thus, can evolve overtime to reflect changes in the U.S. Government's foreign policy, strategic focus, level of development, and funding of foreign assistance.

Mali Example: The Model projects Mali to be a medium mission in 2012. Initial 2012 mission size determined based on scores for these factors: Economic Growth: 1, Governing Justly & Democratically: 1, Investing in People: 1, Fragility: 2, Instability: 4, Failed State Status: 3, and Strategic/Development Importance: 8. Adjusted mission size not impacted by its Footprint/Security Factor, which is 1.

Mission staffing levels are determined by mission size and funding level. The Model includes staffing projections by backstop and staff type. As a medium mission with assumed funding levels, Mali will receive the following staff:

Senior Management = FSO: 1; FSN: 0; PSC/Other: 0
 Legal = FSO: 0; FSN: 0; PSC/Other: 0
 Program Management = FSO: 2; FSN: 2; PSC/Other: 0
 Administrative Management = FSO: 1; FSN: 5; PSC/Other: 0
 Financial Management = FSO: 1; FSN: 4; PSC/Other: 0
 Contract Management = FSO: 1; FSN: 2; PSC/Other: 0
 Junior Officers = FSO: 1; FSN: 0; PSC/Other: 0
 IIP Officers = FSO: 3; FSN: 8; PSC/Other: 2
 EGAT Officers = FSO: 3; FSN: 7; PSC/Other: 2
 DCHA Officers = FSO: 3; FSN: 7; PSC/Other: 2
 Totals: 16 FSOs; 35 professional FSNs; 6 PSC/Others; 40 Op Support FSNs = Grand Total: 97.
 As of 9/30/2007: Total FSO positions: 10; Total staff positions: 81.

Bangladesh Example: The Consolidated Workforce Model projects Bangladesh to be a large mission in 2012. Initial 2012 mission size determined based on scores for these factors: Economic Growth: 4, Governing Justly & Democratically: 2, Investing in People: 2, Fragility: 4, Instability: 4, Failed State Status: 4, and Strategic/Development Importance: 10. Adjusted mission size not impacted by incorporating its Footprint/Security Factor, which is 1.

Senior Management = FSO: 2; FSN: 0; PSC/Other: 0
 Legal = FSO: 1.5; FSN: 0; PSC/Other: 0
 Program Management = FSO: 3; FSN: 3; PSC/Other: 0
 Administrative Management = FSO: 2; FSN: 6; PSC/Other: 0
 Financial Management = FSO: 2; FSN: 8; PSC/Other: 0
 Contract Management = FSO: 2; FSN: 2; PSC/Other: 0
 Junior Officers = FSO: 2; FSN: 0; PSC/Other: 0
 IIP Officers = FSO: 4; FSN: 9; PSC/Other: 3
 EGAT Officers = FSO: 6; FSN: 6; PSC/Other: 1
 DCHA Officers = FSO: 3; FSN: 5; PSC/Other: 1
 Totals: 27.5 FSOs; 39 professional FSNs; 5 PSC/Others; 55 Op Support FSNs = Grand Total: 126.5.
 As of 9/30/2007: Total FSO positions: 19; Total staff positions: 92.

Question. The Development Leadership Initiative seems to be aimed at enhancing the number of FSOs. What are USAID's projected needs for civil service staff at headquarters? Will you be requesting an increase in those numbers?

Answer. USAID will need an increase in Civil Service (CS) staff based on the Consolidated Workforce Planning Model. The need for additional CS staff is based on: workload survey data and analysis; averages and baselines (standardized across offices); recommendations from subject matter experts; external and/or internal benchmarks; and analysis of the relationship between indicators and staffing levels.

Over time CS staff needs to increase by several hundred with a significant part of the increase being through rationalization and reduction of the nonpermanent workforce.

Question. Given continued poor state of the rule of law, democracy, and human rights in some parts of the former Soviet Union, how can or should the United States act to support those who would stand up for fundamental rights? Now that we've been providing assistance to the states that arose from the U.S.S.R. for 18 years what sort of assistance works and what doesn't? Are we adjusting the approach we are taking to match circumstances?

Answer. The United States is committed to promoting the rule of law, democracy, and human rights in the former Soviet Union, and to supporting those who stand up for fundamental freedoms such as speech, assembly, and association. This is

accomplished by shining a spotlight on these issues through public statements and reports, by raising our concerns in private dialogues with government counterparts and in multilateral fora, and by supporting those who seek to establish or expand democracy in their countries. We provide assistance to strengthen democratic institutions and processes and we support local organizations and initiatives working to protect human rights, strengthen the rule of law, and promote democratic reforms. As reflected in numerous countries in the region, these democratic reforms take time and the trendlines can be uneven—both with governmental and nongovernmental actors—necessitating a long-term commitment on our part.

Despite their stated commitments to carrying out democratic reforms, many governments in the region have recently enacted increasingly authoritarian measures. Although these trends hamper our efforts to advance systemic reforms, in some cases we have been able to identify and support reform-minded officials and institutions within these governments to improve governance, strengthen checks and balances, and increase citizen participation. Our assistance programs are most effective when they are tied to the incentives of Euro-Atlantic integration and host governments' commitments to implementing their international obligations, buttressed by robust multilateral and bilateral diplomatic support. For example, we have assisted governments to draft and implement new Council of Europe-compliant criminal procedure codes, central to improving defendant rights and improving justice sector transparency. We have also helped governments address weaknesses in electoral processes identified by the Office of Democratic Institutions and Human Rights within the Organization for Security and Cooperation in Europe (OSCE).

As governments in the region have continued to backslide, we have targeted a growing proportion of our assistance to strengthen nongovernmental actors such as advocacy groups, watchdog NGOs, and independent journalists. Where nongovernmental actors are under increasing government pressure, our assistance is crucial to enabling these actors to continue their advocacy for democratic reforms and promotion and protection of human rights. We have increasingly worked with indigenous organizations and regional networks such as the European Network of Election Monitoring Organizations as partners in our programs, strengthening local ownership in democratic development.

We continually adjust our assistance programs to address challenges such as certain governments' efforts to reduce political competition and restrict the media and civil society. As governments have moved to adopt restrictive NGO legislation, we have targeted assistance to protect NGOs' operating space by seeking to improve the regulatory environment through legislative analysis and advocacy, strengthening NGO lawyers associations, and helping NGOs comply with registration and reporting requirements. As governments have clamped down on traditional media, we have increasingly targeted our assistance to strengthen alternative platforms, such as the Internet and satellite broadcasters, in order to expand access to independent information, while also still continuing to support pockets of dynamism in traditional media outlets.

In both our assistance to governments and civil society, we coordinate with other donors to divide labor, share best practices, and ensure a consistent message. We look forward to working with you on these areas of mutual concern.

Question. There is some concern in the international community that our newest NATO member, Albania, is on the verge of a flawed election. The government of Albania is in the process of providing all of its citizens with identification (ID) cards consistent with commitments under its Stabilization and Association Agreement with the EU. These ID cards serve a variety of purposes, including commercial transactions, obtaining pensions, but are also necessary to vote. It appears that the Albanian Government has had technical problems producing and distributing these cards on schedule. It has announced that it will not be able to produce enough cards to provide each citizen with one by election day June 28, 2009. What is the United States doing to ensure that this new ally maintains the democratic commitments we so recently agreed to defend?

Answer. According to the new Albanian Electoral Code, Albanian citizens must possess either a valid passport or biometric ID card to vote in the June 28 elections. We have urged the Government of Albania to make it easier for citizens without passports to acquire the ID cards. In early May, the government, after consulting with the opposition, reduced the cost of ID cards to a nominal fee of approximately \$2.00 from \$10.00 in order to make the cards more widely available. Effective June 1, the government also ordered registration centers to accept only applications filed by citizens who did not already have a valid passport. The purpose of this was to allow the ID centers to focus on those eligible voters who did yet need appropriate ID's.

With these changes in place, we have seen a significant increase in the number of citizens applying for cards. There are no technical obstacles for any citizen without a passport to get a card by June 20, the program cutoff. Meeting this goal depends on individual voters going out and registering for, and picking up, ID cards before the elections. The U.S. Ambassador, John Withers, has been active in the media, urging voters to obtain their ID cards. According to GOA data, some 675,000 persons have picked up ID cards; an additional 500,000 cards have either been printed and are waiting to be picked up, or remain to be produced.

OSCE election monitors in Albania report to the Embassy that they have seen no evidence that the ID issuance process favors a particular party or group, but have detected some confusion over the overall process and a delayed issuance of cards in rural areas. We continue to monitor the ID card process extremely carefully and are coordinating with other observers in the international community to ensure that the ID card program—as well as the overall conduct of the elections—is transparent, inclusive, and fair.

Question. What percentage of positions in our overseas posts are designated as requiring foreign language capability, and what percentage of these positions are filled with Foreign Service personnel meeting the language requirements for the position, especially the particularly hard languages?

Answer. Of our overseas positions, 44.1 percent have language requirements and are designated as Language Designated Positions (LDPs). Currently, 62.7 percent of these positions are filled by Foreign Service personnel who meet or exceed the language requirements. Approximately 55 percent of the LDPs in super hard languages are filled by employees who meet or exceed the language requirements. With the 300 additional positions authorized in FY 2009 that will be dedicated to training, we expect to be able to increase these figures.

Question. Traditional diplomacy required U.S. diplomats to represent the United States, analyze and report on what is happening within the host country and its importance to the United States and U.S. policy, participate in the development of substantive policy position and strategies, and protect U.S. citizens and businesses abroad. Do you believe new, additional skills are required of diplomats today, and what skills would these include?

Answer. To maintain high-quality and relevant training throughout our curriculum and to provide the training essential to help achieve effective and proactive diplomacy, FSI continually reviews, updates and invigorates the wide array of priority training offered. To meet the needs of those working in post conflict situations or on reconstruction and stabilization missions, we now offer Iraq Familiarization training, Iraq and Afghanistan Provincial Reconstruction Team (PRT) training, and training created specifically to meet the needs of members of S/CRS's Active and Standby Response Components. Training for the Civilian Reserve Component is also in development. Foreign languages continue to be a high priority, particularly critical needs languages such as Arabic, Pashto, Dari, and Chinese.

As we train the new Foreign Service and Civil Service employees hired under Diplomacy 3.0, we are reviewing how best to prepare them throughout their career to exercise the Secretary's vision of smart power, i.e., to effectively use the full range of tools, whether diplomatic, economic, political, legal and/or cultural, to achieve our foreign policy objectives.

We also recognize that today's diplomats must be well-versed in the interagency process. Our employees have long attended the military's Command and General Staff Colleges, as well as the war colleges. Similarly, we have had numerous exchanges with interagency partners, particularly DOD, and senior employees serve as political advisers to military commands. But the need continues to grow. We are working hand in hand with our military partners in Iraq and Afghanistan. Increasingly, our employees are integrated with the military's operational commands and staffs. Looking ahead, we are committed to increasing the number of exchanges, details and training opportunities, a goal facilitated by the increased hiring of Diplomacy 3.0. State is playing a key role in the development of a National Security Professional Education/Training Consortium to help expand the options for interagency training and coordination, and in the development of interagency National Security Professionals.

Question. Besides the 180 foreign language positions the administration is requesting, do you believe other skills need to be taught to Foreign Service personnel? Is the Foreign Service Institute capable of doing the training in these areas today? Is the "training float" sufficient to allow other Foreign Service officers to take this training?

Answer. Besides language instruction, which requires the most investment of training time, there are a variety of other skills—tradcrafter, technology, leadership/management—that Foreign Service personnel must possess to achieve the Department's mission. This includes entry orientation for Foreign Service generalists and specialists hired under the Diplomacy, Development and Defense (Diplomacy 3.0) initiative, as well as follow-on tradecraft and leadership training at mid- and senior levels as employees progress through their careers. This is training that the Foreign Service Institute (FSI) already provides and will continue to provide as the need increases.

The issue in the past has not necessarily been the provision of training, but the Department's ability to carve out time to allow for the training when faced with detrimental staffing gaps. The 180 positions in the FY09 budget request are premised on creating a language training complement specifically to facilitate the large investment of time called for by language training (24–88 weeks to attain general professional proficiency). One of Secretary Clinton's highest priorities is to increase our diplomatic staffing by 25 percent over the next 4 years. The overall Diplomacy 3.0 initiative hiring plan should provide the overall force levels necessary to create a "training float" to provide for transfer time to systematically build in necessary training. We hope that you will support the President's 2010 budget request which contains the first set of positions necessary to meet this ambitious goal.

Question. The State Department's Directorate of Defense Trade Controls (DDTC) has had difficulty, especially in recent years, handling the workload of export license requests. At one point, the backlog was over 10,000 cases. While much progress has been made in addressing that backlog, the small amount of time per case that is allowed to licensing officers makes it difficult for those personnel to perform this task responsibly. Major increases in export license and registration fees have been promulgated in an effort to find funds to improve DDTC performance. How many cases per licensing officer per day does DDTC handle?

Answer. While it is certainly true that the Department has had difficulty in dealing with the licensing workload in the past, I am glad to say that these problems are largely behind us. During calendar year 2006, the number of cases open did reach the point of 10,000 cases and the average processing time exceeded 40 calendar days. However, management, process, and procedural changes begun in 2007 and accelerated after the signing of NSPD-56 have produced major improvements. Currently, DDTC averages only 3,500 open cases at any one time (approximately the number of cases received over any 2-week period) and the average case processing time is just 15 calendar days. Licensing officer workload averaged 8 cases per day in 2008.

Question. Since the administration does not intend to use supplemental appropriations to fund regular anticipated expenses, why is the FY 2010 request for Worldwide Security Funding about one-half that of the FY 2009 level?

Answer. Approximately 95 percent (\$893.2 million out of \$940 million) of the FY09 supplemental request is for immediate requirements in Afghanistan and Pakistan, in reaction to renewed violence and increased security threats. Accordingly, the supplemental does not include "regular anticipated expenses."

In FY10, a total of \$1.815 billion is requested for ESCM (Embassy Security, Construction, and Maintenance), an increase of \$108.5 million over the FY09 regular appropriation. Regarding the Worldwide Security Upgrades program, the FY10 request of \$938.2 million is an increase of \$33 million over the FY09 regular appropriation.

The FY10 request, combined with funding contributed by other agencies through the Capital Security Cost Sharing Program, will provide the Department with \$1.4 billion to construct the next tranche of new facilities in high priority areas. Projects are planned for Afghanistan, Pakistan, Senegal, and Yemen, in accordance with the Department's threat-based priority list.

Question. Some analysts suggest that a 100-foot blast-resistant structure can be designed and built without meeting the 100-foot setback requirement, and so greater flexibility should be allowed in embassy design. What are your views regarding providing greater flexibility to embassy design?

Answer. It is possible to design a blast-resistant structure with a setback of less than 100 feet; however this requires in-depth engineering analysis on a case-by-case basis and involves significantly greater cost. For overseas buildings, the 100-foot setback requirement can be overridden only by the personal waiver of the Secretary of State. This has been done on rare occasion, such as in Berlin, Germany and Luanda, Angola. In those instances, the waivers were granted after it was determined that there were extraordinary circumstances, in particular site limitations,

that warranted the reduced setback. The building structure was strengthened to protect against the equivalent bomb blast at the reduced distance.

Due to the physics of blast pressures, a reduction in setback by 50 percent would result in peak blast pressures seven times those at 100 feet. The building and its component parts, including windows and doors, would then be required to be strengthened proportionately, and at significantly greater cost.

Where feasible, the Department is committed to using smaller urban sites, such as in Dubai, without sacrificing the current setback requirement. This is achieved by constructing taller buildings. By locating new buildings within or closer to city centers, we can improve access to the host country government and the populace.

In addition, the Department is working to introduce new technologies—for example window technology that is intended to increase the size of windows as well as introduce new options in window design—that improve the overall design of our buildings and their impact on the neighboring communities. These design improvements can be made without reducing setback.

Question. As the embassy compounds were hardened against terrorist attacks, concerns grew that terrorists would go after “soft targets,” such as housing compounds, embassy recreational centers, places where embassy families went to shop, go to church and their schools. As in previous years, does the administration’s request provide for continuing to develop protection of “soft targets?” If so, how much is requested?

Answer. The FY10 budget request includes \$4.5 million to continue the Department’s efforts to provide security enhancements and upgrades to Department-assisted schools and other schools (attended by U.S. Government dependents) and Department of State recreation associations.

Question. One of the issues discussed in the hearing is the design quality of U.S. embassies. It was emphasized that while we are all aware of the changed world we live in and the need to have security, we have gone too far in that direction and are building fortresses around the world. The result is that we have separated ourselves from people in these countries. You mentioned that you agree with the idea of attaining a better balance and will follow up.

Please describe what steps you plan to recommend in order to better integrate design, sustainability, accessibility, security and cost effectiveness into newly constructed embassies.

Answer. The Bureau of Overseas Buildings Operations (OBO) continually strives to identify and implement the best practices in U.S. building design and construction. This begins by hiring capable and creative architects, engineers, and builders who can produce facilities that are well designed, safe, secure, and functional.

At a minimum, all of our new embassy and consulate compounds are designed to comply with U.S. model building codes and standards for resistance to natural hazards and security threats, fire and life safety, handicapped accessibility, energy efficiency, and sustainability.

It is indeed a challenge for the Department to integrate security measures into the designs of our embassies such that the security aspects do not dominate the aesthetic or representational character of the facility. Using our designers and specialty consultants, we are exploring ways to improve the design of our embassies. For example, we have developed a new pedestrian screening facility that is an open and inviting glass pavilion to replace the older concrete booth design. We encourage our designers to use transparent materials and softer textures on our perimeter walls and fences. Our landscape architects are charged with developing attractive and protected open spaces which can accommodate large and small outdoor events. Interior designers ensure that office functions are adequately supported, and that artwork, furniture and furnishings are tastefully coordinated with the work environment. Finally, our Art in Embassies program ensures that world class artwork is provided to represent the quality, scope and diversity of American and local art and culture.

The Department has a longstanding commitment to environmental sustainability through its design and construction of green embassies around the world. The new Embassy in Sofia, Bulgaria, completed in 2004, was the first U.S. Embassy to receive Leadership in Energy and Environmental Design (LEED) certification. Embassy Panama City, completed in 2007, was the second U.S. diplomatic compound to be LEED certified. Going forward we intend to have our New Embassy Compounds (NEC) designed to the equivalent of LEED Silver. For existing facilities, we are looking at ways to add energy saving technologies and systems, such as magnetic levitation chillers installed in Tokyo and photovoltaic roof and wall installations used in Geneva.

Finally, to continuously improve our facilities, OBO manages a Lessons Learned program that collects input from industry, posts, occupants, and other stakeholders. Those lessons learned are integrated into an annual update of OBO's Building Code, Standards, and Criteria, which is incorporated in all new design contracts. As a special effort, OBO meets with Diplomatic Security (DS) on a regular basis to discuss security risk management. At these meetings, OBO and DS share information on new security technologies and design strategies that would soften the look of our hardened facilities.

Question. Do you think reinstating a design excellence panel to review potential embassy designs prior to approval would be helpful?

Answer. The Department is committed to enhancing the design quality of our new embassy projects. While design panels are useful in certain instances, they are not in all. The Bureau of Overseas Buildings Operations (OBO) is currently studying improvement to design throughout the process using a range of methods. These include improvements such as expanded design services and insistence that design excellence is maintained throughout the process. We continue to contract with highly experienced and creative U.S. design firms. For our part, we must clearly inform our contractors that design excellence is a critical component of our buildings.

OBO explored the issue of design excellence with its Industry Advisory Panel in October 2008. This resulted in a symposium hosted by the American Institute of Architects (AIA) on the topic: "21st Century Embassies: Recommendations for Design Excellence." While still in draft, this report contains several useful recommendations to achieve better buildings.

Design Excellence goes beyond the selection of talented architects and the review of their designs by a peer group. It also includes acquiring excellent sites, developing comprehensive and thoughtful master plans, obtaining host country zoning and building permits, and providing high-quality construction services. The Department is in the process of looking at how all of this can be accomplished without jeopardizing the expediency embodied in the Department's current Capital Security Construction Program.

Question. Are there ways to modify the Standard Embassy Design model in order to bring greater design flexibility and performance standards?

Answer. The Standard Embassy Design (SED) was initially developed as a building template or prototype. It is site adapted to meet the needs of the post and to respond to site constraints. However, over time, the implementation of the SED became less responsive to the environments in which it was being constructed.

The SED is preengineered to meet all applicable building codes and standards, security protections, accessibility, sustainability, fire and life safety mandates—in the most economical manner feasible. In addition, it has been comprehensively evaluated to ensure that it achieves life-cycle cost efficiencies. Unfortunately, some applications of the SED have fallen short in terms of design and/or construction quality.

OBO will continue to explore ways to ensure that the SED produces good buildings without sacrificing the benefits, in cost and schedule, of standardization. OBO will promote the development of site-specific variations to the SED that address local conditions, including the setting, climate, local materials and culture. In addition, OBO has developed several new versions of the SED for smaller embassy communities.

During its evolution, the SED has been redesigned to increase flexibility in the development of interior components except core elements such as elevators, fire stairs, and rest rooms. The central atrium has been improved significantly in terms of flexible use, natural day-lighting, and acoustics. Today, it is typically as a two-story gallery for cafeteria dining and where large post gatherings and special events are frequently held.

Finally, the SED will not always provide the most appropriate design solution. The recently completed Embassies in Berlin and Beijing are examples of embassies where the SED was not used.

Question. We are seeing major displacement in South Asia, namely in Pakistan and Sri Lanka, yet your FY10 budget cut MRA funds down from FY09 levels, allocating only \$106 million for MRA funds for South Asia. Please explain how you will deal with the real refugee and IDP crisis unfolding.

Answer. The administration strongly supports the provision of humanitarian assistance to refugees and internally displaced persons, and appreciates the strong support Congress has historically provided for such assistance. We are extremely concerned about the large number of recent displacements in Pakistan and Sri Lanka and are currently providing humanitarian assistance to areas of need. The

administration's FY 2010 MRA request represents a decrease from funds currently available and requested in FY 2009 for this region, when supplemental funding is included. The latest Pakistan and Sri Lanka crises were not anticipated when the Department's FY 2010 request was finalized. However, the President has included a robust Emergency Refugee and Migration Assistance Fund (ERMA) request in FY 2010 (\$75 million) to help address unexpected needs and to avoid dependence on supplemental funds in FY 2010. Should additional resources be required for Pakistan, Sri Lanka or elsewhere due to an unforeseen crisis, the administration would consider drawdowns of the ERMA Fund to augment resources included in the FY 2010 MRA base request, once overall resource requirements are known.

ADDENDUM to above question: On June 2, 2009, the President submitted an amendment to the FY 2009 supplemental request to address, in part, the additional humanitarian requirements for Pakistan. The President's amended supplemental request includes \$40 million in MRA for Pakistan.

Question. Earlier this month, the State Department delivered their submission to the UNFCCC on the structure of the Copenhagen agreement. As Congress develops a comprehensive climate change and energy package, what do you consider to be the most critical elements of the legislation to support an agreement this December?

Answer. In terms of timing, it would be very helpful to have legislation done before December to have the most positive impact on the climate negotiations in Copenhagen.

In terms of substance, it will be important to reflect ambitious U.S. action to reduce emissions, particularly in the near and mid-term, to allow for offsets from the international market, to include a set-aside for action to reduce deforestation in developing countries, and to enable linking with the emissions trading programs of other countries.

Question. As we engage in international climate discussions, coordination and collaboration between the United States and China is central to addressing the global climate crisis. Will climate change be on the agenda of the Strategic and Economic Dialogue? Can you describe how the State Department and the Treasury Department will coordinate efforts to address climate change through the SAED? What other mechanisms are available to engage the Chinese on climate change and clean energy?

Answer. As demonstrated by the Ten Year Framework for Energy and Environment Cooperation, we believe the Strategic and Economic Dialogue (S&ED) provides an important opportunity to promote and facilitate cooperation between China and the United States on clean energy and climate change, and we plan to increase cooperation in this area. Treasury and State are coordinating closely to work out the details of the clean energy and climate change portion of the agenda with the Chinese.

There are many other valuable mechanisms and forums for working with China on clean energy and climate change issues, including the Joint Commission Meeting on S&T Cooperation and the Major Economies Forum on Energy and Climate.

Question. On Tuesday, Lord Nicholas Stern testified before this committee on the important role for financial support in reaching a global climate agreement in Copenhagen. Given that the Bali Action Plan calls for parties to address finance as a pillar of the global agreement, what levels of financing will the United States propose as part of a global climate agreement?

Answer. Finance-related provisions of a Copenhagen outcome are under negotiation, and will continue to be considered in conjunction with the commitments and actions to reduce greenhouse gas emissions that they would support.

Studies commissioned by the U.N. Framework Convention on Climate Change indicate that additional financing on the order of \$100 billion per year by 2020 will be needed for developing countries to mitigate emissions of greenhouse gases in contribution to global efforts to address climate change, and approximately the same for adaptation to the impacts of climate change.

While the private sector is expected to be the source of the great majority of these potential investments, public policies and public investments are expected to play a critical role in catalyzing the flow of private capital to clean and efficient technologies.

The administration has requested from Congress \$1.2 billion in FY10 Foreign Assistance Act funding for international activities to address climate change, including \$600 million for the World Bank Climate Investment Funds to reduce carbon pollution from developing countries and boost resiliency to climate change.

Question. On April 30, Senator Boxer and I sent a letter to the President urging the United States to take a leadership role in amending the Montreal Protocol to include hydrofluorocarbons (HFCs), an extremely powerful class of greenhouse gases. Please provide an update on the administration's approach to international regulation of HFCs.

Answer. We received your letter of April 30 to the President regarding amending the Montreal Protocol to include HFCs and thereby achieve climate system protection.

We continue to believe there are a number of potential advantages to using the Montreal Protocol for this purpose, some of which are noted in your letter, and are considering this as an option for addressing this important issue.

As you are aware, the Governments of Micronesia and Mauritius submitted a proposed amendment to the Montreal Protocol that would include HFCs under its scope and initiate action toward a phasedown in consumption and production.

The administration is working to gather further information and better understand the implications of this proposal as we move closer to meetings that will take place the week of July 13 at the Protocol's Open-Ended Working Group and at a workshop convened on this topic.

We look forward to further discussions on this issue as our thinking evolves, and would welcome the opportunity for a dialogue on this issue. We would be happy to come brief you to update you on our approach to the July meeting if that would be useful.

Question. The administration's justification for the request for the Contributions to International Organizations (CIO) account includes a brief description of the ways in which the administration will insure full and timely payment of assessed contributions. You refer to adding "\$175 million for synchronizations to be applied to begin reversing the practice of deferring payments of assessed contributions." The Congressional Budget Justification does not indicate, however, how much of this funding would go to each affected organization. Please provide to this committee a breakdown of the intended use of these funds.

- Will particular attention be given to organizations like the Organization for the Prohibition of Chemical Weapons that maintain a zero-real-growth budget and that are forced to return funds to States Party when the deferral of contributions prevents them from spending all their budgeted funds in a given year?
- Similarly, will particular attention be given to organizations like the Comprehensive Test-Ban Treaty Organization Preparatory Commission when U.S. arrears might otherwise give other countries an excuse for cutting back a major project that the United States supports?

Answer. The FY 2010 President's request includes \$175 million to begin eliminating the practice of deferring payments of our assessed contributions. This funding would represent the first step in a multiyear plan, as the estimated cost for eliminating the practice for all affected organizations is close to \$1.3 billion. The Department is evaluating several factors in prioritizing the initial use of funds. We would reach out for congressional views to be factored into the prioritization.

Although the timing of payments can cause some challenges to organizations, it is our understanding that the Organization for the Prohibition of Chemical Weapons' (OPCW) practice of under spending their budget is due to a number of factors. We appreciate OPCW's efforts to maintain a zero growth budget, and this will be one of several factors to consider when making the decision to prioritize any synchronization funding that is appropriated.

Payments to the Comprehensive Test Ban Treaty Organization (CTBTO) Preparatory Commission are made from voluntary contributions from the Non-Proliferation, Antiterrorism, Demining, and Related Programs (NADR) account. Many priority programs supporting our nonproliferation goals are funded from the NADR account, such as the IAEA voluntary contribution and export control cooperation. We have not had sufficient funding available in recent years to make full, timely payments to the CTBTO Preparatory Commission. The FY 2010 President's request includes \$26 million for this program, which will not enable us to end the practice of paying late. With the administration's emphasis on pursuing Senate advice and consent for ratification of the CTBT, we are committed to becoming current in our payments as soon as possible.

Question. The administration's justification for the request for the CIO account includes "new statutory authority to address future exchange rate losses in the CIO account by enabling the recovery of funds for reimbursing U.S. citizens who have paid income taxes while working at international organizations." Please explain what this means. What happens now? U.S. employees at the United Nations pay

U.S. taxes. Do other nationals employed at the United Nations pay taxes? What will happen under this new plan? How does it relate to “future exchange rate losses?”

Answer. The United States is one of very few nations that taxes income earned by its nationals who work at international organizations. To create parity with other nationals who do not pay income taxes on their earnings, most organizations funded through the CIO account reimburse U.S. employees for the income taxes they pay. Otherwise, U.S. citizens would likely not find employment at these organizations attractive, because the organizations set salary levels as if they will not be taxed.

There are memoranda of agreement known as Tax Reimbursement Agreements, through which the organizations submit requests to the Department of State for reimbursement for the funds that each organization provides to its U.S. employees for income taxes they paid on income earned from the organization. These reimbursements are funded from the CIO account.

Estimating the amount of funds needed for this purpose is complex, as it depends on the number of U.S. employees working at an organization and the amount of U.S. income taxes that they pay. Furthermore, the entire reimbursement process can take several years to complete, because of the time involved in organizations receiving and submitting claims from U.S. employees, as well as the time necessary for the Department to process the claims.

To address the issues associated with the prolonged reimbursement process, the administration’s FY 2010 budget request for the CIO account included \$20,453,000 in funding for tax reimbursement agreements—to remain available through FY 2014. The additional availability is intended to accommodate the delayed billing for expenses pursuant to the tax reimbursement agreements and to allow the Department to reallocate these resources more effectively once the bills attributable to a particular fiscal year are received and paid.

The FY 2010 budget request also included a separate general provision that would establish a new “Buying Power Maintenance, International Organizations” account and related authorities to help the Department offset the impact of adverse exchange rate fluctuations on the CIO account. This proposed provision includes authority that would enable the Department to transfer expired, unobligated balances (including funds for tax reimbursements) into the Buying Power Maintenance account, subject to congressional notification.

Question. How would you change U.S. assistance for democracy promotion? How would you recommend coordination and oversight of all the various democracy promotion programs?

Answer. The promotion of democracy, human rights, and the rule of law is a key foreign policy pillar of this administration. It reflects the core values of the American people and advances our national security because democratic states are our most effective allies and partners, particularly as we face complex and significant global challenges. Our democracy assistance programs build and strengthen states that govern through rule of law and with respect for human rights; that are transparent and accountable; where government powers are limited and checked; where the transfer of power occurs through a regular, peaceful and fully participatory process; and where citizens are able to participate in an informed and meaningful way in the political life of their country. Strengthening governments to be responsive and accountable to their citizens in these ways establishes the foundation necessary for the success of all of our other development efforts.

We will develop bilateral policies and programs on a case-by-case basis, evaluating what type of approach will be most effective in achieving our democracy goals in a given situation. To achieve these goals we will work with the full range of actors who play a role in democratic development. We will work in partnership with governments and nongovernmental organizations as well as with multilateral and regional organizations that are seeking to advance democratic values and institutions.

Our FY 2010 budget request includes \$2.8 billion in Foreign Assistance resources for Governing Justly and Democratically activities to be administered by the U.S. Agency for International Development and the Department of State. This request for funding is the highest level to be requested by any administration for activities supporting this foreign assistance objective. In addition to funding foreign assistance activities that support democratic institutions and practices, we will continue to advance these concepts through diplomatic efforts that engage foreign governments and publics as well as through key multilateral institutions.

As we ask Congress for unprecedented levels of assistance funding for these and other programs, I am asking staff in the Department and at USAID to take a fresh look at the programs we are supporting and to redouble our efforts to ensure coordination, coherence, and efficiency. I am asking our regional and functional bureaus

to approach our assistance efforts in a more integrated fashion and to ensure that all stakeholders are brought into the discussion.

Coordination and oversight of all assistance programs happens at a number of levels, starting with the formulation of the budget where we analyze needs and opportunities from a country, regional and global perspective, based on input from stakeholders across the Department and USAID. Once funds are available, a great deal of coordination happens in the field, where most of the programs are developed and implemented as part of an integrated country assistance program targeted at country-specific needs and opportunities. In addition, Washington-managed programs are coordinated with relevant embassies and USAID missions.

Achieving unity of effort among all entities and agencies managing U.S. foreign assistance is challenging but necessary. As Congress and this administration consider ways to improve the implementation of U.S. foreign assistance, we will consider ways to strengthen our democracy assistance efforts as an integral part of the whole.

Question. President Obama is giving his big Middle East speech from Cairo, a country which symbolizes failed democracy promotion from the last administration. What will be the hallmark of this administration's democracy agenda?

Answer. The promotion of democracy is a key foreign policy pillar of the Obama administration, reflecting the core values of the American people as well as our closest allies and partners.

The hallmark of the Obama administration's democracy agenda, as the President set forth in his Cairo speech, will be to support and encourage governments that reflect the will of the people—that allow people to express their opinions, to determine who will lead them, to have confidence in the rule of law and equal administration of justice, to live under a government that is transparent and does not steal from the people, and that allows people to live as they choose. As the President said, “these are not just American ideas; they are human rights.” The President believes that engagement and dialogue are often the most effective ways of promoting these values. He is also mindful that with rights come responsibilities, for governments and individuals alike.

To this end, we will seek enhanced partnership with governments and civil society members, including nongovernmental organizations, that seek to strengthen democratic institutions and values. We will look for and applaud instances of positive democratic development, and encourage it where it does not exist. We will support people in their countries who seek democracy and respect for human rights and will speak out when their aspirations are denied.

The Obama administration will look at countries and develop bilateral policies on a case-by-case basis, based on evaluation of what type of approach in a given situation is most likely to effectively promote our democracy and human rights goals. We will engage in relevant multilateral fora where we believe we can advance these objectives. For instance, the Obama administration has joined the Human Rights Council (HRC)—even though the HRC has not lived up to its promise—because we believe the U.N. must be an effective, balanced and credible venue for addressing human rights, and the United States can do a better job of protecting and defending that mission if we're inside the HRC, where our voice as a member will be stronger than that of an observer or nonparticipant. We continue to support the U.N. Democracy Fund, and the various other multilateral and regional organizations that work to advance democratic values.

In sum, we are firmly committed to the promotion of democracy and human rights around the world and believe that engagement with the full range of actors who play a role in democratic development is often the most effective approach.

Question. Middle East Partnership Initiative (MEPI)—the FY10 request for this account is \$86 million, which is \$36 million higher than the FY09 level. Many have questioned the goals of MEPI and whether it is duplicative or redundant to other U.S. democracy programs. Please explain why this program is being increased and why it should be funded in a separate line item from other democracy assistance efforts?

Answer. The administration's FY10 request for the Middle East Partnership Initiative (MEPI) is \$86 million, \$1 million less than the previous year's request of \$87 million. MEPI will use the FY10 funding requested to respond to the President's call for increased partnerships with the people of the Middle East and North Africa. These partnerships will focus on a number of separate but related initiatives, among them: helping citizens to develop new tools to participate more fully in society, including through capacity-building for, and support to, community-based organizations; empowering women and youth to take positions of increasing responsibility

in society and the economy, including through academic, vocational, entrepreneurship, and leadership training; and supporting efforts to make legal systems more responsive to the traditionally less privileged and, more broadly, helping citizens to realize the dream of government by rule of law, with equal and impartial administration of justice.

While other donors may work in some of the same areas in specific countries, MEPI's is a regional focus that goes beyond simple democracy promotion to include other innovative aspects of advocacy for positive change and is integrated into the policymaking and policy implementation of the Bureau of Near Eastern Affairs (NEA). MEPI has increased efforts to ensure effective coordination with U.S. Embassies in the NEA region and with other donors. MEPI participates in the development of Mission Strategic Plans, and each NEA Embassy has a committee dedicated to ensuring that MEPI activities support Mission goals and strategies to achieve them. MEPI's unique ability to respond rapidly and flexibly to emerging foreign policy requirements is made possible by full integration in the country team. The day-to-day interaction among MEPI program officers, Embassy officials with acute and nuanced awareness of their host countries, and Washington policy formulators generates a mutual awareness of policy support needs and program capabilities, allowing MEPI to tailor its programming to each host country's unique situation without a requirement for large in-country program implementation capabilities. As needs shift, resources can be reallocated swiftly and fluidly.

MEPI also has a regional perspective driven by the Secretary's overarching strategic objectives for the Middle East and North Africa, with active regional projects affecting every country in the region except Iran. Such projects permit the creation, over time, of partnerships and broad networks among implementers and participants that extend beyond national boundaries. Also integrated into MEPI is a robust local grants program that builds the capacity of indigenous NGOs and provides them funding for executing, within the broad lines of NEA objectives, their own project ideas.

Having an entity that can execute programming on a regional scale provides the Department with added flexibility, as well. Since regional funding is not part of each country's bilateral line item, these funds are not included in programming negotiations with the host government. If circumstances on the ground change and funding initially intended for one country is no longer needed, MEPI can reallocate resources to priorities in other countries or to broader regional objectives. This shift is much harder to accomplish with bilateral programs.

Question. Why is the OSCE budget line zeroed out for FY10 under International Organizations and Programs?

Answer. We did not request funds from the International Organizations and Programs (IO&P) account for the OSCE in FY 2010. No IO&P funding was requested in FY 2009 for the OSCE, and the OSCE only received IO&P funding in FY 2008 on a one-time basis. The President's FY 2010 request for Assistance to Europe, Eurasia, and Central Asia (AEECA) and the Diplomatic and Consular Programs accounts would allow us to meet our financial obligations to the OSCE in 2010.

Question. Please explain the FY 2010 request of \$40 million for the stabilization bridge fund. Is this coming out of ESF funds? Which Bureau will control this fund? What criteria will be employed to determine usage?

Answer. The Stabilization Bridge Fund (SBF) is requested under the Economic Support Fund (ESF) account and will allow the U.S. Government to respond to urgent critical needs of stabilization crises. When used in coordination with a whole-of-government civilian response engagement, this fund would speed up stabilization and reconstruction work in areas such as security and rule of law, economic recovery, and rebuilding of infrastructure, bridging the short-term gap until other funds can be identified, reprogrammed and/or appropriated. The SBF will allow us to respond to emergent opportunities to build lasting stability and peace and potentially shorten or eliminate the need for military forces, international peacekeepers or police engagement.

As the lead on behalf of the Secretary of State for development and implementation of the Civilian Response Corps, the Office of the Coordinator for Reconstruction and Stabilization will manage and coordinate with the CRC participating agencies to develop a decisionmaking process for how to best utilize and program the funds during a crisis.

Question. Shared Security Partnership—please explain the FY 2010 \$90 million request for the shared security partnership. What are the goals of the program? Which entity will administer? What account are the funds coming from? Which countries will be targeted?

Answer. The \$90 million foreign assistance initiative is part of a broader \$5 billion multiyear, multifaceted, multiagency Shared Security Partnership (SSP) Initiative to provide a comprehensive approach to our national security and international security in the 21st century by addressing the wide array of existing threats posed by terrorist organizations. Our goal is to create more effective partners by enhancing capabilities, providing technical assistance, equipment, building political will, and developing information sharing relationships and platforms that will be mutually beneficial for confronting common global extremist threats.

The partnership builds upon and strengthens previous law enforcement and counterterrorism efforts by creating an infrastructure of information-sharing and coordination globally and regionally. SSP funding includes support to new cooperative relationships as part of the President's initiatives, such as the Caribbean Basin Security Initiative. Additionally, SSP funding will support existing programs that share the SSP goals with additional funds, such as the Trans-Sahara Counter Terrorism Partnership.

The USG will build up our partners' capacities to address global challenges in the areas of counterterrorism, border security, maritime security, nonproliferation of Weapons of Mass Destruction, and anticorruption, through the provision of additional technical assistance, training and equipment. We will also work with partners to establish common views on threats that need to be addressed; with these funds. The emphasis will be on creating, supporting and utilizing regional approaches to create active networks as a way to increase capacity for coordination between and among countries and facilitate information-sharing with the United States. These programs are currently funded through the following accounts: International Narcotics Control and Law Enforcement (INCLE), Nonproliferation, Antiterrorism, Demining and Related Programs (NADR), Peacekeeping Operations (PKO), and Foreign Military Financing (FMF).

We are deliberating on the optimal means of coordinating at the departmental and interagency level to identify priorities, assign areas of responsibility, set time-tables and action plans that are tied to results, and ensure management and oversight for FY 2010 and beyond. Initial focus should be on: (a) Countries where needs are significant and growing; (b) regions where we can magnify the impact regionally by focusing on key common issues and problems (such as in West Africa and Latin America); and (c) countries willing to enter into a long-term cooperative relationship.

RESPONSES OF SECRETARY OF STATE HILLARY CLINTON TO QUESTIONS SUBMITTED BY
SENATOR RICHARD LUGAR

Question. The Congress has authorized and appropriated \$3 million for U.S. contributions to the Extractive Industries Transparency Initiative Trust Fund, which is housed at the World Bank. Moneys in the Trust Fund support the voluntary Extractive Industries Transparency Initiative, a promising program to improve governance in many nations. Despite clear congressional mandate, officials at USAID have not yet reached a final agreement to transfer funds. Please provide a status update of U.S. contributions to the EITI Trust Fund. Will the U.S. contribution finally be made by the end of May 2009?

Answer. The USG is poised to contribute \$6 million (\$3 million directive in FY 2008 and \$3 million directive in FY 2009) to the Extractive Industries Transparency Initiative (EITI) Trust Fund. A draft Single-Donor Administrative Agreement consistent with U.S. legal requirements was prepared by the USAID Office of General Counsel and provided to the World Bank Legal Office on March 3, 2009, following lengthy negotiations. By the time of the mid-May Trust Fund meetings, the World Bank legal team had made considerable progress in its internal deliberations, and the United States was invited to participate in the meetings of the Trust Fund Management Committee and associated events.

World Bank officials have indicated that their deliberations are in the final stage. A Trust Fund Proposal (TFP), which is a Bank requirement for all new trust funds, is currently in World Bank internal circulation. When the TFP is approved and the World Bank internal clearances of the draft Single-Donor Administrative Agreement are obtained, the World Bank Legal Office will send the Single-Donor Administrative Agreement to the USAID Office of General Counsel for final approval. Once the Single-Donor Administrative Agreement is cleared by all parties, USAID will transfer the full \$6 million USG contribution to the World Bank for the EITI Trust Fund.

Question. Many recent reports have documented the fragmentation of our foreign aid programs and the need to renew and revitalize capacity at our civilian agencies.

You have made clear your support for the use of smart power and your instructions for a top to bottom review of assistance programs before taking further steps on aid reform.

- What is the status of this review? How will this review be used to guide your recommendations for strengthening U.S. aid programs and revitalizing civilian capacity?
- The lack of a USAID Administrator is troubling at a time when this review is proceeding. When do you anticipate an administrator being named? What role will a new administrator play with regard to Deputy Secretary Jack Lew or the F Bureau?

Answer. I am committed to making sure that Foreign Assistance is properly managed and implemented. I take seriously the need to modernize how we deliver foreign assistance so it is as strategic, effective, and coordinated, as possible. We have not yet completed our review of Foreign Assistance reform. We are thinking through these issues in a thoughtful and deliberative manner and will coordinate with a broad range of stakeholders.

The focus in these first few weeks has been on securing the necessary resources to implement a "smart power" agenda. I remain committed to improving and streamlining our delivery of foreign assistance and look forward to consulting closely with the Congress in the weeks ahead.

The process of selecting Cabinet and sub-Cabinet level officials in the government is, as you know, difficult and time-consuming.

We are currently in the process of reviewing names for the USAID Administrator and agree that filling this key position is critically important.

I do not want to leave the impression, however, that, in the absence of a Senate-confirmed USAID Administrator, we are not paying a great deal of attention to the Agency. The Acting Administrator, Acting Director of U.S. Foreign Assistance, Deputy Secretary, and I have all been very involved in foreign assistance budgeting and in operational planning and management issues.

Question. I am encouraged by the request for resources allocated for global food security in the FY2010 budget. I commend your making it a priority to position the United States as a leader in alleviating hunger and poverty. The request and statements from the administration support the basic tenets advocated in the Global Food Security Act that I introduced earlier this year with Senator Casey.

- I understand the Department is in the process of developing a global food security strategy. What is the status of that strategy, and to what extent does it adopt a whole of government approach?
- To what extent have you assessed the Lugar-Casey bill? Do you believe passage of this legislation would be helpful to the State Department and USAID?

Answer. The President announced at the G20 summit on April 2 that he will work with Congress to increase U.S. financial support for food security in poor countries, to more than \$1 billion in FY 2010. The FY 2010 President's budget request provides approximately \$1.36 billion in agricultural development assistance. The President has also asked that Secretary Clinton develop a comprehensive food security initiative to be launched later this year. This initiative will build on the FY2010 budget request and include a whole-of-government approach that fully utilizes the strengths of U.S. agencies engaged in food security activities.

The administration has assessed the Lugar-Casey bill and believes generally that passage of this legislation as introduced would be helpful to the State Department, USAID and other U.S. agencies. In line with the bill's approach, the Secretary is leading the development of a comprehensive strategy to address global hunger that includes maintaining robust support for humanitarian emergencies as well as increasing agricultural development assistance as a key driver of poverty and hunger relief. With respect to the creation of an overall coordinator for food security, permissive authorities for the administration concerning the selection and responsibilities of senior officials to carry out the necessary functions would be most welcome.

We look forward to working with Congress as we further develop our policies and plans to tackle this important moral and strategic challenge.

ENERGY SECURITY

Question. Western Hemisphere Renewable Energy: The United States signed with the Government of Brazil a Memorandum of Understanding to collaborate on research in biofuels, standards and codes harmonization, and deployment of biofuels technologies in third countries. Several other countries in the Western Hemisphere have indicated a desire to participate in such cooperation, including in technologies beyond biofuels.

- What funds are being requested in support of cooperation with nations of the Western Hemisphere on biofuels and other energy measures? What are the priorities for use of these funds?

Answer. The United States is cooperating with the Western Hemisphere on biofuels primarily through the Memorandum of Understanding on biofuels cooperation with Brazil, which includes hemispheric partners the Inter-American Development Bank, the Organization of American States, and the U.N. Foundation. Each partner is making substantive contributions to support the development of local biofuels industries and government policies. Our priority is to further our efforts in El Salvador, the Dominican Republic, Guatemala, Honduras, and Jamaica.

The United States has also invited countries in the hemisphere to participate in an Energy and Climate Partnership of the Americas (ECPA). In FY 2009 and 2010, we have requested funds to implement summit initiatives, including the ECPA. ECPA priorities are to promote cooperation on energy efficiency, renewable energy, cleaner fossil fuels, energy poverty, and infrastructure.

Question. What is the administration's position on reduction or elimination of the existing tariffs on biofuels imported to the United States?

Answer. This is a question most appropriately answered by the United States Trade Representative.

Question. The Office of the Under Secretary for Economic, Energy and Business Affairs (E) includes funding for a Special Advisor to the Secretary on Biofuels. The Special Advisor under Secretary Rice made progress on a number of new initiatives, particularly in Brazil and the European Union. However, the Special Advisor did not have direct authority over a programmatic budget, thus creating the potential for misalignment of political agreements and funding resources.

- Does the Secretary intend to appoint a new Special Advisor on biofuels? What will be the major goals of this position? How will the Special Advisor coordinate with relevant bureaus for programmatic funding?

Answer. The Secretary will be making an announcement soon on how energy issues will be handled at the Department.

Question. Niger Delta Assistance: In the Niger Delta, criminal activity, corruption, lack of political will, and stunted local development fuel violence leading to theft and lost production of up to a million barrels of oil per day. That is a significant loss to Nigeria's economy, and it will likely severely impact global oil prices when global oil demand picks up with economic growth. European Command, and now Africa Command have sought to work with West African governments to build offshore security in the Gulf of Guinea. Meanwhile our civilian agencies have virtually no presence in the oil-rich Niger Delta.

- What changes in strategy and levels of assistance are planned for U.S. civilian engagement in the Niger Delta?
- What is the planning and implementation strategy to integrate State Department, USAID, and Department of Defense activities related to the Niger Delta and Gulf of Guinea?

Answer. The State Department remains concerned about the situation in the Niger Delta and continues to call on all Nigerians to persevere in efforts to end the violence; establish conditions and mechanisms for profound, positive changes in governance; curb the activities of criminal elements operating with impunity in the Delta; and provide economic opportunity and needed services for residents of the Niger Delta.

As often as security conditions permit, the U.S. Ambassador and Embassy staff visit the Niger Delta region, working with civil society, governors and legislatures of several states to improve coordination, accountability, and funding for development and poverty alleviation. In 2009, the United States will provide assistance, consistent with interagency recommendations, to promote sustainable development, coastal security, combat crime and corruption, as well as provide good governance. Some examples of FY 2009 assistance to the Delta states include: U.S. military maritime-related training (e.g. international maritime officer training, search and rescue training, patrol craft maintenance training); USAID civil society capacity-building to enable extractive industries transparency advocacy; USAID partnership to improve returns on cassava cultivation; State Department assistance for high-tech counter-narcotics scanning machine at Port Harcourt's International Airport; and Center for Disease Control (CDC) distribution of antimalarial treatment. USAID/Nigeria is currently revising its strategy to work with focus states, including some Niger Delta states, in particular sectors.

U.S. agencies, together with Nigerian counterparts and international partners, meet quarterly as part of the Gulf of Guinea Energy Security Strategy Forum to identify strategies for overcoming obstacles to efficient and secure energy production in the Niger Delta. In March, Secretary Hillary Clinton and Nigerian Foreign Minister Ojo Maduekwe announced a United States-Nigeria Bilateral Working Group. The State Department plans to use these forums to enhance coordination of U.S. interagency activities, redouble our efforts to provide assistance to Nigeria, as well as press Nigeria's federal and state governments to follow through with implementation to solve the crisis in the Delta.

Question. Equatorial Guinea: After years in which U.S. diplomatic activities for Equatorial Guinea were managed out of Cameroon, U.S. Embassy staffing in Malabo has been minimal. On the most recent SFRC staff visit, there were just three Foreign Service officers. Yet Equatorial Guinea is the third largest African supplier of oil to the United States, and there are many areas in governance, development, and rights protection in need of attention. Without sufficient staffing, our diplomats will find it difficult to restore relations after many years of neglect. Please elaborate staffing plans for U.S. Embassy Malabo.

Answer. Our interests in Equatorial Guinea (EG) are to promote better human rights and governance, promote security in the Gulf of Guinea, help protect the over \$13 billion in U.S. oil investment and 500–700 American citizens in EG, and work with the EG Government (GREG) to improve social service delivery.

The U.S. Embassy in Malabo reopened in 2004 and established a resident Ambassador position in 2006. Embassy Malabo has a core group of locally employed staff and qualified direct hires to support U.S. interests in EG. Embassy Malabo is approved for a maximum of eight American direct hire positions, which are planned to be staffed during or upon completion of the construction of the Standard Secure mini-Compounds (SSMC), scheduled to start by 2010. The Embassy currently has six positions: Chief of Mission (COM), Chief of Mission Office Management Specialist (OMS), Deputy Chief of Mission, Consular/Political/Economic Officer, Management Officer, and General Services Officer (GSO). Only three of these positions are staffed. Ambassador Don Johnson departed post in July 2008 and his successor has not yet been announced by the White House. We anticipate the new COM will choose his OMS once she/he comes on board. The GSO position was recently filled, and this new staff member will arrive in August. The Department plans to assign a facility manager to Malabo before or during construction of the SSMC. Management and other support is also provided from other embassies in the region and from Washington.

Question. Global energy infrastructure is known to be a target for terrorist and other militant activity. The Office of the Coordinator for Counter Terrorism has been involved in working with foreign governments to improve security through the Global Critical Energy Infrastructure Protection program. Yet by some accounts, this program is small relative to the potential threat as well as to the economic consequences if major oil and natural gas supply points are compromised. If global oil markets again tighten in coming years, as would be expected with economic recovery, the spare capacity margin in global markets will once again erode.

- (a) What budget and staffing for State Department activities for critical energy infrastructure are being requested?
- (b) How many countries, what number of facilities, and what percentage of global oil and natural gas supply will be supported with the budget request?

Answer.

(a) As of July 6, three individuals in S/CT will share responsibility for coordinating implementation of the GCEIP Strategy. In addition, other Bureaus within the State Department (Diplomatic Security, Energy and Economic Affairs, Near Eastern Affairs, and European and Eurasian Affairs) have been closely involved in specific aspects of the State effort. Consequently, no funds are requested specifically for the Global Critical Energy Infrastructure (GCEIP) program in the FY2010 budget. Should the global economic recovery cause the world energy market to tighten to the point where limited excess production capacity severely increases the potential impact of a successful terrorist attack, we will review our resources and determine an appropriate response.

(b) We are currently working directly with one country (containing four critical energy facilities), and we are seeking to expand our engagement to include three additional countries (containing a total of four critical energy facilities). These countries account for approximately 20 percent of global oil production and 5 percent of global natural gas production. We will continue to identify critical energy facilities

around the world that could benefit from the GCEIP program and seek to work with the countries in which those facilities are located.

Question. In last year's reauthorization of the PEPFAR bill, Congress specifically recognized the importance of U.S. higher education's role and ability to help build health systems in developing countries necessary to combat HIV/AIDS, tuberculosis, and malaria. The bill mandates the training of 140,000 health care workers and building the capacity to do this training.

- What is the plan to develop an effective and timely strategy to build and implement these partnerships to increase the effectiveness and provide sustained capacity of developing countries to deal with these diseases?

Answer. As you noted, in reauthorizing PEPFAR, Congress recognized that health systems strengthening (HSS) is critical to achieving both PEPFAR's goals and broader, long-term USG development goals. The legislation cites lack of health capacity as an important constraint on the transition toward greater sustainability of HIV/AIDS prevention, treatment, and care efforts and broader public health initiatives—a reality faced every day by those who implement programs in the field.

There is widespread consensus that the USG has, through PEPFAR, strengthened and extended health systems in such areas as human resources for health (HRH), infrastructure, health information systems, and commodity procurement and logistics systems, among others. PEPFAR has also built a network system of care that has strengthened service delivery capacity at hospitals, and increasingly at the primary care level. PEPFAR is currently developing a framework to enable a more strategic approach to HSS.

Consistent with the administration's approach to global health programming, I will direct Dr. Goosby, if confirmed, to fully coordinate the PEPFAR framework with overall USG global health HSS efforts.

With regard to health care workers: training and retention of health care workers are major challenges in many of the countries in which PEPFAR works. Yet solving these challenges as part of PEPFAR's HSS efforts is essential to meeting all the PEPFAR goals, and to improving health generally. These are extraordinarily complex issues that will require a range of efforts to solve. Approaches need to be country-driven because the health workforce issues are country-specific, but in a broad sense, we will need to take a short-term approach that targets mid-level providers such as nurses, and a long-term approach that trains and provides retention incentives for physicians.

I know PEPFAR has already begun working toward this ambitious goal, and if confirmed, I will direct Dr. Goosby to assess PEPFAR's current efforts as part of the overall program review for the Five-Year Strategy, as required by reauthorization, and determine whether any adjustments are needed.

Question. The administration has expressed their desire to fund PEPFAR at \$51 billion over 6 years—slightly below the \$48 billion over 5 years as authorized in the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008. Do you believe that this funding is sufficient to cover the higher prevention, treatment, and care goals set forth in the legislation?

Answer. As you know, authorization levels do not always match appropriations levels. As the first order of business, I will direct Dr. Goosby, if confirmed, to undertake a comprehensive strategic review of PEPFAR funding and programs. This effort will inform development of the congressionally mandated strategy for the next phase of PEPFAR, help shape program priorities, and contribute to an update of PEPFAR program costing models that help to project the resources necessary to sustain and build PEPFAR programming into the future.

As always, PEPFAR will work with appropriators and administration officials to determine the necessary levels of spending for any given fiscal year, and we look forward to additional discussions about FY 2010 and beyond.

Question. This year's budget includes a substantial increase in malaria program funding. The British Government is emphasizing linking malaria programs and child and maternal health programs. Should the United States adopt a similar policy?

Answer. The U.S. approach at country level—and in developing technical approaches and programs—does link malaria and child and maternal health programs. USAID's malaria program coordinates closely with, and is fully integrated into, maternal and child health programs at both the health clinic and community levels. For example, many of our malaria prevention and all of our malaria treatment activities are integrated at the service delivery level with maternal and child health,

family planning and, where relevant, HIV/AIDS, targeting similar high-risk or vulnerable populations, including pregnant women and children under 5 years of age.

Question. The supplemental bill under consideration in the Senate recommends \$45 million funding for Zimbabwe. In light of some of the recent reports coming out of Zimbabwe regarding arrests, should the United States be actively involved in providing funding for technical assistance to the Government of Zimbabwe?

Answer. The United States can most effectively support progress in Zimbabwe by publicly conditioning reengagement and new assistance on progress toward major political and economic reform as incorporated in the Zimbabwe Democracy and Economic Recovery Act (ZDERA), in internationally agreed principles for reengagement with Zimbabwe, and moreover, as agreed to by the parties of the transitional government in the September 2008 Global Political Agreement (GPA). While we have seen positive change on the economic policy front, the transitional government has moved much slower in addressing human rights and rule of law issues.

The United States can also facilitate positive change in Zimbabwe by helping reform elements of the transitional government succeed in implementing the GPA. These programs include areas such as good governance, human rights, independent media, rule of law, and strengthening the capacity of democratic political parties.

The Department's FY 2010 proposal for assistance to Zimbabwe includes programs to reestablish and strengthen democratic institutions, processes and systems; programs to support social assistance to protect vulnerable populations during the transition; and programs for economic revitalization, specifically for the agricultural sector. President Obama also announced additional assistance to Zimbabwe in his June 12 meeting with Prime Minister Tsvangirai. We continue to work through United Nations agencies, nongovernmental organizations, and other partners to assist reformers in the government and the people of Zimbabwe, while avoiding any direct assistance going through or to the Government of Zimbabwe.

Question. You and Secretary Gates testified to the Appropriations Committee in April that the Pakistan Counter-Insurgency Capabilities Fund (PCCF) program, for which \$400 million was requested in the supplemental, would initially be funded and run from the Department of Defense, but that it would shift authority for such train and equip funding to the State Department over the next two budgets.

- What capabilities need strengthening at the State Department in order to take over the Pakistan Counter-Insurgency Capabilities Fund?
- How will the State Department develop the structures and capacity to manage this program?
- How will the State Department participate in the implementation of this program and in the administrative and review process associated with it in order to build the necessary capacity to administer such resources on a flexible and responsive basis?

Answer. The Pakistan Counterinsurgency Capabilities Fund (PCCF) was requested as a Department of Defense authority to address the exceptional situation in Pakistan where there is an urgent need to allow the Combatant Commander to provide Pakistan with accelerated and enhanced counterinsurgency operational capabilities. The new Fund provides for significant State Department input into implementation by requiring Secretary of State concurrence of DOD's provision of assistance, and of DOD's transfer of funds to other agencies to provide assistance. As the Chief of Mission, the U.S. Ambassador to Pakistan provides strategic direction to, and oversight of, the Office of the Defense Representative in Pakistan for all of its efforts, including the PCCF. Embassy Islamabad is also structured to manage both the PCCG and Foreign Military Financing (FMF)—which will continue to be administered by the Department of State—to maximize the impact of U.S. military assistance in support of our policy objective of stabilizing Pakistan.

The State Department is currently undertaking a broad, strategic review of foreign assistance resources (including security assistance programs) in order to strengthen its ability to manage and coordinate programs, and improve the coherence and integration of our foreign aid programs to achieve unity of effort within the U.S. Government. Part of this review will include an examination of the appropriate balance of authorities vested between the Defense and State Departments, as well as the personnel and resources needed to execute these programs.

Question. While I have called for reforming our policy toward Cuba, especially leading up to the Organization of American States General Assembly (OASGA) in San Pedro Sula, Honduras (June 2–3, 2009), it is important to note that U.S. policy should be made in Washington and not dictated by foreign actors. In this regard, what is the U.S. position on the resolutions presented by member countries seeking

readmission of Cuba into the Inter-American system? What is the U.S. position on the outcome of the OASGA, especially regarding Cuba?

Answer. A number of Member States have presented or have plans to present resolutions at the OASGA calling for the immediate lifting of the 1962 resolution that excluded Cuba from participation in the inter-American system. While the state of play is fluid, some Member States that support these resolutions argue Cuba should be allowed to reintegrate immediately; others believe lifting the 1962 resolution would not allow Cuba to participate fully immediately but should begin some type of process that could eventually lead to Cuba's reintegration.

The United States looks forward to the day when Cuba can participate again in the OAS and the inter-American system in a manner that is fully consistent with the principles and values of the Inter-American Democratic Charter and other pertinent OAS instruments and resolutions. The OAS has made a strong commitment to democracy and human rights. The OAS has underscored its members' commitment to promote and defend democracy as an essential element of their participation in the organization through numerous instruments, including the Inter-American Democratic Charter.

This was a hard-won accomplishment, and the United States is committed to upholding the region's core commitment to democracy and respect for human rights. Cuba's eventual reintegration into the OAS should not occur at the expense of this core commitment. In the United States view, how and when Cuba is reintegrated will depend on what Cuba is prepared to do to demonstrate its commitment to the Organization's core values and principles, including meeting the democracy and human rights commitments undertaken by all of the other countries of the region.

We cannot therefore support a resolution that immediately lifts Cuba's exclusion from participation in the OAS, without clearly establishing that its return must be in accordance with these hemispheric standards. We have conveyed these views to our partners and to the OAS, and continue to consult with them. We believe a decision at the OASGA to lift Cuba's exclusion unconditionally would be tremendously detrimental to the OAS, the inter-American system and the people of Cuba.

Question. Will the Obama administration continue current levels of aid to Colombia and move forward on the United States-Colombian Free Trade Agreement (FTA) if Colombia chooses to extend the term of President Alvaro Uribe? Please provide your views on extending Presidential terms and the implications for constitutions in the region.

Answer. It is in our interest to see Colombia continue on a path toward greater stability, better governance, consistent promotion of human rights, and a stronger economy, regardless of who is President of Colombia. Colombia is an important ally in the region and a strong partner in the fight against illegal drugs and terrorism. Plan Colombia was launched by Presidents Clinton and Pastrana at a time when terrorist organizations and drug traffickers threatened Colombian democracy and security.

After 10 years of partnership, we are pleased that improvements in the security situation allow Colombia's democratic institutions to function more effectively and across a much greater part of the national territory. To support this progress, President Obama expressed his intention to seek passage of the United States-Colombia Free Trade Agreement (FTA).

The U.S. position has been that term limits is a matter for individual nations to decide through their own democratic processes. These efforts must be viewed in the context of the overall health and vitality of a country's democratic institutions. The OAS Inter-American Democratic Charter lists several essential elements of democracy, including the rule of law, respect for human rights and fundamental freedoms, the right to access and exercise power, freedom of expression, and the separation of powers.

Question. I am aware that you recently met with OAS Secretary General Jose Miguel Insulza. Could you please share your view on the Secretary General's priorities for the Organization?

Answer. In my brief meeting with the Secretary General, we discussed the question of Cuba's relationship with the inter-American system and did not have an opportunity to discuss the Secretary General's priorities for the OAS. However, it is my view that the OAS should focus on what it does best and avoid overextending itself. It should promote democratic governance and the strengthening of democratic institutions, as it does with its electoral observation missions and other programs. It should also promote respect for human rights and fundamental freedoms and support the work of the Inter-American Human Rights Commission. It has a key role to play in regional efforts to combat terrorism and the illegal drug trade. It should

also continue its important work in the areas of social and economic development, doing its part to ensure that the benefits of democracy and market economies reach all sectors of society.

VENEZUELA

Question. While I believe Hugo Chavez has sought and used the United States as an enemy of convenience for perceived regional and domestic political advantage, you stated at a hearing before the House Committee on Foreign Affairs on April 22 that the United States has isolated President Chavez over the last 8 years without positive results. Can you please elaborate on your plans to change our posture toward Venezuela?

Answer. The administration is pursuing a policy of engagement with the Venezuelan Government, founded on our national interest. It is in our interest to cooperate with the Venezuelan Government on a variety of matters, including counter-narcotics, counterterrorism, and commerce. That includes a principled concern about fundamental freedoms and democracy in the hemisphere, including Venezuela. Through direct communications with the Venezuelan Government, we seek to advance our interests and make clear our positions. Reestablishing relations at the ambassadorial level would be an important step to address challenging issues and moving forward in our relations with Venezuela. We believe that reestablishing ambassadors in both countries is the first step in developing an ongoing dialogue that advances our mutual interests.

Question. What is the status of the United States Government's (USG) review of trade preference programs? Please provide your views on granting unilateral trade preferences for Uruguay?

Answer. The administration has not initiated a formal, comprehensive review of the existing trade preference programs. We regularly monitor the implementation and impact of preference programs, domestically and for beneficiary countries; they are one aspect of our overall trade and development agenda. We are prepared to support congressional review of preference programs with information and analysis as required.

Uruguay is a good friend and ally; we are deepening our trade relationship through the bilateral Trade and Investment Framework Agreement (TIFA) process led by USTR. More than 3,400 products are currently eligible for duty-free entry from Uruguay to the United States under the GSP program.

Question. The State Department has made major investments in new and more secure embassies around the world. The fiscal year 2010 budget requests \$930 million for construction and compound security—a reduction of \$900 million from the previous year. To what is this decrease attributed?

Answer. In FY10, a total of \$1.815 billion is requested for ESCM (Embassy Security, Construction and Maintenance), an increase of \$108.5 million over the FY09 appropriation (excluding supplementals). However, when supplemental appropriations requested in FY09 are factored in, the FY10 request represents a decrease of \$831 million from the total FY09 estimated level.¹ This decrease is partially offset by increases to fully fund the Department's share of the Capital Security Cost Sharing Program.

Question. Given the pending construction needs in Afghanistan and elsewhere, will this reduction affect the safety of our diplomats?

Answer. As indicated in the previous answer, the difference between the FY10 budget request and the FY09 regular budget appropriation is not a reduction.

Regarding facilities in Afghanistan, Congress has appropriated a total of \$274.3 million to address various concerns (including safety and security) as follows: \$76.7 million in the FY08 supplemental, \$41.3 million in FY09 bridge funding, and \$156.3 million in the FY09 budget. In addition, the Department has requested \$87 million for the FY09 supplemental and \$496.1 million for the FY10 budget, to address security concerns and other operational needs.

Funding has also been requested in the FY09 supplemental and FY10 regular appropriations to address priority facility needs in Lahore, Peshawar, and Islamabad, Pakistan; Sanaa, Yemen; and Dakar, Senegal.

¹The total estimate for FY 2009, including regular appropriations and supplemental requests, is \$2.646 billion (\$41.3 million in FY09 bridge funding; \$1.707 billion enacted in regular appropriations; and \$898 million in the FY09 supplemental request). The difference between all FY09 funding sources (\$2.646 billion) and the FY10 request (\$1.815 billion) is \$831 million.

The Department is confident the FY10 request is appropriate to fund all FY10 construction projects.

Question. How many embassies were constructed in 2009 and what is the projection for 2010?

Answer. Seven projects have been completed in FY09 to date, with three more planned for completion during this fiscal year. Thirteen projects are planned for completion in FY10. The attached spreadsheet identifies these FY09-FY10 projects.

PROJECTS PLANNED FOR COMPLETION IN FY09-FY10

Capital Projects	Bureau	Type	Status	Construction Award	Actual Substantial Completion Date	Planned Completion Date
1 Beijing	EAP	NEC	Completed	FY03	FY09: 10/24/2008	
2 Ciudad Juarez	WHA	NCC	Completed	FY05	FY09: 11/5/2008	
3 Brazzaville	AF	NEC	Completed	FY07	FY09: 11/13/2008	
4 Johannesburg	AF	NCC	Completed	FY06	FY09: 12/15/2008	
5 Koror (Strategic)	EAP	NOB	Completed	FY06	FY09: 1/13/2009	
6 Kolonia (Strategic)	EAP	NOB	Completed	FY06	FY09: 3/26/2009	
7 Skopje	EUR	NEC	Completed	FY05	FY09: 3/31/2009	
8 Jerusalem	NEA	ANNEX	In design/construction	FY06		FY09: 6/15/2009
9 Suva	EAP	NEC	In design/construction	FY06		FY09: 8/30/2009
10 Mumbai	NEA	NCC	In design/construction	FY05		FY09: 9/10/2009
11 Ouagadougou	AF	NEC	In design/construction	FY07		FY10: 11/14/2009
12 Khartoum	AF	NEC	In design/construction	FY05		FY10: 11/30/2009
13 Abuja	AF	ANNEX	In design/construction	FY06		FY10: 11/30/2009
14 Sarajevo	EUR	NEC	In design/construction	FY07		FY10: 3/13/2010
15 Valletta	EUR	NEC	In design/construction	FY07		FY10: 5/4/2010
16 Tijuana	WHA	NCC	In design/construction	FY07		FY10: 5/7/2010
17 Addis Ababa	AF	NEC	In design/construction	FY07		FY10: 5/24/2010
18 Riga	EUR	NEC	In design/construction	FY07		FY10: 5/29/2010
19 Karachi	NEA	NCC	In design/construction	FY07		FY10: 6/5/2010
20 Surabaya	EAP	NEC	In design/construction	FY06		FY10: 6/15/2010
21 Antananarivo	AF	NEC	In design/construction	FY07		FY10: 6/30/2010
22 Jeddah	NEA	NCC/HOUSING	In design/construction	FY07		FY10: 7/31/2010
23 Bandar	EAP	NEC	In design/construction	FY08		FY10: 8/25/2010

Question. The FY 2010 Budget Request includes \$756,000 to establish American Presence Posts (APPs) in Xiamen and Nanjing, China, and states, “Transformational Diplomacy is designed to put an American Foreign Service officer into a city of vital interest to the U.S.”

- What is the basis or formula by which it is determined which cities in China are “of vital interest” to the United States?
- As these APPs are established, what will be China’s expectations for additional offices in the United States?

Answer. United States-China bilateral relations are very important to both of our countries, and the United States intends to work together with China to build a positive, cooperative, and comprehensive relationship to address common challenges and seize common opportunities. We look to further deepen mutually beneficial cooperation in a wide range of areas, including economy and trade, counterterrorism, law enforcement, science and technology, education, culture and health. One way to broaden our relations is through an increase in our diplomatic presence in China.

We are looking to actively increase our presence in China and believe that an expansion of U.S. diplomatic posts in large and important Chinese cities—those possessing regional, cultural, and commercial significance as well as those serving as major tourist destinations—are essential to better advocate for American interests and provide emergency American citizen services in these areas. Future post openings are subject to host government agreement, per the Vienna Convention on Consular Relations and our bilateral agreement with China on Consular Relations, and are subject to reciprocity. Because the Vienna Convention does not mention APPs as a type of diplomatic establishment, we categorize such posts as “consulates” in our discussions with the Chinese. They are meant to provide only emergency consular services. The Chinese may ask to open new consulates in the United States in reciprocity for APPs. We hope to be able to enter into discussions with Chinese authorities on future reciprocal post openings in the near future.

Question. The FY 2010 budget request states that “EAP will continue to manage relations with Beijing to pursue increased positive cooperation on major strategic and economic issues. The Bureau will encourage China to constructively address climate change and the global financial crisis, as well as humanitarian and non-proliferation issues, bilaterally and in multilateral fora.”

- Please provide a detailed description of the manner with which the Department of State will coordinate with the Departments of Energy, Defense, and Treasury, and others on the issues outlined above. By name, and by title (and under

the position of Secretary), please identify the four principal U.S. officials who will oversee discussions on climate change, energy, the global financial crisis and nonproliferation issues with China.

Answer. The President and I have said the United States is looking to build a positive, cooperative, and comprehensive relationship with China. The Department of State has the statutory lead on foreign policy but works closely with our inter-agency partners, including the Departments of Energy, Defense, and Treasury, to fulfill the President's vision on advancing our bilateral relations with China. We have announced plans to launch a comprehensive Strategic and Economic Dialogue with China this July in Washington. The Dialogue will be cochaired by Secretary Geithner and myself on the U.S. side and will include officials from a wide range of Cabinet agencies. Discussions on climate change, energy, and other cross-cutting issues would be addressed in a plenary session and other issues will be covered in either the Strategic or the Economic tracks of the Dialogue, ensuring that all strategic aspects of the relationship can be addressed.

While the East Asian and Pacific (EAP) Bureau is the lead in advancing our bilateral relationship with China, other offices in the State Department will work together with EAP on specific aspects of the relationship. The Special Envoy on Climate Change oversees discussions with China on that issue, and the Deputy Assistant Secretary of State for Energy, Sanctions and Commodities manages energy issues at the Department, in close coordination with the Department of Energy. As I said during my testimony, I intend to appoint an International Energy Coordinator. The Treasury Department is the lead agency on the U.S. Government's response to the global financial crisis, but the State Department, specifically under the lead of the Under Secretary for Economic, Energy and Agricultural Affairs and the Assistant Secretary in the Bureau of Economic, Energy and Business Affairs, will work very closely with colleagues at Treasury on this issue. The Under Secretary of State for Arms Control and International Security will be the Department lead on our nonproliferation cooperation with China.

Question. Please describe the anticipated FY 2010 total operational costs and specific funding account(s) within the Department for the office of the Special Representative for North Korea Policy and the Office for the Special Envoy for Human Rights in North Korea.

Answer. The Department will provide support in FY 2010 for both the office of the Special Representative for North Korea Policy and the Special Envoy for Human Rights in North Korea from the Diplomatic and Consular Program (D&CP) appropriation. This support will include salary costs and benefits (\$567,000) for four positions; recurring administrative costs (\$31,000); travel costs (\$204,000); and representation funds (\$5,000). The total cost is estimated to be \$807,000.

Question. How many North Korean refugees have arrived to date in the United States? What is the projected number of new arrivals through FY 2010? Describe evaluation procedures that are utilized to measure the extent of successful assimilation after their arrival in the United States.

Answer. As of May 15, 2009, 82 North Koreans and their family members have arrived in the United States since 2004. Of these, 14 North Koreans have arrived thus far this fiscal year. We expect additional arrivals prior to the end of the fiscal year. It is difficult to project the number of new North Korean arrivals through FY 2010. However, we do not anticipate a significant increase in arrivals in the coming fiscal year.

The Department of State's 90-day Reception and Placement Program provides refugees with basic necessities and core services during their initial period of resettlement and does not measure long-term social adjustment. Informal reports from the agencies resettling North Korean refugees indicate that they are assimilating at a rate similar to other refugees.

Question. To date, what is the level of cumulative financial contribution, by each of the following countries, Russia, China, Japan, South Korea, and the United States toward the denuclearization of North Korea and toward the prevention of North Korea's export of WMD and missile-related technology since and including FY 2006?

Answer. The United States, China, Japan, the Republic of Korea (ROK), and Russia committed to provide up to 1 million metric tons of heavy fuel oil (HFO) or equivalent materials to North Korea during the initial and second phases of the six-party talks in parallel with North Korean progress on disablement of all existing nuclear facilities.

Between November 2007 and November 2008, the United States delivered 200,000 tons of heavy fuel oil to North Korea worth approximately \$110 million. Between July 2007 to March 2009, Russia provided 200,000 tons of heavy fuel oil to North Korea. During the same time period, China provided 50,000 tons of heavy fuel oil and materials equivalent to 150,000 tons of heavy fuel oil. The ROK also provided 50,000 tons of heavy fuel oil and materials equivalent to approximately 95,000 tons. Japan did not provide energy assistance to North Korea due to a lack of progress on the abductions issue.

In addition, the Department of State, Bureau of International Security and Nonproliferation, Office of the Nonproliferation and Disarmament Fund (NDF) has obligated approximately \$21,897,000 on disablement activities at North Korea's Yongbyon nuclear facilities from FY2007 to FY2009.

The United States has continued efforts to prevent North Korea's export of weapons of mass destruction (WMD) and missile-related technology, including cooperation with our partners and allies. It is difficult to determine the exact cost of efforts to prevent North Korea's proliferation of WMD and missile-related programs. Many of these programs conduct these activities in the broader nonproliferation context and do not have specific budgetary line items for halting North Korean proliferation. Some of the major U.S. Government nonproliferation programs include the Proliferation Security Initiative, the Export Control and Border Security Program, the Megaports Program, the Second Line of Defense Program, and the Secure Freight Initiative.

Question. Will you encourage that a summit between the President of the United States and leaders of the 10 ASEAN countries be held in calendar year 2009?

Answer. Deepening our relations with ASEAN is an important objective of our foreign policy in East Asia and we are actively exploring opportunities to do so. I was pleased to be able to visit the ASEAN Secretariat in Jakarta during my first trip to the region as Secretary. A summit with ASEAN members would be a positive development, and we certainly will explore this possibility further.

TRAFFICKING AND EXTORTION OF BURMESE MIGRANTS IN MALAYSIA AND SOUTHERN THAILAND

Question. A recently released staff report from the Senate Foreign Relations Committee provided details of the extortion and trafficking of Burmese migrants and refugees in Malaysia and southern Thailand. How does the Department's FY 2010 budget request address this ongoing situation?

Answer. The Department of State is aware of credible reports dating from 2008 that Malaysian officials have engaged in human trafficking and extortion of money from Burmese migrants and refugees in Malaysia. In addition to the Senate Foreign Relations Committee minority staff report, the Department of State has noted this issue in the Trafficking in Persons Interim Assessment, which was released in January 2009.

The United States has discussed these reports with the Malaysian Government over the past year. The USG welcomes the April 2009 announcement by the Malaysian Government that it has launched a law enforcement investigation into the reports of human trafficking, and we look forward to hearing the results of the investigation.

We will continue to engage with governments in the region, including Malaysia, Thailand, Burma, and Bangladesh, on the issue of human trafficking.

The President's FY 2010 budget request includes \$33.5 million in the Migration and Refugee Assistance (MRA) account for humanitarian assistance in the East Asia region, a portion of which may be used to help Burmese refugees and vulnerable migrants. Projected PRM programming in the region includes some training and capacity-building activities to help governments and civil society to identify and assist potential victims of trafficking among Burmese populations.

The FY 2010 budget request for G/TIP of approximately \$17 million is not broken down by region or country. G/TIP funds are distributed on the basis of competitive grants, so it is impossible at this point to predict how they will be spent. While G/TIP is currently in the process of determining FY 2009 grant allocations, G/TIP distributed \$3.6 million in FY 2008 funds to grantees working on trafficking in persons issues in the East Asia and Pacific region, and is currently supporting several projects in the region that prevent Burmese from being trafficked and/or assist Burmese who have become victims of human trafficking.

RESPONSES OF SECRETARY OF STATE HILLARY CLINTON TO QUESTIONS SUBMITTED BY
SENATOR ROBERT MENENDEZ

Question. Many developing countries, including the poorest, are already being hit first and hardest by the effects of climate change such as floods, droughts, and disease. Helping the world's most vulnerable nations adapt to climate change is a moral obligation, but it is also essential in securing a climate treaty. To date, however, the United States has yet to provide any funds for the United Nation's Least Developed Countries Fund. I was glad to see that the administration's FY 2010 budget includes \$50 million for the Global Environment Facility. Is it the State Department's intent to send a portion of that \$50 million to the Least Developed Countries Fund or the Special Climate Change Fund? Such funding could go a long way toward building good will and starting to establish our leadership role on climate internationally.

In addition, what is our overall strategy for working with vulnerable nations to prepare for and develop innovative strategies for adapting to the consequences of climate change that are occurring today?

Answer. The administration's FY 2010 budget includes \$50 million for U.N. funds based at the Global Environment Facility, including the Least Developed Countries Fund and the Special Climate Change Fund. We do not currently have a breakdown beyond the \$50 million, although a key priority is assisting the needs of the most vulnerable. The FY 2010 request is a first-time contribution to these U.N. funds.

It's worth noting that this \$50 million is part of a \$200 million increase that State and USAID are seeking in FY10 for climate adaptation—helping vulnerable countries prepare for and respond to the impacts of climate change. One of the greatest challenges and unfortunate consequences of climate change is that the developing countries who contribute the least to the problem are often the most affected by it.

The FY10 State and USAID budget request for Adaptation is \$232 million (estimated base funding plus \$200M increase). This significant, new \$200 million funding request will launch a major program for developing countries most vulnerable to effects of climate change (flooding, fresh water scarcity, food shortages, and population displacement from coastal zones).

Additional to this \$200 million, Treasury is requesting \$80 million for FY 2010 to support this adaptation initiative by contributing to the World Bank's Pilot Program on Climate Resilience, a component of the World Bank's Climate Investment Funds. In supporting integration of adaptation into development programs and projects, this program will provide valuable lessons on how to enhance adaptation in developing countries.

Question. When we discussed foreign assistance reform during your Senate confirmation hearing, you said that it was something you would pursue quickly and that you wanted to rationalize the system within the State Department and USAID and across the U.S. Government. Can you please provide an update on these efforts in light of the President's budget request?

Answer. I take seriously the need to modernize how we deliver foreign assistance so it is as coordinated, effective, and efficient as possible. We have not yet fully completed our review of foreign assistance reform. We are thinking through these issues in a thoughtful and deliberative manner, and will do so in coordination with a broad range of stakeholders. I look forward to consulting with you as we move this process forward.

While this process is ongoing, we are moving forward with requesting the funding necessary to build the civilian capacity at the Department of State and USAID. The President's budget for FY 2010 makes a significant investment in the future of U.S. diplomacy and development. It will add over 1,200 positions for the Department of State. Roughly 70 percent of the Foreign Service positions will be overseas, with the bulk of the remainder of the new positions focused on training in critical 21st century skills and supporting overseas programs. The budget also provides resources for 350 new USAID Foreign Service positions—necessary to strengthen the management and oversight of our foreign assistance programs. The budget also builds the civilian capacity to manage and lead efforts in post-conflict states through the Civilian Stabilization Initiative, which, in conjunction with the Stabilization Bridge Fund, allows the United States to respond to crises more holistically. And, importantly, this request also puts the administration on track to double foreign assistance by 2015, thereby providing the resources we need to help the world's poorest states reduce poverty, combat global health threats, develop markets, and strengthen civil society.

The International Affairs budget represents a fraction of what our Government spends each year on national security. Yet today, diplomacy and development are

ever more essential to safeguarding the security and prosperity of our people and our Nation. While military force is an important part of our national security, so too are our diplomatic and development efforts, which are often the central means by which America can promote stability, confront security challenges, advance economic transformation, respond to humanitarian crises, and encourage better governance, policies, and institutions. Expenditures on diplomacy and development represent an investment that in the long run is less costly in terms of lives and dollars than defense spending that would otherwise be required.

Question. The President has requested ongoing funding for the Millennium Challenge Corporation (MCC). Can you provide an update on the future of the MCC in the Obama administration in light of the funding request?

Answer. Under my leadership, the State Department will continue to support MCC and its underlying principle of greater accountability in our foreign assistance programs. MCC's mission of sustainable poverty reduction through long-term development is an important asset in America's smart power toolbox, and its focus on country ownership and accountability has helped build local capacity, encourage broad civil society consultation, and advance policy reform. MCC focuses on working in countries where the policy climate is most fertile for using assistance to generate sustainable results. This focus is yielding meaningful poverty reduction and strengthening good governance, economic freedom, and investments in people. As I review our development assistance framework and goals, I will consider how best to build on the promise of MCC within the administration's overall development assistance strategy.

Question. What are your thoughts regarding the F Process? Do you anticipate that the F Bureau will be continued in its current configuration? If not, what changes do you anticipate making?

Answer. I am committed to making sure that foreign assistance is properly managed and implemented. I take seriously the need to modernize how we deliver foreign assistance so it is as strategic, effective, and coordinated as possible. We have not yet fully completed our review of foreign assistance reform. We are thinking through these issues in a thoughtful and deliberative manner and will coordinate with a broad range of stakeholders.

The focus in these first few months has been on securing the necessary resources to implement a "smart power" agenda. I remain committed to improving and streamlining our delivery of foreign assistance and look forward to consulting closely with the Congress in the weeks ahead.

Question. Do you intend to maintain the dual role of the USAID Administrator in serving as the Director of Foreign Assistance? Also, can you provide a timeframe when you think a USAID Administrator will be nominated?

Answer. I am committed to development and to rebuilding the civilian capacity of the U.S. Government, including a strong USAID. Development is an equal partner, along with defense and diplomacy, in the furtherance of America's national security.

We are actively engaged in finding the right mix of talent to lead USAID, and I believe we should have some news on that front in relatively short order. We must get this right, and I am committed to doing so.

With respect to "dual hatting" and other aspects of our foreign assistance architecture, no final decisions have yet been made. I have charged Deputy Secretary Lew with conducting a comprehensive review of a broad range of foreign assistance programs and implementation mechanisms (State, including PEPFAR; USAID; and MCC) to ensure maximum efficiency, coherence, and effectiveness. I look forward to briefing you on the outcome of that review once completed.

Question. Human Resources at USAID: Civilian expertise on the ground is critical to our foreign assistance efforts. I realize that you are increasing staffing substantially, and I am pleased to see this. However, I am concerned that USAID does not have the administrative capacity and flexibility to get the people they need, where they need them, when they need them. Hiring hundreds of junior officers who will need 3-5 years of training until they can be "up to speed," will limit the ability of USAID to regain its former prominence in a timely manner. Why isn't USAID hiring more mid-level or senior-level officers? Can you please discuss what efforts you intend to take to increase the capacity within the Human Resource office at USAID and increase the strategic human resource expertise to recruit, train, and retain top-notch USAID officers? How do you intend to rationalize the PSCs, FSLs, and Institutional Contractors as a part of your overall human resource capacity-building agenda for USAID?

Answer. USAID clearly recognizes the need to hire individuals who will more rapidly be able to step into mid-level positions. To that end, USAID will hire 30 mid-level officers under the Development Leadership Initiative (DLI) as provided for in the Omnibus Appropriations Act, P.L. 111-8. Additionally, USAID will also hire additional mid-level officers against FY 2009 and beyond attrition. USAID's Office of Human Resources (OHR) will continue to seek avenues to increase its mid-level ranks while ensuring that its existing work is not adversely impacted by this increase.

Except in extremely limited circumstances, USAID does not hire FS career employees at senior levels. USAID's mid-level career Foreign Service hiring includes individuals at FS-2 (GS-14 equivalent). The job responsibilities for permanent positions above this level require a significant amount of USAID experience. In fact, before an officer can be promoted to FS-1 (GS-15 equivalent), he/she must have 4 years of USAID direct hire experience.

USAID is strengthening OHR in numerous ways including the addition of individuals in training, staffing, recruiting, and outreach. Also, USAID is adding an additional Social Worker.

As the USAID Foreign Service increases in size and experience over the next several years due primarily to DLI, USAID will be creating many more permanent positions overseas. This will result in the phaseout of many nonpermanent positions held by Personal Services Contractors, Foreign Service Limited, and Institutional Contractors. This will not result, however, in the elimination of these nonpermanent positions. USAID will always have the need to employ individuals with highly specialized expertise or limited-term functions worldwide under nonpermanent mechanisms.

Question. Paraguay-Brazil Itaipu Dam Issue: Please provide an update on your efforts to encourage Brazil and Paraguay to come to a fair and just resolution to the Itaipu Dam issue.

Answer. The issue of the Itaipu Dam is being discussed at a personal level between Presidents Lugo and Lula. Neither party has asked for our assistance. We expect they will be able to reach an agreement acceptable to both countries.

Question. The President's budget requests a 38-percent decrease in assistance to Armenia. Please provide a justification for this decrease in funding for Armenia. Congress has allocated equal levels of aid to Armenia and Azerbaijan for years. Why has the President now requested such a disparity in assistance for the two countries?

Answer. The United States has had a strong partnership with the Republic of Armenia since it became independent in 1991, and that close relationship is continuing in this administration. Over the past 18 years, we have provided over \$1.8 billion in assistance to Armenia, addressing humanitarian needs, promoting economic growth and fostering market reforms, building democratic institutions, and improving the functioning of the social sector. We have also built a collaborative relationship with Armenia's law enforcement and military structures over the years by providing training, equipment, and other assistance aimed at helping Armenia integrate into international organizations and participate in international peacekeeping missions. More recently, the Millennium Challenge Corporation has been providing infrastructure and other support aimed at reducing rural poverty in Armenia, under a 5-year, \$235 million Compact.

The administration's \$30 million FY 2010 request for Armenia under the Assistance for Europe, Eurasia, and Central Asia (AEECA) account is \$6 million (25 percent) above the previous administration's \$24 million FY 2009 budget request. As a result of subsequent congressional action, the appropriated amount for FY 2009—\$48 million—doubled the administration's request.

In comparison, the United States has provided about \$753.3 million in assistance to Azerbaijan during the FY 1992–FY 2007 timeframe. The administration's \$22.1 million FY 2010 AEECA request for Azerbaijan is \$2.6 million (13.5 percent) above the previous administration's \$19.5 million FY 2009 budget request. The final FY 2009 appropriation for Azerbaijan was \$18.5 million, \$1 million less than the administration's request.

Military assistance to Armenia and Azerbaijan, in light of the ongoing Nagorno-Karabakh conflict, is carefully considered and calibrated to ensure that it does not hamper ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan. Over the years, we have built a collaborative relationship with Armenia's military structures by providing training, equipment, and other aid aimed at developing Armenia's capacity to cooperate with NATO and participate in international peacekeeping missions.

The \$3 million request for funding under the Foreign Military Financing (FMF) program for Armenia for FY 2010 is the same as the level directed by Congress for FY 2009. For Azerbaijan, the FMF level increased from \$3 million in FY 2009 to \$4 million in the FY 2010 request. This specific increase is linked to U.S. priorities in fighting terrorism, peacekeeping, and maritime security, including countering proliferation and drug trafficking on the Caspian Sea. The administration believes that building up the capacity of Azerbaijan and other Caspian littoral states is important to prevent the transit of destabilizing items and to secure energy transit routes that are critical to U.S. national security interests.

Question. I understand that Secretary Rice made it clear in 2004 when the United States recognized the Former Yugoslav Republic of Macedonia as “Macedonia” that this was a temporary name, pending the two countries’ finding a mutually acceptable final name through the United Nations. Can you describe the steps you are taking to arrive at a fair and mutually acceptable resolution to the name issue?

Answer. It has been longstanding United States policy to urge Macedonia and Greece to pursue a mutually acceptable solution to their differences over Macedonia’s name through the ongoing U.N. mediation process led by Ambassador Matthew Nimetz. We have actively encouraged dialogue between Athens and Skopje and urged both sides to engage fully in the U.N. process. Deputy Secretary of State Steinberg delivered that message personally during his visit to Athens and Skopje on May 16 and 17 respectively. Our Ambassador to Macedonia also reiterates this position regularly and clearly to the Macedonian leadership. Ambassador Speckhard conveys the same to Greek officials. We believe a negotiated solution to this issue is in everyone’s best interest and would enhance regional stability, including by allowing Macedonia to join NATO and move closer toward EU accession. I am fully committed to resolving this issue in a way that is acceptable to both parties and I can assure you that the United States will do all that we can to support Nimetz’s efforts.

