

**ASSESSING U.S. FOREIGN POLICY PRIORITIES
AMIDST ECONOMIC CHALLENGES: THE
FOREIGN RELATIONS BUDGET FOR
FISCAL YEAR 2013**

HEARING

BEFORE THE

**COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES**

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

—————
FEBRUARY 29, 2012
—————

Serial No. 112-132
—————

Printed for the use of the Committee on Foreign Affairs



Available via the World Wide Web: <http://www.foreignaffairs.house.gov/> or
<http://www.gpo.gov/fdsys/>

—————
U.S. GOVERNMENT PRINTING OFFICE

73-119PDF

WASHINGTON : 2012

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON FOREIGN AFFAIRS

ILEANA ROS-LEHTINEN, Florida, *Chairman*

CHRISTOPHER H. SMITH, New Jersey	HOWARD L. BERMAN, California
DAN BURTON, Indiana	GARY L. ACKERMAN, New York
ELTON GALLEGLY, California	ENI F.H. FALEOMAVEGA, American Samoa
DANA ROHRBACHER, California	DONALD M. PAYNE, New Jersey
DONALD A. MANZULLO, Illinois	BRAD SHERMAN, California
EDWARD R. ROYCE, California	ELIOT L. ENGEL, New York
STEVE CHABOT, Ohio	GREGORY W. MEEKS, New York
RON PAUL, Texas	RUSS CARNAHAN, Missouri
MIKE PENCE, Indiana	ALBIO SIRES, New Jersey
JOE WILSON, South Carolina	GERALD E. CONNOLLY, Virginia
CONNIE MACK, Florida	THEODORE E. DEUTCH, Florida
JEFF FORTENBERRY, Nebraska	DENNIS CARDOZA, California
MICHAEL T. McCAUL, Texas	BEN CHANDLER, Kentucky
TED POE, Texas	BRIAN HIGGINS, New York
GUS M. BILIRAKIS, Florida	ALLYSON SCHWARTZ, Pennsylvania
JEAN SCHMIDT, Ohio	CHRISTOPHER S. MURPHY, Connecticut
BILL JOHNSON, Ohio	FREDERICA WILSON, Florida
DAVID RIVERA, Florida	KAREN BASS, California
MIKE KELLY, Pennsylvania	WILLIAM KEATING, Massachusetts
TIM GRIFFIN, Arkansas	DAVID CICILLINE, Rhode Island
TOM MARINO, Pennsylvania	
JEFF DUNCAN, South Carolina	
ANN MARIE BUERKLE, New York	
RENEE ELLMERS, North Carolina	
ROBERT TURNER, New York	

YLEEM D.S. POBLETE, *Staff Director*

RICHARD J. KESSLER, *Democratic Staff Director*

CONTENTS

	Page
WITNESSES	
The Honorable Hillary Rodham Clinton, Secretary of State, U.S. Department of State	5
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
The Honorable Hillary Rodham Clinton: Prepared statement	6
APPENDIX	
Hearing notice	52
Hearing minutes	53
The Honorable Gerald E. Connolly, a Representative in Congress from the Commonwealth of Virginia: Prepared statement	55
Written responses from the Honorable Hillary Rodham Clinton to questions asked by committee members during the hearing	57
Written responses from the Honorable Hillary Rodham Clinton to questions submitted for the record by:	
The Honorable Ileana Ros-Lehtinen, a Representative in Congress from the State of Florida, and chairman, Committee on Foreign Affairs	75
The Honorable Howard L. Berman, a Representative in Congress from the State of California	96
The Honorable Christopher H. Smith, a Representative in Congress from the State of New Jersey	98
The Honorable Eni F.H. Faleomavaega, a Representative in Congress from American Samoa	98
The Honorable Donald A. Manzullo, a Representative in Congress from the State of Illinois	100
The Honorable Brad Sherman, a Representative in Congress from the State of California	101
The Honorable Steve Chabot, a Representative in Congress from the State of Ohio	103
The Honorable Russ Carnahan, a Representative in Congress from the State of Missouri	103
The Honorable Connie Mack, a Representative in Congress from the State of Florida	104
The Honorable Ted Poe, a Representative in Congress from the State of Texas	106
The Honorable Ann Marie Buerkle, a Representative in Congress from the State of New York	109
The Honorable David Cicilline, a Representative in Congress from the State of Rhode Island	111

**ASSESSING U.S. FOREIGN POLICY PRIORITIES
AMIDST ECONOMIC CHALLENGES: THE FOR-
EIGN RELATIONS BUDGET FOR FISCAL
YEAR 2013**

WEDNESDAY, FEBRUARY 29, 2012

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

The committee met, pursuant to notice, at 1:30 p.m., in room 2172 Rayburn House Office Building, Hon. Ileana Ros-Lehtinen (chairman of the committee) presiding.

Chairman ROS-LEHTINEN. The committee will come to order. Because the Secretary must leave at 4:00, after opening remarks I will ask the Secretary to summarize her testimony, and then we will move directly to the questions from our members. Given the vote situation, the ranking member will be recognized to deliver his opening remarks if we are going to be interrupted by votes, but here you are and there's no problem.

So I am going to give my remarks and then yours, because you were going to be——

Mr. BERMAN. You were going to give my remarks?

Chairman ROS-LEHTINEN. No, I will give my remarks. I don't trust you with my remarks. But without objection, members may have 5 days to submit statements and questions for the record.

Madam Secretary, welcome back to the committee to discuss the administration's foreign relations budget request. All of us have great respect for you, Madam Secretary, as well as for the dedicated men and women who promote the interests and values of our Nation throughout the world.

Our Nation faces unsustainable deficits, so we must justify every dollar that we spend, especially because 35 cents of every dollar is borrowed. I appreciate your restraint with the top-line number in your budget proposal, coming in at \$5.2 billion below last year's request, but I disagree with the priorities and programs funded with those limited resources.

In Iraq and Afghanistan, both these governments must be pushed to take the necessary steps to be our long-term, reliable partners. We are not seeing such a commitment from Karzai or Maliki. Too much American blood and treasure have been invested in both countries for us to have governments in place that threaten American interests. Iran's belligerent and unhelpful role in Afghanistan and Iraq is worrisome, particularly with reports indicating their co-option of those governments at senior levels. So, Madam

Secretary, what additional pressure can we bring to bear to offset the Iranian influence in Afghanistan and Iraq?

In Pakistan, the level of cooperation, as we know, that we get from the government continues to fall short. Serious questions persist about whether elements of the Pakistani Government support prominent insurgent groups fighting against our troops in Afghanistan.

In other Middle Eastern countries, I have had concerns from day one about the administration's approach to the Arab Spring and to the forces at work there, including radical Islamist groups. The administration appears focused on spending a lot of money in search of a policy. Your budget request doubles down on that approach by requesting a \$770 million Middle East and North Africa Incentive Fund, a fund with almost no restrictions on how it can be used.

Even though press reports indicate that Egypt may have decided to lift the travel ban on our NGO workers, we should not reward Egypt with aid when it is demonstrating hostility to Western democratic entities and is engaging in an ongoing dance between authoritarians and the Muslim Brotherhood. In contrast, the administration did the right thing by enforcing U.S. law and cutting off funding to UNESCO after it undermined peace by admitting the nonexistent state of Palestine.

Your request to now change the law and send \$80 million to UNESCO would be a grave mistake. Any weakening of U.S. law would undermine our credibility and give a green light for other U.N. agencies to grant recognition of a Palestinian state. U.S. funding for UNESCO must only be restored if UNESCO votes to unadmit Palestine.

The budget for the Western Hemisphere, which is not mentioned in the prepared testimony, is another example of misplaced priorities. The administration has requested an increase in funding for the general budget of the Organization of American States, yet you cut U.S. contributions to the OAS Fund for Strengthening Democracy by almost \$2 million.

The administration is proposing increased financial assistance to Nicaragua, Bolivia, and Ecuador, three governments that continue to undermine U.S. security interests in the hemisphere, disregard human rights, and ignore the rule of law. There can be no justification for such an increase in funds to these countries. In Nicaragua, State has spent millions to promote free, fair and transparent elections. That money was not used wisely, as the elections in Nicaragua were fraudulent and ran afoul of the Nicaraguan constitution.

We must not repeat last year's performance in Ecuador or Bolivia, where State Department spent more money on environmental programs than counternarcotics operations or good governance. This budget fails to hold abusers of democracy in the region accountable, and cuts support for democracy. Instead of standing in solidarity with the Cuban and Venezuelan people in their time of need, this budget turns its back on them.

Repression continues unabated in Cuba. The Castro regime orders its State Security Forces to beat members of the Ladies in White, Las Damas de Blanco, as they leave church services on Sundays. Prisoners of conscience die while many worldwide turn a

blind eye to their plight. In Venezuela, the Chavez regime has demolished the authority of the National Assembly and intimidated the opposition by leveraging control over the judicial system.

Turning to the disastrous situation in Syria, this administration does not appear to have a coherent strategy. The Russians and the Iranians clearly have a strategy, and it could be summarized as “actively support the repression by the Syrian Army.” The Iranian regime defies responsible nations and pursues nuclear weapons capabilities. A nuclear-armed Iran is unacceptable, and we must oppose any policy that relies on mere containment as a response to this mortal threat. President Obama has said that the United States has an ironclad commitment to the security of Israel. So, will the U.S. militarily back Israel if it decides to protect itself from an Iranian nuclear threat?

Finally, Madam Secretary, I have grave concerns about today’s North Korea announcement, which sounds a lot like the failed agreements of the past. While it is good that it mentions the uranium enrichment program whose existence the North Koreans had so long denied, we must recall that regime’s constant duplicity. We have bought this bridge several times before.

One troubling new aspect is the discussion of nuclear issues and food aid in the same announcement, which blurs the separation of humanitarian aid from the nuclear negotiations, which has been maintained since 1995. The North Koreans will view this food as payment due for their return to the bargaining table, regardless of the transparency and monitoring we hope to secure in the future.

Again, Madam Secretary, thank you so much for making yourself available today. I look forward, and the members do as well, to receiving your testimony.

And now I am pleased to recognize my friend, the gentleman from California, the ranking member, Mr. Berman, for his opening statements.

Mr. BERMAN. Well, thank you very much, Madam Chairman. And Madam Secretary, welcome. Thanks for being here. At the outset—there are some differences in our view—I would like to commend you for your hard work on North Korea. Today’s announcement that Pyongyang has agreed to freeze long-range missile launches, nuclear tests and uranium enrichment activities, and allow the IAEA back into the country appears to be an important step on a long and difficult path. You know, the chair knows, I know, we all know that we have been down this road before, and it does remain to be seen whether the North will keep its promises this time.

But in a more general sense, I would like to recognize the tremendous commitment and dedication you have shown to reestablishing the United States, not just as an indispensable power, but as an indispensable partner. You have made it your mission to show the world the best of who we are as Americans.

Eloquently and consistently, you have spoken up for women, for the poor, and for those whose human rights and dignity has been trampled. You have elevated development alongside diplomacy and defense as a pillar of our national security. Within the administration and in the halls of Congress, you have fought to ensure that our diplomats and aid workers receive the resources they need and

the respect that they deserve. They risk their lives every day to support American interests abroad, and in the face of mounting deficits here at home, it is important to remember that these civilian efforts are much less costly than deploying our military.

Today, we are here to assess how the President's Fiscal Year 2013 international affairs budget responds to the threats and priorities we face as a nation. Many people believe, erroneously, that foreign aid accounts for 20 percent or more of our budget. The truth is, we spend just over 1 percent of our national budget on diplomacy and development.

Yet, these programs have an outsized impact on our health, prosperity, and security here at home. With one in five American jobs dependent on trade, and half our experts going to developing countries, our overseas programs are a critical part of strengthening the American economy and getting Americans back to work.

Our security is threatened if nuclear weapons fall into the wrong hands, or if fragile and failing states become training grounds for terrorists. Our foreign assistance dollars help counter the flow of illicit narcotics and control the spread of organized crime. Nearly a quarter of the 2013 Fiscal Year international affairs budget request is dedicated to supporting critical U.S. efforts in the frontline states of Iraq, Afghanistan, and Pakistan.

And finally, the principles we cherish are undermined if we allow families to go hungry, children to die of easily preventable diseases, and girls to be kept out of school. In short, helping countries become more democratic, more stable, more capable of defending themselves, and better at pulling themselves out of poverty is just as important for us and our national security as it is for them.

To succeed, we must ensure that our budget resources are allocated wisely, our international programs are carried out in the most efficient and effective manner.

Before closing, I would like to highlight two of my top and somewhat interrelated priorities: Middle East peace and the effort to prevent Iran from developing a nuclear weapons capability.

Madam Secretary, for the past 3 years, the Palestinians have simply refused to engage seriously in peace talks. My sad conclusion is that Palestinian leaders don't have the will or the desire to make the compromises necessary to achieve peace. They don't want to engage seriously because they know that, in the end, they won't be able to do the deal.

That is what happened at Camp David in 2000, at Taba in 2001, and in the Olmert talks in 2008. And now, nearly two decades after Oslo, I see no evidence that the Palestinians have begun in the slightest to prepare their public for the prospect that they will have to relinquish the so-called right of return and recognize Israel as a Jewish state, two critical elements of any peace deal.

I find that disturbing. Meanwhile, the Israelis continue to say they will negotiate any time, any place. If Palestinian leaders really want statehood, they will have to show it both through their public commitments and by engaging in serious negotiations with Israel. If they try to circumvent negotiations by once again taking their case to the United Nations, they will get no recognition from the United States and they won't get the time of day from the U.S. Congress.

The only solution to the Israeli-Palestinian conflict that can bring peace and security to both parties is a two-state solution, and that only can become a reality through direct negotiations.

Let me turn to another issue, what I consider the greatest security challenge facing both Israel and the United States, namely the threat of a nuclear-armed Iran. I believe it was during your first testimony before this committee in 2009 that you first said that our goal was to impose crippling sanctions on Iran if the regime doesn't suspend its uranium enrichment program and otherwise comply with the demands of the U.N. Security Council.

Now the sanctions are finally starting to have some bite, and within a few weeks or so the Congress is likely to pass new legislation for the President to sign—legislation that tightens sanctions and that gives the administration new authorities to tighten sanctions still further. The House passed its version of that legislation, the Iran Threat Reduction Act, by an overwhelming vote late last year. Can you give us a status report on the impact of sanctions in Iran and on whether there is any sign that they are starting to have the desired effect on the thinking of Iranian decision-makers?

Thank you, Madam Secretary. I look forward to hearing your testimony.

Chairman ROS-LEHTINEN. I thank the ranking member. It is the chair's intention to continue the hearing during votes. And now, it is an honor to welcome the Secretary to our committee today. The honorable Hillary Rodham Clinton has served as the 67th Secretary of State for the United States since January 21, 2009: The latest chapter in her four decade career of public service.

She has served previously as a United States senator from the State of New York, as First Lady of the United States and of the State of Arkansas, as an attorney and a law professor. Madam Secretary, without objection your full written statement will be made part of the record. If you would be so kind as to summarize your written remarks, we can then move quickly to the question and answer discussion under the 5-minute rule in the hope of getting to all of our members before you have to depart.

So Madam Secretary, welcome again, and the floor is yours.

STATEMENT OF THE HONORABLE HILLARY RODHAM CLINTON, SECRETARY OF STATE, U.S. DEPARTMENT OF STATE

Secretary CLINTON. Thank you very much, Madam Chairman and Ranking Member, and it is very good to be back here. I am grateful to your committee and the members for the support and consultation that we've enjoyed over these past 3 years. I look forward to your questions. I will submit my entire statement to the record, and look forward to having a chance to exchange views with you today. Thank you.

[Secretary Clinton's prepared statement follows:]

**TESTIMONY OF
SECRETARY OF STATE HILLARY RODHAM CLINTON
2013 BUDGET REQUEST FOR THE STATE DEPARTMENT AND USAID
HOUSE FOREIGN AFFAIRS COMMITTEE
WASHINGTON, DC
FEBRUARY 29, 2012**

Chairman Ros-Lehtinen, Ranking Member Berman, members of the Committee: it is good to be with you again. I am grateful for your support for civilian power these past three years and eager to hear your thoughts on the work ahead.

We are living through a time of volatility and possibility. The Arab world is transforming. The rise of new powers is redrawing the strategic map, creating new partners, new challenges and growing economic competition. Al Qaeda is weakened, but still dangerous. In this time, only America has the reach, resources and relationships to anchor a more peaceful and prosperous world.

The State Department and USAID budget we discuss today is a proven investment in our national and economic security, but also something more: it is a down payment on American leadership in a fast-changing world.

When I became Secretary of State, I saw a world that needed America, but also one that questioned our focus and staying power. Ever since, we have worked together to put American leadership on a firm foundation for the decades ahead. We have ended one war and are winding down another. We have cemented our place as a Pacific power, while maintaining the most powerful alliance in history across the Atlantic. We have elevated the role of economics within our diplomacy to create American jobs and advance our strategic interests. We have reached beyond governments to engage directly with people. And we have recognized the critical importance of the rights, concerns and participation of women in our diplomatic efforts around the world, from creating economic opportunity to promoting peace and security.

We are updating our diplomacy and development for the twenty-first century, making use of new technologies, partnering with the private sector and finding ways to work smarter and more efficiently. After the first-ever Quadrennial Diplomacy and Development Review, we created two new bureaus focused on counterterrorism and energy and reorganized a third to prevent fragile states from becoming failed states.

Like many Americans in tough economic times, we have made difficult tradeoffs and painful cuts. We have requested 18% less for Europe, Eurasia and Central Asia, preserving our most essential programs and using the savings for more urgent needs elsewhere. We are scaling back construction, improving procurement and taking countless steps to lower costs.

Even as our challenges and responsibilities multiply around the world, our request represents an increase of less than the rate of inflation. State and USAID request \$51.6 billion, just over one percent of the federal budget.

Today, I want to highlight five priorities—all made possible by the investments in this budget.

First, our request allows us to sustain our vital national security missions in Iraq, Afghanistan and Pakistan. As President Obama says, “the tide of war is receding.” But as troops come home, civilians remain to carry out the critical missions of diplomacy and development. Our request reflects the temporary, extraordinary costs of operating on the frontlines.

In Iraq, civilians are now in the lead, working to help that country come through this current period of challenge and uncertainty to emerge as a stable, sovereign, democratic partner. This increases our civilian budget, but State and USAID are asking for only one-tenth of the \$48 billion the U.S. government spent on Iraq as recently as 2011. The 2013 U.S. government-wide request for Iraq, including defense spending, is now \$40 billion less than it was just two years ago. So this approach is saving taxpayers a great deal of money.

Over time, despite the past week’s violence, we expect to see similar government-wide savings in Afghanistan, where civilians have already taken on increased duties. This year’s request will support the ongoing transition, helping Afghan men and women take responsibility for their own future and ensure their country is never again a safe-haven for terrorists to threaten America. In Pakistan, we have a challenging but critical relationship. We remain committed to working on issues of joint interest, including counter-terrorism, economic stability and regional cooperation.

For the past decade, we have been focused—by necessity—on the places where we face the greatest threats. In the decade ahead, we need to be just as focused on the areas of greatest opportunity. Which brings me to another critical priority: the Asia-Pacific region, from the Indian subcontinent to the shores of the Americas. The Obama Administration is making an unprecedented effort to build a strong

network of relationships and institutions across the Pacific. In the century ahead, no region will be more consequential.

As we tighten our belts around the world, we are investing the diplomatic attention necessary to do more with less. In Asia, we are pursuing what we call forward-deployed diplomacy—from strengthening our alliances, to launching new strategic dialogues and economic initiatives, to creating and joining important multilateral institutions, to our new opening with Burma—to underscore that America will remain a Pacific power.

Third, we are focused on the wave of change sweeping the Arab world. We have a significant stake in successful democratic transitions. And as the region transforms, so must our engagement.

Alongside our bilateral and security support, we are proposing a \$770 million Middle East and North Africa Incentive Fund to encourage major political and economic reforms. This fund will support credible proposals—validated by rigorous analysis and key stakeholders, including Congress—to promote democratic change, effective institutions, and broad-based economic growth. When countries commit to making genuine reform, the fund will provide meaningful assistance, which ultimately puts our partnerships on firmer footing. And, in an unpredictable time, it lets us respond to unanticipated needs in a way that reflects our leadership role in the region.

Of course, not all countries in the region are embracing the mantle of reform and responsibility. This budget request would allow us to keep our commitment to help the Syrian people survive a brutal assault, reclaim their country and plan for a future without Assad.

Our request also supports those working for change at the grassroots. It continues our assistance for Arab partners in Jordan, Morocco and elsewhere. It provides a record level of support for our ally, Israel. And it makes possible our diplomacy at the UN and around the world, which has now put in place—with your help—by far the toughest sanctions Iran has ever faced.

The fourth priority is what I call economic statecraft—how we act at the crossroads of economics and diplomacy. At every turn, we are asking: how can we use diplomacy and development to strengthen our economy? We have more than 1,000 State Department economic officers working every day to help American businesses connect to new markets and consumers to create opportunities here at home. We are pushing back against corruption, red tape, favoritism, distorted

currencies and intellectual property theft. USAID invests in the poorest, most unstable regions because it is the right thing to do, but also because it helps create the trading partners of the future—and let's remember that half of those we are trying to reach are women. Under the leadership of U.S. Trade Representative Kirk, we have worked closely together on three trade agreements that will create tens of thousands of American jobs. And we hope to work with Congress to ensure that, as Russia enters the WTO, foreign competitors do not have an advantage over American business.

Finally we are elevating development alongside diplomacy and defense within our foreign policy. Poverty, disease, hunger and climate change can destabilize entire societies and sow the seeds for future conflict. We have to make investments now not just to promote human security, but to meet even our traditional foreign policy goals down the road.

Through the Global Health Initiative, we are consolidating programs, increasing efficiencies and shifting responsibilities to host countries. By driving down costs, we will be able to provide life-saving HIV treatment for six million people by the end of 2013 without additional spending—accelerating our progress toward President Obama's vision of an AIDS-free generation. Building on past investments, we are increasing countries' own health system capacity. That helps us target our resources where they are most needed and have the greatest impact, including areas like maternal and child health.

Our Feed the Future Initiative will help millions of men, women and children—farmers and consumers—by driving agricultural growth and improving nutrition to hasten the day when countries no longer need food aid at all.

As we pursue these initiatives, we are transforming the way we do development. We are partnering with governments, local groups and the private sector instead of substituting for them. We are making it a priority to deliver measurable results, build local capacity and promote good governance and pro-growth policies to empower people to create and seize their own opportunities.

These five priorities—the frontline states, the Asia-Pacific, the Arab transitions, economic statecraft and elevating development—are each crucial to American leadership. And they are just the beginning of what we do to serve and safeguard the American people in every region of the world—including Africa, Latin America, Central Asia and Europe. State and USAID reduce the threat of nuclear weapons, fight international trafficking, counter violent extremism, and protect U.S. citizens overseas.

This work is done by some of the most capable, hardest working and bravest people I have ever met: the men and women of State and USAID. The political officers who worked for thousands of hours to assemble and hold together a NATO-Arab coalition that helped the Libyan people reclaim their future—without a single American death. The economic officers helping American companies take part in the tens of billions of dollars of construction underway as Brazil prepares for the World Cup and Olympics. The development officers offering life-saving treatment. The consular officers who serve as the front line of our efforts to secure our borders. The public diplomacy officers who tell the world our story. And the management officers who make everything else possible. Working with them is one of the greatest honors I have had in public life.

With so much on the line, from the Arab world to the Asia-Pacific, we simply cannot pull back. Investments in American leadership are not the cause of our fiscal challenges, and retreating from the world is not the solution.

American leadership is personal for me. It is my job everywhere I go. After three years, 95 countries and over 700,000 miles, I know very well what it means to land in a plane that says “United States of America” on the side. People look to us to protect our allies, stand by our principles and serve as an honest broker in making peace; to fight hunger, poverty and disease; and to stand up to bullies and tyrants. American leadership is not just respected. It is required. And it takes more than just resolve. It takes resources.

This country is an unparalleled force for good in the world. We all want to make sure it stays that way. I urge you to make this investment in strong American leadership and a more peaceful and prosperous future.

###

Chairman ROS-LEHTINEN. Thank you. So we can get right to the question and answer, Madam Secretary?

Secretary CLINTON. Yes.

Chairman ROS-LEHTINEN. Delish. Thank you so much. So, the Chair recognizes herself for her questions.

Madam Secretary, I have heard from a number of my constituents—as you know, I represent South Florida, the gateway to the Americas—who are worried that ALBA countries, led by Chavez, continue to pressure to invite Cuba to the Summit of the Americas in April, even though the Castro dictatorship does not meet the criteria to join the meeting, as you know.

Will you pledge here today that if Cuba is invited, that President Obama and you, Madam Secretary, will refuse to attend the summit meeting?

And secondly—and I will ask it all at once, so you can answer, Madam Secretary—on Iran in the Western Hemisphere: Just last month Ahmadinejad's tour of tyrants, as I called it—his trip to Venezuela, Nicaragua, Cuba and Ecuador—reaffirmed Iran's commitment to undermine U.S. national security interests. I am concerned about Iran's willingness to attack the United States homeland or our critical allies, such as Israel.

With the rising threat posed by the Quds Force and its Iranian proxies such as Hezbollah in our region, will we dedicate more attention to these illicit activities in the annual terrorism report?

And lastly, what is the administration doing to ensure cooperation from our allies in the hemisphere with respect to Iran, and to hold accountable those countries that are supporting and enabling Iran's threatening activities?

Thank you, Madam Secretary.

Secretary CLINTON. Thank you very much. With respect to the question about the Summit of Americas, we do not believe there is any intention to invite Cuba. We have made our views on that well known. They don't fit the definition of democratic countries and the development of democracy in the hemisphere. So at this point, we see absolutely no basis and no intention to invite them to the summit.

Regarding Iran and the Western Hemisphere, obviously Iran, facing these very effective sanctions and their aggressive enforcement, is becoming increasingly desperate, looking for friends wherever they think they can find them. And they are not getting the kind of response—on that tour of tyrants that you referenced, our analysis of what happened is that it fell very far short of what the Iranians had hoped for.

That said, we are concerned about the activities of Iran and Hezbollah in the Western Hemisphere. We continue to monitor the situation closely. We will take appropriate action to counter any threat that may arise. We are aware of and concerned about allegations that some Latin American drug trafficking organizations are linked with Hezbollah and Iran. We have not found information to verify a lot of the allegations, but of course the recent incident concerning the attempted assassination of the Saudi Ambassador is a very large question mark and wake-up call.

We are continuing to look for direct links, and we are engaged very extensively with our partners in the hemisphere, both to edu-

cate them about the dangers posed by Iran and Hezbollah, and also to work with them to heighten our intelligence sharing. Now, we did impose sanctions in 2008, and extended them last year, on the Venezuelan Military Industries Company for violating a ban on technology that could assist Iran in developing weapons. So if we find information that we can verify, we are committed to taking action.

But what we instead are seeing, much to our encouragement, is that our partners in Latin America are really understanding the threats. Recently at the IAEA Argentina, Brazil, Mexico and Chile joined us in voting for a resolution calling on Iran to address concerns about the nuclear program. Last year, Chile, Mexico, and Brazil voted to create the U.N. Human Rights Council Special Rapporteur on Iran. And our close coordination with Mexican authorities actually was instrumental in breaking up the assassination plot against the Saudi Ambassador.

So I think, Madam Chairman, we are alert to this. We are watching it closely. We are building a very strong international and hemispheric coalition against any efforts by Iran and Hezbollah in our area.

Chairman ROS-LEHTINEN. Thank you, Madam Secretary. I yield back the balance of my time. Mr. Berman?

Mr. BERMAN. Thank you very much, Madam Chairman. Madam Secretary, the Obama administration is the first administration to use congressionally-mandated sanctions on Iran in a robust way, and you deserve considerable praise for that. I know that the President and you, and numerous officials at State, at Treasury, at Defense, have put in literally thousands of hours trying to persuade foreign officials and foreign businessmen to respect our sanctions and to help isolate Iran, all for the purposes of implementing a policy intended to lead Iran to abandon its nuclear weapons program.

In that regard, I think it would be helpful to put to rest concerns of some observers that the administration is resigned to Iran's becoming a nuclear threshold state. I think it is very important to reassure us on that point. Based on my understanding of the administration's policy, I think you should be able to do that.

Three months ago, on December 1st, Secretary of State Burns and Israeli Deputy Foreign Minister Ayalon issued a joint statement that spoke of "preventing Iran from developing a nuclear weapons capability," and a Pentagon publication last month also said that the U.S. seeks to "prevent Iran's development of a nuclear weapons capability."

So when Senator Graham yesterday asked whether the administration seeks to deny Iran the ability to become a nuclear threshold state, you responded by saying that, "It is the position of the administration to prevent them," meaning the Iranians, "from attaining nuclear weapons." So I think it is important to clarify.

Is it, in fact, administration policy to prevent Iran's development of a nuclear weapons capability, or is the policy merely to prevent Iran from attaining nuclear weapons? And what is the real difference between these two? Does the administration have a red line beyond which it will not allow Iran's nuclear program to progress? Can we feel assured that it is the administration's policy to make

sure Iran remains well short of the ability to produce nuclear arms?

Secretary CLINTON. Well, Congressman, I think it is absolutely clear that the President's policy is to prevent Iran from having nuclear weapons capability. And that has been the stated position of this administration. It has been backed up and reiterated. So let there be no confusion in any shorthand answer to any question, the policy remains the same.

And certainly in pursuance of that policy, we have worked closely with the Congress to implement the most far-reaching sanctions that have ever been imposed. And after 3 years of intensive diplomatic effort, we have developed an international coalition that recognizes the importance of preventing Iran from obtaining nuclear weapons capability that is working with us.

You know, 3 years ago we didn't have that consensus in the international community. There was a lot of unwillingness, and resistance, even, to going along with tougher sanctions. But from the beginning, we have had a two-track policy: Pressure and engagement. And as we talk today, the pressure is ratcheting up. We are aggressively working to implement the sanctions.

We have very strong support for this position from the recent report by the International Atomic Energy Agency pointing out all of the suspicions and questions about Iran's pursuit of nuclear weapons, and we have seen, finally, a response from Iran that they are willing to discuss their nuclear weapons program with the P5+1. So we think that these sanctions are affecting the thinking of the Iranians in the leadership, but we have to remain vigilant and we have to keep the pressure on.

Mr. BERMAN. Well, thank you very much. Do you think I could get a question and answer in 44 seconds?

Chairman ROS-LEHTINEN. Or you could yield back and give other members more time, as I did.

Mr. BERMAN. All right. Well, with that appeal to—

Chairman ROS-LEHTINEN. Thank you, sir. Thank you. And being the wise legislator that he is, Dr. Paul elected to stay here, and so he gets to ask his question.

Mr. PAUL. Well, that is wonderful.

Chairman ROS-LEHTINEN. Congressman Paul of Texas is recognized. I have learned not to say anything negative about Ron Paul.

Mr. PAUL. Welcome, Madam Secretary. I do want to get your comments a little bit about the stir that was caused by the apology over the Qur'an. And the administration has received a lot of criticism about this, and I think you have expressed a point that maybe this doesn't help your job any by stirring up the resentment. But the whole issue of an apology, I think, is an interesting one from a national level.

And I recall what happened after McNamara wrote his memoirs. And he was apologetic about what happened, and how he orchestrated the Vietnam War. And a reporter asked him if he should apologize, and he said, "What good's an apology?" He says, "If the policies are wrong, you have to learn something from it and change the policy."

So a lot of emotions come out on this issue of apology, and I keep thinking that those who criticize him, I don't think they criticized

the last administration when the President apologized for using the Qur'an as a target. So sometimes they are not—apologies aren't always all equal. But even that said, there is—there were torture photographs before, they were very aggravating. Recently there was urinating on bodies, on corpses. We didn't particularly apologize for those, did we? I mean, there weren't apologies there.

But some of these things are emotional, but what about the whole idea of invading a country, and occupying a country, and disturbing their country, creating hundreds of thousands of refugees and suffering? Does it ever get to a point where apologizing about the Qur'an is rather minor to some of the other problems that we have created in these countries? And can you comment on that?

Secretary CLINTON. Well, Congressman, first I appreciate the very measured comments you have made about our Presidents—not only this one, but prior Presidents—offering apologies when we are deeply sorry for unfortunate incidents that occur, that were not intentional, and which we know have emotional resonance with people.

The larger question you ask, I think it is also important to put into context. President Obama promised to wind down the Iraq war. He has done so. He is in the process of transitioning out of Afghanistan in a manner that is done appropriately, in keeping with the very large decisions that have to be made about helping the Afghans defend themselves, working with our partners and allies in that effort.

And I think the underlying premise is certainly one that can be debated among Americans of good faith. I believe that we were justified in going to Afghanistan, which is the—

Mr. PAUL. I want to apologize, because I don't want to get on that subject.

Secretary CLINTON. Sure. And I accept your apology. Thank you, sir. [Laughter.]

Mr. PAUL. There you go. But I do want to touch on something else, to get a little different perspective on the nuclear enrichment in Iran. Because we hear different stories. Even in Israel there are debates. Tamir Pardo actually said, "If they get a weapon, it's not an existential threat to Israel." So I am sure there is probably a more nuanced debate in Israel than there is here sometimes. But isn't it true that Iran has the right to enrich up to 20 percent for peaceful purposes?

Most people—you know, the way we talk, and you hear the discussion, they have absolutely no right to enrich. Don't they have that protection under the Nuclear Non-Proliferation Treaty? But it never seems to have a balanced approach to that, and the best I can tell from what I read, there is no evidence that they have a bomb. There is no evidence that they are on the verge of getting it.

And even the administration, whether it is Panetta or Clamper or General Dempsey, they are saying, "It wouldn't make any sense to have a preemptive attack on there." Could you give us a sense of a proper balance here? Because a lot of people are convinced it is Syria, and then it is Iran. And I am personally concerned about that, because the last thing the American people need is another

war. We don't have the money. We don't have the resources. And the military is not ready for another war.

Chairman ROS-LEHTINEN. 9 seconds.

Secretary CLINTON. Congressman, I would direct your attention to the most recent Director General's Report from the International Atomic Energy Agency, not an American document, which outlines the concerns about the non-peaceful use of civilian nuclear power. There is increasing evidence that what the Iranians do is not consistent with—you are right—their right to have the peaceful use of nuclear power. And I will be happy to get you a copy of that, because I think you ask a very important set of questions.

Chairman ROS-LEHTINEN. Thank you so much, Congressman. Thank you, Madam Secretary. Mr. Ackerman, the ranking member on the Subcommittee on the Middle East and South Asia.

Mr. ACKERMAN. Thank you. Welcome, Madam Secretary. Always great to have you here.

Secretary CLINTON. Thank you.

Mr. ACKERMAN. It is exceptional to me that sometimes you can't win for winning. And even with the unprecedented victories that you and the administration have had in the foreign policy area, some people continue to look at it—I guess I would call it the Goldilocks game, with the three bears: The porridge is always too hot, or the porridge is always too cold. I think you got it just right. I think, instead of Goldilocks, you are more like the guy on the Ed Sullivan show who used to be up there with the 12 bowling pins, juggling them all at the same time, bouncing basketballs up and down over his knees, and he has these sticks with the plates on top that he is twirling in the air, and nothing ever falls to the ground.

And it is more difficult, because you are really twirling somebody else's dirty dishes, but nonetheless, you seem to have everything pretty much together—I don't want to jinx it—with all of the unprecedented problems in the world that we are facing all at the same time. And I just want to thank you, and congratulate you and the administration.

Three areas: North Korea, Egypt, and Iran. Hotspots. First, on Egypt, congratulations on the announcement that we just received within the hour that the flight restrictions on Americans have been lifted. I think that is miraculous. I know the great effort and work that you have put into this, both behind the scenes as well as publicly, and how delicate this negotiation has been.

Does this indicate to us some sense of where the power shifting and shuffling in Egypt is going, and who is exercising it, at least at this very sensitive moment? Or don't we want to speculate on that?

Secretary CLINTON. Well, Congressman, we do not have confirmation that the travel ban has been lifted. We hope that it will be, and we will continue to work toward that. And the reporting is encouraging, but we have no confirmation.

Mr. ACKERMAN. Yes, we always get stuff from the AP first also, before we hear that.

North Korea, congratulations on that as well. I know there is never any nexus between humanitarian aid and shifting policies, but congratulations on the great coincidence of the 240 metric tons

of humanitarian aid and it's happening coincidentally at the same time that the North Koreans have, at least apparently, agreed to a lot more transparency than they have had before, and cessation of their nuclear program.

Were other countries parties or observers at this bilateral discussion that we had with the North Koreans? Did the Russians, or the Chinese, or the South Koreans play any role, or was that just us?

Secretary CLINTON. Well, the meeting was held in Beijing. The Japanese and South Koreans were intimately involved in the back and forth of the negotiations. We also kept all of them informed. But no one else was a direct participant, besides the United States and North Korea.

Mr. ACKERMAN. In reading all the reports of that, it says that they will allow inspection at Yongbyon. Do we have access to other sites, or just that main site? Or isn't that clear yet?

Secretary CLINTON. That is not clear yet. I mean, that was our principal objective, and we obviously have to continue building on what was achieved.

Mr. ACKERMAN. And like some others that you deal with, you know more than others that they are masters at the shell game.

And lastly, Iran. Congratulations on the biting effect, that the sanctions are finally grabbing them and taking effect to a tremendous extent. There seems to be a lot of indication that some of our allies—one in particular in the Middle East is very concerned and interested in us laying down markers, rather than saying all options are on the table. And I suppose that is going to get more play in coming days.

What are the red lines that the Iranians cannot cross? Are we going to make that public, or are we going to continue to do quiet negotiations on that?

Secretary CLINTON. I think it is probably smarter for us to be pressing on the sanctions and the negotiations, while we keep our objective of no nuclear capability absolutely clear, instead of setting other benchmarks at this time publicly.

Mr. ACKERMAN. I want to thank you for not concentrating on strutting your stuff, and delivering on the steak and not worrying about the sizzle. Thank you.

Chairman ROS-LEHTINEN. Thank you. My colleague from Florida, Mr. Rivera. Wise man, staying around.

Mr. RIVERA. Thank you very much, Madam Chair. I learned from the best, from you.

Madam Secretary, thank you so much for being here today. As you know, recently we marked the 14th anniversary of the February 24, 1996, shoot-down of the Brothers to the Rescue airplanes in which, as you know, four Americans were murdered over international airspace by the Castro dictatorship.

Subsequent to those murders, the U.S. Congress and then-President Clinton passed and signed into law the Helms-Burton Bill, which has never been fully implemented, as you well know, because of a provision which allows a waiver, or a suspension, every 6 months, to that law, for implementation of that law. And that suspension, I believe, takes place around every January or February, and mid-year as well. So we probably have just recently

seen the Obama administration suspend the Helms-Burton law, as it has been done twice a year, every year, since 1996.

Now, the rationale allowed in the Helms-Burton law for suspending implementation of the law is twofold. Number one, that it serves U.S. interests, and number two, that it would expedite a transition to democracy in Cuba. Given what we have seen in the last few years during the Obama administration, and what has been occurring in Cuba in terms of the wave of repression against human rights activists and dissidents, given the deaths of several hunger strikers, given the recent persecution against the Ladies in White, peaceful activists in Cuba that have been calling for democratic reform, given the stern rebuff that Former Secretary Richardson received in Cuba to his recent overtures or negotiations, can you tell us, just in the last few years of the Obama administration that the Helms-Burton law has been suspended, how has that expedited a transition to democracy in Cuba?

Secretary CLINTON. Well, Congressman, we take a backseat to no one in our condemnation of the denial of human rights that is a continuing feature of the Castro regime. And the particular instances that you mentioned are ones of great concern to us. We do think that increasing people-to-people contact, supporting civil society in Cuba, enhancing the free flow of information, promoting the capacity for more independence, economically and politically, from the Cuban authorities is in the interest of the Cuban people, and is in the interests of the United States.

Mr. RIVERA. And we may agree to disagree on that, but I am just wondering if there is any evidence of results as a result of that policy that the Obama administration has been pursuing. Do we have any evidence at all of any inkling of democratic reform, or a movement toward democracy? Is there anything positive that has resulted from the Obama administration policy toward Cuba that we have evidence, tangible evidence?

Secretary CLINTON. Well, in the last 3 years, there have been considerable changes in Cuba's economic policies, which we see as a very positive development. We think having the Cuban people given more economic rights, to be able to open businesses, to have more opportunity to pursue their own economic futures, goes hand in hand with the promotion of democracy.

I wouldn't claim that our movements were a direct cause, but they were coincident with. And very often in oppressive regimes like Cuba, economic freedom precedes political freedom.

Mr. RIVERA. Well, then you would agree that if there has been economic freedom—and I dispute that, I don't believe there has been any real economic reforms, genuine economic reforms in Cuba. But you would agree that if there have been—and we can disagree on that—there certainly have been no political reforms, or a movement toward democracy, notwithstanding the economic movements.

Secretary CLINTON. Well, despite our very strong objection to the treatment of Alan Gross, the in our view totally unjustified charge and detention, a great number of political prisoners have been released. And again, that in and of itself is not final evidence of anything, but the fact that so many political prisoners were released in the last 3 years is, in our view—

Mr. RIVERA. Are you aware—

Secretary CLINTON [continuing]. A positive move.

Mr. RIVERA [continuing]. That those releases were followed by required expulsions from the country? You are aware of that.

Secretary CLINTON. Well—

Mr. RIVERA. They weren't released into the country. They were expelled from the country.

Secretary CLINTON. I am aware of that, Congressman. And as I look out over the world and take a historic perspective, I see sometimes that political prisoners are released and expelled, where they continue to pursue their democracy work and their advocacy on behalf of human rights from outside the country. So I think the fact is, letting political prisoners go is a very positive development.

I wish that they were inside Cuba, continuing to agitate and advocate for freedom and democracy, but their voices are still being heard, especially in the new communications environment in which bloggers and others exist, so—

Mr. RIVERA. I hope we will continue.

Chairman ROS-LEHTINEN. Thank you, Mr. Rivera.

Mr. RIVERA. Thank you, Madam Chair.

Chairman ROS-LEHTINEN. Thank you, Madam Secretary. Mr. Faleomavaega?

Mr. FALEOMAVAEGA. Thank you, Madam Chairwoman. Madam Secretary, I have a couple of written questions that I want to submit for your consideration.

Madam Secretary, that may be one of the last times together, and so I want to publicly thank you for reestablishing America's influence abroad, especially toward the Asia-Pacific region. As you aptly stated, and I quote, "The future of politics will be decided in Asia, not in Afghanistan or Iraq, and the United States will be right at the center of the action."

Thanks to your efforts, Madam Secretary, I believe the United States will be front and center, so I thank you for bucking tradition for your first trip overseas. On your first trip overseas, you visited Asia to convey a strong message that America's relationships across the Asia-Pacific region are indispensable. And in your many trips since then, from Vietnam to Cambodia, to Myanmar, to China, to South Korea, to Japan and beyond, you have been about the business of making and keeping economic and strategic commitments that will pay dividends many times over.

I applaud you for recognizing the importance of the Pacific island nations in this multifaceted undertaking, and in the context of this hearing, the foreign relations budget hearing, I reiterate what you have stated, and I quote, "Those who say that we can no longer afford to engage with the world have it exactly backward. We cannot afford not to. From opening new markets for American businesses to curbing nuclear proliferation, to keeping sea lanes free for commerce and navigation, our work abroad holds the key to our prosperity and security at home."

I want to also note for the record, Madam Secretary, that when American Samoa and the independent State of Samoa were hit by the most powerful earthquake in 2009, which set off 30-foot waves of a tsunami, which to this day have not yet fully recovered, and yet your office were among the first to stand with us. You have

fought to make sure that relief supplies were airlifted to us, and your tireless efforts for and on behalf of those did not go unnoticed.

And I thank personally Assistant Secretary Dave Adams for his help in this regard. At my request, Madam Secretary, you personally made it a point to visit my little district, and on behalf of the thousands of Samoan men and women who proudly serve in the Armed Forces of our country, we are grateful for your recognition of their services. My people thank you for remembering us amid the many things you have done for our nation.

Madam Secretary, it has been an honor to serve with you, and I commend you for the initiatives you have taken, outlined in this budget submission, for the East Asia and the Pacific region.

I am glad I still have a couple of seconds to ask you a couple of questions. Madam Secretary, can you reiterate again, for the record, our fundamental policy of engagement with the People's Republic of China, especially in reference to the crisis we are faced with at the South China Sea?

Secretary CLINTON. Well, first, thank you for those very kind comments, but it is a great honor to represent the people of your district, and to reach out to the South Pacific region on behalf of our Government.

We are working to further a positive, cooperative and comprehensive relationship with China. We think that is in the interests of the American people, both economically and strategically. We have welcomed the peaceful rise of China, and we expect as China continues to develop that it will assume more responsibilities globally.

With respect to the South China Sea, it has been our position that, while we do not take any stand on the rights attached to any territorial claim, we strongly support the peaceful resolution of such claims in accordance with international law.

That has been the position we have taken at ASEAN, at the East Asia Summit. Because it is not only about the South China Sea, which is, as you know so well, a very important part of the world's oceans, through which more than 40 percent of the world's trade passes. But it is also about how we resolve disputes concerning territories in or near bodies of water, whether it is the Arctic or the South China Sea.

So it is very important we stand for the rule of law, and we stand for the peaceful resolution of any disputes. And we have made that known to our friends in the region, as well as to China.

Mr. FALEOMAVAEGA. Thank you, Madam Secretary. Thank you, Madam Chair.

Chairman ROS-LEHTINEN. Thank you, Mr. Faleomavaega. And Madam Secretary, lacking other members, Mr. Berman and I have agreed to share our 5 minutes with you, if that would be all right?

Secretary CLINTON. Thank you very much.

Chairman ROS-LEHTINEN. I am going to ask about the Keystone pipeline, so start the clock.

Mr. BERMAN. I withdraw mine.

Chairman ROS-LEHTINEN. As gas prices continue to soar, Madam Secretary, burdening the American people in this time of economic hardship, we must continue to examine avenues to depend less on foreign oil from rogue regimes. In October 2010, you mentioned that you were "inclined" to sign off of the Keystone project because

the U.S. will either be “dependent on dirty oil from the Gulf or dirty oil from Canada.”

What was it about the pipeline that led you to change your previous assertion, and can you please explain why an additional, stable source of oil from a democratic ally such as Canada does not deserve a national interest determination from the Department of State?

And Mr. Berman, if you would like to ask your question?

Mr. BERMAN. A very specific question about Syria, the security of the chemical and possibly biological weapons in Syria should the Assad regime fall. How real is the danger of these horrific weapons and substances leaving Syria and falling into the hands of terrorists and terrorist groups? And what about a Nunn-Lugar-type program to secure, dismantle, and remove chemical and biological weapons and technology from Syria?

Secretary CLINTON. Well, first, with respect to Keystone, what I said in 2010 was that energy security considerations exist and needed to be taken into account, but that it had to be part of what is the legal and regulatory requirements for evaluating any pipeline application that crosses an international boundary.

The State Department was in the process of making such a determination, and when it became necessary to make a decision, we did not recommend that the President say no, but rather that the presidential permit for the project at that time be denied.

And with respect to the national interest, what we were working on was a resolution of the very strong concerns expressed by one of the states through which the pipeline would move, a state that at that time did not have its own process and needed to pass legislation, figure out what the alternative route would be.

And then, of course, it fell upon the State Department to evaluate the alternative route. That had not been established when we were required to make our decision, therefore it was impossible to assess the impact of that new route that had been requested.

Chairman ROS-LEHTINEN. Thank you.

Secretary CLINTON. No, just in the last 2 days, TransCanada has made a move through a letter indicating their intent to submit a new application which crosses the U.S.-Canada border. At the same time, they are moving forward with parts of the pipeline, like from Oklahoma to Texas, that don't cross the border and don't need State Department evaluation or decision.

So I think we have handled this, Madam Chairman, in a way that was commensurate with the law and the regulations. I strongly believe we have to increase our energy security. I strongly support the creation of our new Energy Bureau. Just last week, we signed an important agreement with Mexico to encourage transboundary exploration in the Gulf of Mexico, something that was legally in limbo. So we are committed to doing all that we can to help Americans get the energy supplies we need.

Chairman ROS-LEHTINEN. Thank you, Madam Secretary. And now to Syria, from Canada.

Secretary CLINTON. Yes, now on to Syria. Well, we are concerned. I think that it is an issue that deserves the attention of the international community. Nunn-Lugar, of course, was in a permissive environment. It was after the Soviet Union had fallen, the new

Russian Federation came into being. They welcomed our work with them, as in Kazakhstan and Ukraine and other countries.

At this time, there is no permissive environment, but we are going to stay very focused on the potential dangers posed by any storehouse or depot of such weapons.

Chairman ROS-LEHTINEN. Thank you very much, Madam Secretary, for your time. Mr. Smith from New Jersey, the chairman of the Subcommittee on Africa, Global Health, and Human Rights, is recognized.

Mr. SMITH. Thank you very much, Madam Chair. Welcome, Madam Secretary. Let me associate myself with the remarks of our distinguished chairwoman on Cuba. We had a hearing just a couple of weeks ago with Dr. Oscar Biscet, who had a 25-year sentence. He is now out of prison, but he is not out of prison.

And he spoke via telephone right here, and the man is unbelievably brave. He is calling for freedom, human rights, and we have got to be very hard-lined, I believe, but also very prudent. So I would hope—the gentlelady made a very important point about not attending, and I hope that will be the case.

Let me ask you with regards to the Iranian Pastor, Youcef Nadarkhani—we will have a resolution on the floor later on today. If you could speak to the Iranians, if you would, and to the world—there is a ratcheting up of persecution against Christians that is unprecedented.

I have held two hearings on the Coptic Christians. The kidnapping of Coptic Christian girls who are forced into Islam as minors and then given to a man in Egypt who happens to be Muslim is outrageous. It is an act of trafficking, and it is not an isolated incidence. It is a serious, ongoing and pervasive human rights hearing.

I actually held my first hearing on the global persecution of Christians on February 15th, 1996. It was getting worse then. It is now awful. In China, North Korea, we all know people are tortured to death simply because they are Christians. If you could speak to that.

I would like to ask you, if you would—and a very specific and yes or no answer might suffice—and I thank you for the briefing on Bosnia and the work you are doing to try and bring Bosnia into NATO, as well as the other countries that are in line.

Is there any instance, Madam Secretary, or instances, where the Obama administration has withheld or has threatened to withhold or plans to withhold, or use its voice and vote at international and U.N. institutions to reward with debt relief or loans, or to deny such, or in any other way provide a retaliatory means based on that nation's policies on abortion, and based on that nation's support or opposition to resolutions at the U.N. regarding abortion?

Secretary CLINTON. Well, as to that second question, Congressman, I would like to take it for the record, because it had so many parts to it and I don't want to give you an answer that is not as accurate as I can make it. So I will certainly get back to you on that.

As to the very troubling case of Pastor Nadarkhani, you are 100 percent right. His case is particularly egregious, but it is, unfortunately, part of what we see as increasing discrimination and persecution on the basis of religion. In some parts of the world, it is

sects of Islam. In some parts of the world, it is Christians. But wherever it occurs, it is deplorable, against freedom of religion, against human rights that are universally recognized.

The United States has condemned the sentence against Pastor Nadarkhani. We have pushed very hard, reached out to like-minded countries, international organizations, to get a stay of execution, to get him released from prison. He has done nothing more than maintain his faith, and it is absolutely contrary to every element of the universal basis for human rights that someone like that would be condemned to death for being who he is, worshipping as he chooses, exercising his freedom of conscience.

So we call on Iran to honor its own constitutional commitment to the protection of religious freedom, and its obligations under international law. And they can begin by commuting this death sentence and letting this man go free.

Mr. SMITH. If you could get back on the other question as quickly—

Secretary CLINTON. Yes.

Mr. SMITH. We hear from U.N. ambassadors that some are fearful they will lose foreign aid if they don't back the U.S. position on abortion at the United Nations. You know, you are shaking your head no, so I am happy to hear that, but if you could provide a very definitive answer it would be very helpful.

You probably saw the spate of articles that China is changing its policy slogans on the one child per couple policy but not the law itself. That was one of the headlines that Yahoo! News had. There is a whole spate of articles to that effect.

I would hope that we would redouble our efforts to combat the one child per couple policy. The fact that there are so many missing girls—as we all know, the estimates are in excess of 100 million missing girls, systematically exterminated simply because they happen to be girls. And by 2050—and I had a hearing on this very recently. I have had 38 congressional hearings on human rights abuse in China—by 2020, 40–50 percent of men won't be able to find wives because they have been systematically eliminated. So China is becoming and will increase as a trafficking magnet.

I am almost out of time, but if you could really speak out strongly against forced abortion, forced sterilization, and for those baby girls in China who are suffering immensely, along with their mothers.

Chairman ROS-LEHTINEN. Thank you very much. Mr. Sherman, the ranking member on the Subcommittee on Terrorism, Non-proliferation, and Trade, is recognized.

Mr. SHERMAN. Madam Secretary, glad to have you back here. I want to join so many of my colleagues who have praised your work for our country, and how much you have been able to accomplish with less than 1 percent of our budget. I have got a lot of topics to cover, and would expect that you just want to respond for the record, but interrupt me at any point if the spirit moves you.

The first is to focus on the Javakh region of Georgia. We have been very generous to the Republic of Georgia. Javakh is a region in Southern Georgia with a large ethnic Armenian population, and the Embassy of Georgia is now in support of the idea of the United States focusing a good chunk of its aid for Georgia on the Javakh

region. This would help bind Javakh to the Republic of Georgia, and would help achieve our goals in the Caucasus.

Last time you were here, I mentioned the idea of Voice of America broadcasting in the Sindhi language. This committee adopted my amendment unanimously to direct the Voice of America to spend \$1.5 million broadcasting in the Sindhi language. I am not sure that that bill will become law, but it does show the wisdom of the committee.

There are elements in the government in Islamabad who would prefer to try to impose the Urdu language on the entire country. In fact, the idea of imposing the Urdu language on what was then East Bengal created, as much as anything, the independent Republic of Bangladesh. And I would hope that in deciding whether or not to broadcast in the Sindhi language, we not try to accommodate the most extreme nationalistic, or just extreme, position of some elements in Islamabad. Because right now we are broadcasting in Urdu, and Sindhi is spoken by far more people in Pakistan. And we do have a very complicated relationship with the Pakistani Government. We need to reach out to the Pakistani people, particularly those in the Sufi-influenced south of Pakistan, where the version of Islam is so compatible with American values.

I know I won't be the only person up here to talk about Camp Liberty and how important it is that we ensure the humanitarian safety of everyone who is there. There are certain elements to how that camp has been set up that makes it look almost like a prison camp. There are reports that the residents have no access to lawyers, their family, no freedom of movement. And obviously, the Iranian Government is going to be pressing the Iraqis to be as inhumane as possible to the residents of that camp, and I hope that we will be pressing on the other side.

And then finally—and this is a propitious day with regard to this issue—as you may know, there is the SWIFT system, which is the Society for Worldwide Interbank Financial Telecommunications. There is an effort to exclude all Iranian banks from that system, and earlier today I had a chance to talk to Chairman Bernanke, who represents us in the SWIFT system and has a role in supervising that system.

And he said that he didn't have a national security advisor over at the Federal Reserve, and would want to hear from elements of the government that do focus on national security whether it is in our interest, not just to exclude some Iranian banks, but all Iranian banks from the SWIFT system, thus further isolating Iran's financial system. And so perhaps you could respond right here as to whether you would advise the chairman to do everything possible to exclude all Iranian banks from the SWIFT system.

Secretary CLINTON. Yes, we certainly would. And we believe that using the SWIFT system is a very effective way of further isolating Iran, and the Iranian flow of financial transactions. So we will engage with the Federal Reserve in terms of providing such information, and with respect to all of your other issues, Congressman, we will get back to you in a timely manner.

Mr. SHERMAN. Thank you. And I hope your advice to Bernanke would be all Iranian banks, not just those that have been sanctioned by the EU.

Chairman ROS-LEHTINEN. Thank you, Mr. Sherman. Thank you, Madam Secretary. Mr. Burton, the chairman on Europe and Eurasia, is recognized.

Mr. BURTON. Madam Secretary, it is nice seeing you again. I understand that today or yesterday there was an indication that we might once again open some kind of dialogue with North Korea, and I just checked and we gave North Korea during the Clinton administration over \$1 billion in fuel and food aid, as well as money we spent building their light water reactor. And of course, they violated the agreement that they made.

The only reason that I bring that up is, I hope that if we start a dialogue with them we realize that their history is one that you certainly can't trust. And even though Kim Jong Il is gone, and we have a new leader there, I think it is extremely important that the State Department get everything written in blood, so to speak, to make sure that we are not shafted again.

Recently Tom Donilon and the chairman of the Joint Chiefs went over to visit Israel, and the tone of the reports that I received—and of course, all this isn't in writing, but the tone was that they were urging Israel not to take any unilateral action as far as an attack on Iran is concerned. And I know that they just recently said that they certainly weren't going to in any way involve, so to speak, the United States, to give us some semblance of separation from that.

I wonder why it is that the administration doesn't give complete support to Israel and say, "If Iran continues with its program, we will do whatever is necessary to stop that program," and give Israel the support that I think they need. Right now, they are surrounded by all of the potential enemies you can count. And they really need, I think, in the world of public relations, to know—and the world to know—that the United States is with them through thick and thin.

The last thing I talked to you about when you were here—and I will give you a chance to respond—was that I have been very concerned about the entire northern tier of Africa and the Persian Gulf becoming radicalized. Tunisia, Libya, Egypt, maybe Syria, and in the Persian Gulf area I have been talked to by a number of the ambassadors and others there. They are all concerned about radicalism taking over. And although we want to get rid of people like Muammar Gaddafi and Mubarak—although he was a pretty good friend as far as the Camp David accords are concerned—although we want to get rid of the bad guys, I would like to know what we are doing to guarantee that we are not supporting radical Islamists who are going to end up causing a bigger problem than the problem we already had.

I understand that we want to get rid of people that are persecuting their populations, but we also have to be concerned about what it means to the United States as far as energy is concerned, and stability in the region, Israel and all those things. And I would like to know what guarantees we have that the governments that we are supporting over there, or the fledgling governments that we are supporting over there, are not going to be radicalized and start supporting and implementing Sharia law, and thus we would face a more difficult problem down the road than we face right now.

Secretary CLINTON. Well, Congressman, with respect to Israel, I can assure you that not only does the Obama administration strongly support the defense and security of Israel, but we have put more money behind that pledge than has ever been put before. We have increased U.S. security assistance to Israel every year since FY09. This budget includes \$3.1 billion for foreign military financing, a \$25-million-increase from the FY12 level. We have a very strong support for Israel's missile defense programs, which are an essential aspect of what Israel needs in these very challenging times.

And you know, Prime Minister Netanyahu has called the bilateral security cooperation unprecedented, particularly with respect to cooperative missile defense developments and realistic military exercises. So there is an ongoing consultation at the very highest levels between our two governments. And we share our assessments with the Israelis. We listen to their assessments. And I think that the Prime Minister's words really speak for themselves, that it is unprecedented, the level of cooperation and funding that we are providing.

And I will look forward to providing an answer on the record regarding North Africa. I just returned from a visit to Tunisia, and Algeria, and Morocco. I think we have an opportunity there, but I am conscious of the risks and dangers you identified.

Chairman ROS-LEHTINEN. Thank you, Madam Secretary. Thank you, Mr. Burton. Mr. Meeks, the ranking member on the Subcommittee on Europe and Eurasia.

Mr. MEEKS. Thank you, Madam Chairman. Madam Secretary, it is always a delight to have you before us. And I just want to say, on behalf of I believe all of the American people, what a splendid job you are doing.

I have three questions that I am going to try to ask you in the time that we have allotted. One about our complex relationship with Russia, which I believe presents significant accomplishments, challenges and opportunities, and our disagreements are sometimes profound and frustrate multilateral efforts for coordinated action to confront threats of life as in Syria, or global security as in Iran. Notably, however, the Cold War is behind us, and the United States and Russia are no longer eyeball to eyeball with fingers posed over red buttons that would release arsenals aimed at one another, and we are often now elbow to elbow at conference tables, which I think is a good thing.

Madam Secretary, will you comment on your priorities and the strategy with respect to Russia? You may know, or may not know, that I am particularly interested in expanding trade and economic relationships with Russia, which in the year ahead I hope will be a good news story for the United States.

Secondly, Turkey, which continues to be a strategically important player in a challenging part of the world. In fact, Turkey has demonstrated leadership in supporting change and peace in Syria, and receiving the tens of thousands of Syrian refugees who spill across the common border. They have stepped into the spotlight, too, regarding events in the Middle East and north Africa, and they facilitate U.S. redeployments from Iraq. Can you speak about Turkey's

growing prominence and the United States' relationship with Turkey, including what seem to be rough spots with Israel and Iran?

And lastly, the U.S. leads the world in promoting racial and ethnic tolerance and gender empowerment, and I want to commend you for your personal leadership in these efforts. I would like to focus your attention for just a second on the U.S.-Brazil joint action plan, as well as the U.S.-Colombia action plan to promote racial and ethnic equality, and I would like to hear about your plans for continuing these works on these initiatives, especially since I didn't see—I was not clear about the funding of these initiatives in 2013, and it is very much a concern to me whether that is going to continue in the Bureau of the Western Hemisphere.

And when I was in Brussels, now being the ranking Democrat on Europe, our European counterparts have expressed a strong interest in concluding such a joint action plan with us also, and so I was wondering if the State Department could expand on this initiative and look into negotiating an agreement with the EU.

Secretary CLINTON. Well, thank you very much for that description of a lot of the most important issues that we face. Let me focus at the start on Russia, because there will be coming before the Congress important work to be done in order for American businesses to benefit from Russia's membership in the WTO. The United States believes that having Russia in the WTO is very much in the interests of the kind of rules-based economic system that we think benefits Americans, and that we are very keen on establishing firmly for the 21st century.

So we are looking to have the Congress vote to grant permanent normal trade relations to Russia, because it is a vote to create American jobs. For U.S. businesses, farmers and workers to receive the maximum benefit from Russia's entry into the WTO, we have to give unconditional permanent normal trading relations treatment to Russian goods that we provide to all WTO members.

That commitment requires us to terminate the application of the Jackson-Vanik Amendment. And Jackson-Vanik achieved its historic purpose by helping thousands of Jews emigrate from the Soviet Union. And Jackson-Vanik is not any longer the kind of active tool that we need to promote universal human rights vis-à-vis Russia. Because we want to continue to press for human rights inside Russia, but failure to lift Jackson-Vanik will put our farmers, our manufacturers, American businesses, at a disadvantage.

So we very much hope that the Congress will grant PNTR to Russia, lift Jackson-Vanik, recognize the need to keep pressing on human rights inside Russia, and create American jobs as a result.

And with respect to your other very important questions and areas of concern, Congressman, I will just end by saying we strongly support the work we are doing with Colombia and Brazil to promote racial and ethnic equality. We do have the means to continue to work on that within the existing budget, and it is a very high priority.

Chairman ROS-LEHTINEN. Thank you very much, Mr. Meeke, Madam Secretary. Mr. Rohrabacher of California, the chairman of the Subcommittee on Oversight and Investigations, is recognized.

Mr. ROHRABACHER. Thank you very much, and I too respect the good job you are doing. We have some disagreements, but the fact

is, you work hard and you take your job seriously. And probably of all the members of the Obama administration, you have more respect here on Capitol Hill than your other colleagues. Sorry, that is a backhanded compliment. I shouldn't have said that.

But there are many lives that depend directly on the decisions you make in your job, and I would like to ask two questions relating directly to people who are now in grave danger, who will be affected by your decision-making. And then, after that, if I have some other time, I will ask a couple other questions.

The first one is about Dr. Afridi in Pakistan. As you are aware, it is now illegal for the Government of Pakistan to receive any aid money from the United States unless you, as the Secretary of State, certify that Pakistan is cooperating with the United States in counterterrorism efforts and preventing terrorists from basing their operations in Pakistan.

Well, of course, the one Pakistani who did cooperate with us was Dr. Afridi, who was the medical doctor who helped provide the information that led our Navy SEALs to where Osama bin Laden was hiding. But he now has been arrested by the Pakistani Government, and is facing a treason charge. His property has been confiscated. His office staff has been fired. And he is being called a national criminal by that government.

So can you certify? Are you able to certify that Pakistan is cooperating with us, as long as Dr. Afridi, the man who helped us get Osama bin Laden, is in custody and being charged with treason?

Secretary CLINTON. Well, Congressman, I agree that there is no basis for holding Dr. Afridi or any of his staff. In fact, I think his work on behalf of the effort to take down bin Laden was in Pakistan's interests as well as the United States' interest, and we have made that view very well known. We will continue to press it. And it is going to be taken into account as we move forward.

Mr. ROHRBACHER. Well, if they do not let Dr. Afridi go—let me just put everybody on notice here—and I believe we are going to be watching this closely—there is nothing that could suggest that Pakistan is cooperating with us in the fight against terrorism, when they have Dr. Afridi, the man who helped us get Osama bin Laden, in prison and are treating him this way. That is their decision of non-cooperation.

About one other group whose lives are in danger, there are 3,000 Iranian exiles who have been residing in Iraq, who you are fully aware of. Because they were enemies and are enemies of the Iranian mullah dictatorship, these exiled members, who are members of the MEK, are in great danger. Our designation to their organization as a terrorist organization has been a major stumbling block in efforts to resettle them and take them to safety. Are we going to wait until there is some kind of another slaughter of these people—they already were slaughtered down there, unarmed—before we act to try to get them resettled? Something as easy as trying to take that designation off, of the terrorist organization, would help dramatically, and we can do that unilaterally.

Secretary CLINTON. Well, first, we are deeply concerned about the security and safety of the residents of Camp Ashraf. And we have supported the work of the United Nations to find a path for-

ward to relocate the residents, and that has now begun. We fully support the MOU, signed in December, between the United Nations and the Government of Iraq, and it includes commitments from the Iraqi Government for the safety and security of the new camp where the relocation is taking place.

As you know, there were 397 residents relocated on February 18th. There were complications, but it was peaceful. There was no violence. The safety so far has been protected, and we are watching that very closely. We continue to work on our review of the MEK's designation as a foreign terrorist organization in accordance with the DC Circuit's decision and applicable law.

And I would note that not every resident relocated to what used to be Camp Liberty—it is now Camp Korea—may be an MEK member. The organization's structure and history dictate that we take a serious look at each individual, not prejudge membership or the conditions of that person's presence at Ashraf. And you know, once again the UNHCR process will be expedited. So no government has raised the FTO issue with the Department of State as a bar to receiving individuals. And we are going to continue to work to ensure the safety and security, and we think that we have a good plan.

And I would say, Congressman, that given the ongoing efforts to relocate the residents, MEK cooperation in the successful and peaceful closure of Camp Ashraf, the MEK's main paramilitary base, will be a key factor in any decision regarding the MEK's FTO status.

Chairman ROS-LEHTINEN. Thank you very much, Madam Secretary. Thank you, Mr. Rohrabacher. Mr. Engel of New York, the ranking member on the Subcommittee on the Western Hemisphere, is recognized.

Mr. ENGEL. Thank you, Madam Chair. And welcome, Madam Secretary. The United States is proud of you, but in New York we are especially proud of you. I want to ask three questions. I will try to do them one at a time. I have just come back from a trip to Israel, where I have met with people at the highest levels of government. There is a big fear in Israel that the United States is adjusting to the containment of Iranian nuclear weapons, rather than stopping them at all costs. And as you, of course, know, we have said, "Let sanctions work," but many in Israel believe that if we wait too long we will be at the point of no return, and then Iran will not be stopped at all.

Can you please comment on that, and assure us that we are not for a position of containment?

Secretary CLINTON. Our policy, Congressman, is prevention. Our policy is to prevent Iran from attaining nuclear weapons capability. We have a two-track policy, pressure and engagement. We are pursuing both simultaneously to that end.

Mr. ENGEL. Okay. Thank you. I want to speak with you about the Balkans. You and I had several discussions in the past week or so about Kosovo, and I want to just praise you publicly for guaranteeing that Kosovo's rights as a sovereign country remain secure throughout recent negotiations with the EU and Serbia.

While I am glad that Kosovo will take its rightful place as a sovereign state in regional negotiations, and I commend Prime Min-

ister Thaci for taking this difficult decision, I am concerned that Belgrade is advancing to candidate status before meeting all of the EU's conditions in normalizing relations with Kosovo. And at the same time, as you and I discussed, I hope the U.S. will seek additional ways to support Kosovo during this process, including through the Millennium Challenge program and by pressing the EU to stop dragging its feet on Kosovo's European future, and to make sure that Serbia implements deals to which it agrees.

Secretary CLINTON. Well, I thank you for your constant support of Kosovo and the Kosovar people. I agree with you that Prime Minister Thaci showed great leadership. The invitation to candidacy that the EU has extended to Serbia has many milestones along the way, and resolving border issues, resolving a lot of the unfinished business that has to be negotiated between Serbia and Kosovo are some of those.

At the same time, I think it is very important that the European Union has reached out to Kosovo and is working to move Kosovo closer to European integration as well. This is a difficult piece of business. It is a historically complex area, as you know better than most, Congressman. But I think we are slowly making progress, and I am going to continue to press forward.

Mr. ENGEL. Thank you. Two things about the Western Hemisphere, which the ranking member—the FARC has recently announced that it is going to release some of its political prisoners, and want people to believe that they have reformed.

While I am obviously skeptical about anything that the FARC says, I wonder if you can comment? President Santos of Colombia, of course, has said that it is a good move in the right direction, but not nearly enough. I wonder if we could have your thoughts on that.

Secretary CLINTON. Well, I think that President Santos is exactly right. It is a good move, long overdue, to end their kidnapping and their illegal detention of innocent people, but there is a lot yet to be finalized. I think that this Congress and administrations of both parties should take a certain amount of credit for Plan Colombia, for sticking with it, for providing the Colombian Government and the Colombian people with the means to be able to defend themselves against a paramilitary terrorist organization and the drug traffickers. So yes, this is a good step, but it is not enough yet.

Mr. ENGEL. Thank you. And finally, last year this committee adopted a bipartisan amendment which I authored supporting the establishment of U.S. Embassies in the five Caribbean countries where we have none. These Embassies would be similar to the posts we have in Grenada, and would show our Caribbean partners that we pay attention to their region. And it would, of course, also help connect millions of Caribbean-Americans with their ancestral homelands. It will be minimal or no cost, because our representation would be established with only five of the hundreds of diplomats returning from Iraq and Afghanistan. And I am wondering if you can comment on that.

Secretary CLINTON. Well, of course, we believe strongly in having positive diplomatic relations with our eastern Caribbean friends and partners. And it is a matter of cost. It is a matter of resources.

I will respond to you in writing, because it is a difficult tradeoff for us, Congressman.

Mr. ENGEL. Thank you.

Chairman ROS-LEHTINEN. Thank you. Thank you very much, Mr. Engel, Madam Secretary. And Mr. Royce, the chairman of the Subcommittee on Terrorism, Nonproliferation, and Trade, is recognized.

Mr. ROYCE. Thank you, Madam Chairman. Madam Secretary, you and I have talked about Joseph Kony, who abducted 30,000 children, the boys he turned into child soldiers, the girls into concubines, and some of the horrible circumstances that we have had with some of the worst human rights abusers. And likewise, people like Viktor Bout, who is now in custody, but a gun runner supreme who, as an arms trafficker, armed both sides of some civil conflicts.

There is a rewards program the State Department has, and I have legislation to expand that, to include transnational organized crime, to go after people like Viktor Bout, as well as those engaged in the worst human rights abuses, like Joseph Kony. And I know that your department is interested in putting a price on the head of people like Kony, so that we can find their whereabouts. And I know the goal is to take him off the battlefield, and we would need that to do that.

So we will have a hearing next week on this subject. I wanted your thoughts, if I could.

Secretary CLINTON. Well, Congressman, this is the first time I have heard of your legislation, but speaking personally I would support it, because I have the responsibility of signing off on rewards that go to people who have helped us apprehend serious criminals and terrorists. I think it is a good program. It does provide incentives. So I would be very interested in working with you. It is also a lot less expensive than some of the alternatives of trying to track down some of these bad guys. So let us work together on that.

Mr. ROYCE. It is time-tested.

Secretary CLINTON. Yes.

Mr. ROYCE. Well, again, Madam Secretary, on another subject, this morning it was announced that North Korea has agreed to suspend its uranium enrichment, and to a moratorium. But that was announced in tandem with the Obama administration's finalizing its details on food aid to North Korea, 240,000 metric tons of food aid.

I had legislation passed last year that prohibited food aid to any country that diverted it for unauthorized use. And I will just explain my concern here. The French NGOs told us of monitoring the food aid, which ended up on the food exchange in North Korea's capital. And likewise, we have numerous examples of sighting of how food aid went to the military in North Korea.

So the law now would indicate that we would have to verify that. And we have been duped a number of times in North Korea, by North Korea, on these agreements. Of course, what I am most concerned about is when they sell it on the food exchange for hard currency, it goes into their weapons program, reportedly. So I would ask you about that, and get your response.

Secretary CLINTON. First of all, I think you are right to be cautious. We are, too. The provision of humanitarian assistance is something that we do because of the concern we have for the welfare and well-being of people, including those who are starving in North Korea. And we have done a series of assessments and concluded that a targeted 240,000 metric ton nutritional assistance package that targets the key vulnerable groups—mostly women and children—is merited.

But before any assistance program could begin, we have to reach agreement on monitoring mechanisms to ensure that the food is reaching the people that we intend it for. And that will be our responsibility, to try to set up those mechanisms and to be as sure as we can be that it is going to be put to the right use.

Mr. ROYCE. Thank you, Madam Secretary. And within the confines of the new law, because we do have to verify this, I have suggested a crackdown on North Korea's illicit activities. I have seen in the past where that was effective. When they were counterfeiting \$100 bills, we had the sanctions on the bank, Banco Delta Asia, that they were using to run their illicit activities through. A lot of their drug smuggling and cigarettes and other activities, when you cut off that kind of currency, you force the regime to come to the table.

And I guess one of my great frustrations was, although we shut that down for a number of months, and he couldn't pay his generals, and the word we were getting back from defectors was that they couldn't get the parts—there was a piece for a satellite that they needed, or actually, this was for a missile program. They needed a gyroscope. They were trying to buy it on the black market. They didn't have the money for it, because we had, effectively, with sanctions, done this. And then the sanctions were lifted.

My hope would be that the administration would approach this from the standpoint that that could be effective. And I wanted to ask about—

Chairman ROS-LEHTINEN. Thank you, Mr. Royce.

Mr. ROYCE [continuing]. Whether the administration was going to follow through on the illicit activities.

Chairman ROS-LEHTINEN. Thank you, Mr. Royce. Thank you, Madam Secretary. Mr. Carnahan is recognized.

Mr. CARNAHAN. Thank you, Madam Chair. And Madam Secretary, it is great to have you back. I just first want to say thank you for following up with co-chair Chris Smith, Chairman Smith and I, with the Bosnian Caucus and those concerns that we had raised earlier. Given the fact that they have the new government in place, we hope that continued U.S. and international support can help move the forward. So first of all, thank you for that.

I also wanted to commend you on the recently announced international partnership, the Climate and Clean Air Coalition to reduce short-term pollutants. It underscores the global nature of the challenge, as well as the advantages to working with our partners at the U.N. and around the world. I wanted to ask, has that investment paid off in terms of stronger commitments by developing countries? And can we count on them to continue to fulfill those commitments if we are not honoring our pledges?

Secretary CLINTON. Well, thank you for raising that, Congressman, because we continue to believe that climate change and the consequences of climate change pose national security problems to us. And so we are looking for ways to try to move forward where we can, and take practical steps. The fact is that the short-term climate forcers—things like methane, things like black soot, or black carbon and soot—are more easily dealt with than carbon dioxide. And I think that what we have put together here, which is the Climate and Clean Air Coalition, has developed countries like Sweden, underdeveloped countries like Bangladesh, developing countries like Ghana, Canada, and we have had a really positive response from countries around the world, asking how they can be involved.

So we think this is a way to help cut down on about 40 percent of what the pollutants in the atmosphere are that affects climate change. So we are going to be promoting this issue. It is not as controversial, it is not as far-reaching. We still have to deal with the greenhouse gas emissions and try to come to grips with CO₂, but it gives us something that people can do.

And I will give you a quick example. We have a Global Alliance on Clean Cookstoves. How women cook, about 2 billion of them around the world, creates respiratory illnesses, puts a lot of soot, black carbon, into the atmosphere. If we can create a market for a more clean-burning cookstove, we improve health and we improve the environment at the same time. So there are a lot of win/win strategies that we are working on here.

Mr. CARNAHAN. Thank you. I also wanted to follow up on the SIGIR Audit Report of the police development program, and it revealed issues in Iraq of poor planning, mismanagement, inefficient evaluation metrics. So in this current budget, what is being done to enhance those monitoring mechanisms in a way that ensures that police training is really being ramped up the way that it needs to be? It is also ensuring the integrity of our tax dollars. And really related to that, as this similar kind of transition is approaching, fast approaching, in Afghanistan, the lessons we have learned in this transition in Iraq, how can we apply those in Afghanistan as well?

Secretary CLINTON. Well, the police development program has been operating since October 1, 2011, when the State Department became the U.S. lead for police development. Since October, our senior police advisors, who are the most experienced group of police advisors ever fielded by the U.S. Government, have had approximately 690 total mentoring and advising sessions with over 86 Iraqi counterparts. And we have recently completed an assessment of Iraq's Ministry of Interior and police services, so that we can really refine how we are monitoring and what kind of performance measurements we need.

I think that SIGIR performs a valuable oversight service. We welcome helpful recommendations about how to make the police development program better. We are implementing the recommendations from the fall audit, and we are going to continue to look at opportunities to improve the effectiveness of these programs. We think they are critical to the stability and security of Iraq. So we take it very seriously, and we take recommendations from SIGIR and others very seriously as well.

Mr. CARNAHAN. And finally, in my remaining time, I just want to add my voices to others about our continued effective and full engagement at the U.N. Certainly not a perfect body, but one that—certainly there have been some successes there, vital for our security and economic interests. And I appreciate those continued efforts.

Secretary CLINTON. Thank you.

Chairman ROS-LEHTINEN. Thank you very much. Mr. Chabot, the chairman of the Subcommittee on the Middle East and South Asia, is recognized.

Mr. CHABOT. Thank you, Madam Chair. Madam Secretary, because of limited time I would like to raise three issues and then give you the remaining amount of my time to address them. First, Iran. On the subject of the Iranian nuclear program, the Fiscal Year 2013 Congressional Budget Justification notes that, “The Bureau of Near Eastern Affairs will maintain pressure through sanctions to encourage Iran to return to the negotiating table.”

This policy, however, is essentially the same unchanged Iran policy that the administration has had since it took power back in January 2009: Engagement and pressure. On July 12th, 2009, over 2½ years ago, you stated that, “We understand the importance of offering to engage Iran and giving its leaders a clear choice. The opportunity will not remain open indefinitely.”

As we enter year 4 of this policy, it seems to me to be painfully obvious that this administration’s policy is not only the same, but that it has failed to achieve the core objective: Persuading the regime in Tehran to abandon its pursuit of nuclear weapons capability.

Just this morning, in your testimony before the House Appropriations Subcommittee on Foreign Operations, you said that you believe we are making progress on the sanctions front. My question is, how have these sanctions actually altered the Iranian regime’s calculation about its nuclear program? And let me say, I don’t think merely getting them to the table is enough. We have seen numerous times that the regime in Tehran uses negotiations as a delaying tactic, and that a willingness to negotiate does not equal a willingness to make concessions.

Second, I would like to ask you about Iraq. Within hours of the departure of the final U.S. convoy, a political crisis started occurring in Iraq which, if not checked, has the potential to throw the entire country back into sectarian civil war that we spent years working to resolve. Many Iraqis continue to die in daily attacks across the country, and according to one report our influence over the Maliki government has diminished significantly.

The State Department Congressional Budget Justification notes that, “Renewed sectarian conflict or increased interference by malign regional actors seeking to fill a vacuum left by U.S. disengagement would pose a significant threat to U.S. influence in the region.” It seems undeniable that the continued presence of even a modicum of U.S. troops would have resulted in far more stability and security than we are seeing now.

Given our lack of a military presence and our diminished diplomatic leverage, how does the administration plan to deal with the current deterioration on the ground in Iraq?

And finally, Madam Secretary, if I may, I would like to briefly touch upon the issue of outstanding claims by American companies against the Government of Saudi Arabia. In the last 20 years or so, thanks in large part to congressional and executive branch pressure, a number of previously unsettled cases involving more than a dozen American firms, totaling somewhere in the neighborhood of \$500 million, have been resolved.

I learned last year that at least one such unsettled claim with the Saudis remains. Despite continued efforts by the party, Gibbs & Hill, the U.S. Government, and repeated encouragement from Members of Congress, the claim, resulting from a desalinization project in the last '70s and early '80s, and totalling, I am told, more than \$130 million, has still not been settled.

I discussed this case with the Saudi Petroleum Minister when I met with him in Riyadh last year, and I offered an amendment to the Foreign Relations Authorization Bill to further encourage the Saudis to move expeditiously to resolve this claim. I would be happy to work with your office on this issue. This claim is of significant importance to an American company and their workers, and it should be of importance to the reputation of the Saudi Government, which I am sure does not want to be known as one which does not pay its bills.

And we have got about 1 minute for all of those, Madam Secretary.

Secretary CLINTON. Well, I will take the last one, because that is shorter, and then get back to you on the important questions concerning Iran and Iraq.

The State Department is well familiar with the Gibbs & Hill contract dispute. It has been raised at high levels for a number of years. At the request of counsel for Hill International, the State Department recently conducted a review of all of our records in this matter. We have a standing invitation to officers of Hill International to come in and discuss the results of this review, to bring not only representatives but counsel of the company.

We regularly meet with representatives of Hill International, because they still do business in Saudi Arabia. In fact, they do quite a bit of business. And they come in and talk to us about commercial ventures and business climate, so if they wish to come in and talk to us about our review of the records, we stand ready to do so.

Chairman ROS-LEHTINEN. Thank you very much, Mr. Chabot. Thank you, Madam Secretary. Mi hermano Cubano-Americano—now, that was easy enough for everybody to understand—Mr. Sires of New Jersey is recognized.

Mr. SIRES. Thank you, Madam Chair. Madam Secretary, thank you for being here and thank you for the service that you give this country. You certainly make us proud. And I don't know how you do it, but every time I see you, you are in a different country. It is amazing. I also want to commend the administration for standing firm on Cuba not participating in the Summit of the Americas. And I also wish to add that, if we could use some of our pull with the OAS, maybe they could speak up a little louder about the human abuses that are occurring in Cuba currently.

And with that, it brings me to Alan Gross. And I know you mentioned Alan Gross before, but I just want to know that there are no negotiations going on for a swap between the Cuban spies that are in prison for Alan Gross. And I know that we have two senators who were in Cuba a couple days ago, and I was just wondering if you know anything about any kind of negotiations for a swap.

Secretary CLINTON. Well, I have to say that the continuing imprisonment of Alan Gross is deplorable. It is wrong. It is a violation of human decency as well as human rights, and at every single meeting that we possibly can arrange, we raise this issue. We call people around the world to raise this issue, because Mr. Gross deserves to come home.

At no point, however, has the United States Government been willing to give any unilateral concessions to the Castro regime, or to ease sanctions as a means to secure Mr. Gross' release. We think this should be done as a matter of humanitarian concern, as evidence that the Castro Regime is willing to demonstrate that it is moving in a different direction. But it hasn't happened yet. So we have not had any success in our diplomacy. We would like to see Mr. Gross home, but we have made no deals, we have offered no concessions, and we don't intend to do so.

Mr. SIRES. Thank you. And I would also like to associate myself with my colleague, Chris Smith, on the human rights abuses, and especially what is going on in Egypt with the Coptic Christians. I have a big population of Coptic Christians in my district, and they are very concerned about the family members that they have back home. And I hope that we continue to speak up on their behalf.

I also—I know you didn't address this, but if we could use our leverage with the OAS to speak up more on human rights abuses, that would be great. And one of the things that is my pet peeve, I know that the State Department operation funding for Iraq has been reduced—I think this year it is going to be \$4.8 billion—and I know that the Department of Defense also has reduced from 9.6 to 2.9, almost \$3 billion.

I was just wondering if any of that money is used for infrastructure building in Iraq. We have a situation in America where our infrastructure is falling apart, and since I have been here we have been giving money to Iraq to build their infrastructure. So I was just wondering how this money is going to be used. Do you know?

Secretary CLINTON. Well, Congressman, as you know, we have dramatically scaled back on what we spend in Iraq, primarily because the military has left in agreements that were negotiated by the prior administration. And now what we are focused on is our civilian presence. So we don't fund Iraqi infrastructure any longer, and what was funded was primarily on the military side, not the civilian side.

Mr. SIRES. Okay. And getting back to Cuba, my last issue. We have a criminal who killed a state trooper in New Jersey, JoAnne Chesimard. She has been living in Cuba for over 20 years. She shot a state trooper point blank, and every time I am back in the state and running through the state troopers, they want me to raise this issue, to see if the State Department, when you meet with Cuba, or when you do your conversations with some of the Cuban coun-

terparts, is the issue of JoAnne Chesimard ever raised, or is it just a forgotten issue?

Secretary CLINTON. Well, it will be now raised, if it hasn't been raised. And I thank you for raising it, because I well remember that terrible case. And I am confident it has been raised, but I will assure you and the state troopers in New Jersey it will continue to be raised in the future.

Mr. SIRES. Okay. Madam Secretary, thank you for your service to this country.

Chairman ROS-LEHTINEN. Thank you so much. My Florida colleague, Mr. Mack, the chairman of the Subcommittee on the Western Hemisphere, is recognized.

Mr. MACK. Thank you, Madam Chair. And I also would like to thank the Secretary for being here, and making herself available to questions from the committee. I want to go and continue to explore the Keystone XL pipeline, but I first want to—just for a point of clarification for everyone, we would much rather, as a policy in the United States, buy oil from our friends and allies in Canada than we would from Venezuela. Would you agree with that?

Secretary CLINTON. Yes. And we do buy, as you know, a lot of oil from Canada.

Mr. MACK. If we had the option to stop buying oil from Venezuela and get more oil from Canada, that is also a policy that we would pursue, isn't it?

Secretary CLINTON. Well, obviously, we would rather buy oil from friendly countries. And we are doing everything we can to diversify our oil supply, including producing more oil here in the United States, which is all to the good.

Mr. MACK. So why the flip-flop on the Keystone XL pipeline?

Secretary CLINTON. I don't think there was any flip-flop, Congressman. I think that this was always a matter that had to be evaluated in accordance with legal and regulatory standards. Certainly energy security consideration was a key factor, but not the only factor. There was a lot of concern on the part of one state through which the pipeline traveled—

Mr. MACK. And on that note, your environmental impact statement approved the original route, and now there has been an agreement upon another route that the Governor and others have come out and supported, correct?

Secretary CLINTON. Well, I think that what the finding was, is that there was minimal environmental disruption, but the national interest consideration had not yet been finalized, which is why State Department representatives fanned out across the states affected, and there were quite large and contentious and emotional meetings in Nebraska, and a plea by the Governor and everybody else that a different route be considered.

And once that was requested—and it was complicated because Nebraska didn't have legislation that really got it into the business of judging routes before, but they were concerned because of the sand hills and the like—once they demanded a different route, and then there was an effort to work out a different route, the Congress of course, through an amendment to the payroll tax cut said, "No, you have to make a decision right now."

And legally, there was no alternative but to deny the permit. We did not recommend to the President that the answer be no, but that the presidential permit for the project be denied at that time, because there would have been, I think at a conservative estimate, several hundred lawsuits if there had been any other decision made, which would have pushed the decision, whatever it might be, far into the future.

Mr. MACK. So are you prepared to do it now, then?

Secretary CLINTON. We have no pending application now. There is no application—

Mr. MACK. If you had an application, would you approve it now?

Secretary CLINTON. We have to—

Mr. MACK. Have all of the other scenarios been—

Secretary CLINTON. Congressman, we would have to go through the process, because it would be a new application. Now, what TransCanada is doing is announcing that it is—

Mr. MACK. Because my time is limited, if I can get to—

Secretary CLINTON. Okay.

Mr. MACK. I mean, even the former President, Bill Clinton, says, “Embrace it, and we need to move forward with the Keystone XL pipeline.”

Secretary CLINTON. He is a very smart man. [Laughter.]

But unfortunately, he is not bound by the laws and regulations any longer of the United States to make decisions that follow a certain procedure. And that is what we have to do.

Mr. MACK. So is it a mistake for the former President to say, “Embrace it?”

Secretary CLINTON. Of course not. I think it is not a mistake for people to—this is America. People say they embrace it, people say they hate it. Our job is to take a very clear-eyed look at what the facts are. There is no pending application.

Mr. MACK. Did the White House ask you to delay the process?

Secretary CLINTON. No. Our job was to make a recommendation—

Mr. MACK. Here is where I have the problem. Because in conversations that you and I have had, and also in front of committees, you have led us to believe that it is something that the State Department was going to approve, and it just seems a little fishy to me that, at the height of this thing, that it seems that the President found a way to wiggle out of it, and wants to make you the scapegoat. And I don’t understand why—just, the facts don’t mesh up.

Secretary CLINTON. Well, you know, Congressman, that is just not how we see it. I think that the people in the State Department—I was fully and regularly briefed on the Department’s review process. I fully support the recommendation that the Department made. This is a difficult decision for the State Department to make, because most other pipelines are not within the purview of the State Department. We don’t have the kind of staff experience, expertise and numbers that you have in other places within the United States Government.

Chairman ROS-LEHTINEN. Thank you.

Secretary CLINTON. But under the laws, if that pipeline crosses an international border, then it is our responsibility. So what

TransCanada is doing is announcing they are going to start building parts of the pipeline that don't cross the international border. But I have to defend the process that the State Department went through, which was fully in accord with the laws of the United States.

Chairman ROS-LEHTINEN. Thank you very much, Mr. Mack, Madam Secretary. Another Florida colleague, Mr. Deutch of Florida.

Mr. DEUTCH. Thank you, Madam Chairman. Madam Secretary, thank you for being here. It is safe to say that, certainly here on the Hill and around the world, you are extraordinarily respected for the job you do. And I particularly would like to thank you for your leadership in the critical areas of stability in the Middle East, preventing a nuclear-armed Iran, human rights, and in particular your continued strong advocacy for foreign assistance.

I would like to talk first about Syria. And rather than continue the discussion that you have had already on what happens, how what is happening in Syria now ultimately ends, I want to talk about what is happening right at this moment. And in particular, just today it was reported that 23 people were killed when Syrian troops ambushed a group trying to smuggle Western journalists into the country. I don't know whether the body of Marie Colvin, the American who wrote for the Sunday Times of London, whether that body has been recovered. If you have information, I would welcome that. The same with the Frenchman, Remi Ochlik.

The fact is that, even as we talk about the big picture in Syria, the humanitarian situation deteriorates daily. Food and medicine are not being delivered to civilians. It is a tragic situation for the people of Syria. And I would like you to address that, and specifically what you can do and what we can do to alleviate those concerns now, and to convince the Russians and the Chinese to, notwithstanding their views on the Assad regime, to at least support a humanitarian cease-fire and put pressure on Assad to permit a humanitarian cease-fire, so that the people of Syria can at least receive the basic foodstuffs and medicine that they desperately need.

Secretary CLINTON. Well, Congressman, I share your concern and your outrage. Every day that goes by just compounds the crimes against humanity committed by this regime and their security forces. When we met in Tunisia last Friday, we made three commitments. First, increased humanitarian aid. I announced a \$10-million commitment to assistance projects. Secondly, to keep working with the opposition, so that they get stronger, more effective, and that they are inclusive, so they truly represent all Syrians. And thirdly, to keep pressing for a political resolution.

And the Arab League plan, which called for Assad to step aside, is the plan that people feel most comfortable pushing.

You know, the fact is, access is a terrible problem. There is not even a willingness on the part of the Assad regime to let the Syrian Red Crescent in to pick up bodies, to deliver medical supplies and provisions. And they effectively not only block such aid, but they target those who are trying to provide it. So we see a brutal use of violence against the people of Syria and everyone trying to help them.

So we are looking with our allies, particularly in the neighborhood, those who have borders, how do we get this aid in? How do we protect people who are trying to put it in? And we are going to continue to do everything we can, not only to help get that aid in but pressure the Assad regime. And we are working actively to persuade the Russians and the Chinese, and at the very least they ought to support humanitarian assistance. Put aside the political disagreement we have about supporting a leader who has murdered so many of his people with artillery. Let us focus on how we help the Syrian people. So that is our goal right now.

Mr. DEUTCH. I appreciate that. Switching gears in the remaining time I have, it had been, I believe, misreported that what was going to be the largest joint military exercise between the United States and Israel had been cancelled because of the decision made by the administration. It was later reported that it was a decision made by the Israelis. If you could speak to the reason for that cancellation, what will come next, and whether in terms of security cooperation, that type of joint military exercise—why it is important and whether it is consistent with other joint military exercises like that that we have engaged in.

Secretary CLINTON. Well of course, you know, DoD is the agency to whom such a question should be directed. But I believe it is either in the process or has already been rescheduled. We have upped our security assistance to Israel. As I said earlier, Prime Minister Netanyahu calls our bilateral security commitment from the Obama administration “unprecedented,” and those include realistic and ongoing military exercises, which we think are very important.

Mr. DEUTCH. I appreciate that. And Madam Chairman, if I may just finally, if I could, Madam Secretary, please just encourage you to continue press for information about my constituent, Robert Levinson. It is of great importance in my community, and I hope that you will continue to press.

Chairman ROS-LEHTINEN. Thank you very much. Mr. Fortenberry is recognized.

Mr. FORTENBERRY. Thank you, Madam Chair. And Madam Secretary, welcome. Let me start with a question about Egypt. In 1979, as a young person, I entered the Sinai Desert, in the place where there was fighting between Israel and Egypt in 1973. And on a twisted pile of rubble and concrete were scrawled the words, “Here was the war, here is the peace.”

I was there in a jubilant time, where there was a celebratory atmosphere of the newfound relationship between the United States and Egypt. The United States had successfully brokered that treaty, and the courage of President Sadat and Prime Minister Begin to extend their hands in friendship has left us with a stable foundation for peace for the last 30 years between those two countries.

Now, with the latest event that has occurred, with the change of governing structures and a great deal of uncertainty, and an unclear commitment to that path of peace, given the deal that we put together and the amount of aid that we have given both to Israel, but to Egypt as well, and with the effrontery of the Egyptian authorities holding, arresting Americans who are simply there to help

Egyptians, what is the administration's position on potentially suspending the aid package?

Secretary CLINTON. Well, Congressman, first of all, in all the discussions that we have had and that we are aware of that Egyptian authorities have had with other countries, they remain committed to the Camp David Accords, which we think is in Egypt's interests and certainly in Israel's interests.

So we are mindful of the importance of ensuring the continuity of that peace and stability, and we don't want to pre-judge what the new government will do. Because I think it is fair to note, there is no government yet. They are in the process of putting in place a government, and the people who are still there but not elected or appointed by the new authorities can't really make decisions yet. There is no President or Executive authority yet chosen.

So I counsel patience, because we first have to get to know who the government is. And we are working very hard, through many different channels, to develop relationships with the people who will be in the new Parliament, for example. So right now, I can report to you that there is an ongoing commitment to preserve the Camp David Accords. You know, we are having some difficult bumps right now. We are hoping to resolve the NGO situation very soon. Then, I think, we have to take stock of where we are and make a decision based on the facts.

Mr. FORTENBERRY. Well, given certain tensions in the past with our Egyptian relationship, I have always argued publicly that it was better to grab the hand of friendship then grab it tighter to work through that. Now, it gets a lot more delicate now when there is an unclear pathway to potentially upholding these agreements that have worked so well, not only for the Israelis but the Egyptians. And for decades, I am afraid that the international community has taken that Camp David Accord really for granted, but it is an important pathway for peace.

Let me turn quickly to the President's Lord's Resistance Army Comprehensive Strategy. We voted unanimously in last year's State Department Authorization Act to allow for the deployment of military advisors in the region to bring Joseph Kony to justice. I am concerned, though, that multilateral interest is potentially dissipating now. I think cooperation among governments in the region is critical in this regard. Can you comment on this?

Secretary CLINTON. Well first, I thank you for authorizing, encouraging, such a comprehensive U.S. strategy to bring this murderer to justice. As you know, small teams of U.S. military advisors were deployed in December and January to forward locations in the LRA-affected areas. The advisors are working to create more cooperation among regional militaries and enhance their capacity.

Although there are approximately only 100, we think they are force adders to what is already going on, and we have a clear goal, which is to enable local forces to end the reign of terror. And we think that this small number of U.S. advisors can play an outsize role in bringing about that conclusion.

Mr. FORTENBERRY. Regional governments must be able to step in and assume the challenge moving forward.

Secretary CLINTON. Yes. And starting with regional militaries, but including regional governments.

Mr. FORTENBERRY. Let me turn quickly, before the time is up, to urge you as well—and I think this came up earlier—to speak on behalf of Pastor Youcef Nadarkhani, who is guilty of the crime in Iran for witnessing to his faith. Now, the last time you were here you talked very forthrightly about your desire, yet struggles, to talk about the need for religious freedom as new democratic ideals arise in—

Chairman ROS-LEHTINEN. I will let you finish that thought, Mr. Fortenberry, but we are out of time. Go ahead.

Mr. FORTENBERRY. Thank you, Madam Chair. Going back to my train of thought, I will try—but to continue to raise his issue as an example of how religious freedom is a natural right that is consistent with the ideals of all of humanity. So I just urge you to not only try to save his life, but point to that as to how governments who are looking for more just human rights, or better human rights conditions and more just forms of governance, must treat the issue of religious freedom.

Chairman ROS-LEHTINEN. Thank you so much. Mr. Cardoza is recognized.

Mr. CARDOZA. Thank you, Madam Chair. And thank you, Secretary Clinton. It is great to have you here again. This will be my last year in Congress, and I hear rumors that it may be your last year as Secretary of State. I just want to take this opportunity to thank you for your tremendous service to our country in so many different ways.

Madam Secretary, I want to raise the issue of our ally, Portugal. I represent a number of Portuguese-American residents, and I share that heritage. And there are a number of issues with regard to the Azores and visas and consulates that I am very concerned about.

The consulate in Ponta Delgada is being rumored to be on the list for closure. It is one of the original consulates of our nation, and it is something that I would ask that you do everything within your power to preserve. Certainly this is a budget discussion today, and so it is appropriate to discuss it in the budget.

The second question that I would have is that there are questions of visas, that members—citizens of Portugal would have to go to France in order to obtain certain kinds of immigration visas or green cards to the United States. I understand the number may only be 150, but the relationship that we have with Portugal is so important. When the Gulf War first started, the original summit was in the Azores, and Portugal was the host country. There may not be a better friend to the United States anywhere in the world. And I would just like to have you discuss that, if you can.

And finally, I will share with you that I was somewhat dismayed a while back when the President indicated in the negotiation strategy of a reversion back to the '67 lines in Israel as part of where he thought it might end up. And maybe you can clarify that for me and for everyone, because that is something that I happen to have been in the country when these statements were made, and I am not sure that the '67 lines are defensible, or the correct—there may be adjusted lines, and so I would just like to hear the administration's position again on that.

Secretary CLINTON. Well, first with respect to Portugal, I share your view that Portugal is a wonderful friend, and not only a good partner in NATO and in so many other areas, but the source of a lot of Portuguese-Americans, culture, food, so much else. I will have to take those questions for the record, Congressman, because I want to look into the two areas that you raised, but I want to assure you that we highly value our relationship with Portugal and will be very careful in making any decisions that would affect the free flow of people and trade.

Secondly, I think if you look at the President's speeches, first last May at the State Department and secondly before AIPAC, there is a very clear set of understandings that the President lays out. And there was no reference to going back to the exact borders. I mean, it would be based on negotiation between Israel and the Palestinians, and it is anticipated that there would be a certain set of decisions that would have to take into account what has happened in the years since.

But certainly from our perspective, looking at those speeches and looking at the reaction in Israel, which was very positive, to both of them together—and we obviously are pursuing with Israel and the Palestinians an effort to get the negotiations restarted. Because there is no shortcut. We support the two-state solution. We want to see it negotiated by the parties themselves.

And it has turned out to be quite challenging to do that for a variety of reasons, but our position remains the same, that any final status issue ultimately has to be decided by the parties. We and others can put forth suggestions, recommendations, and ideas about what would work, but it is a negotiation, and the negotiation has to be resolved by the two parties most affected.

Mr. CARDOZA. I totally agree with you, Madam Secretary. Thank you for that reclarification, and I appreciate it. I would just like to make a notation on my original point about the Azores. There is a base there that is of strategic importance to us. It is really more important to bring up with the Secretary of Defense, but I will share it since I have this opportunity today.

Our base at Terceira in the Azores is critical, and is being—the totality of things that are coming to pass, the potential closing of Ponta Delgada, the visa question, and the potential closing of the base at Terceira—is having a view within that sphere that we don't care any longer. And I raise the issues in combination because I think it will strain relations.

Chairman ROS-LEHTINEN. Thank you so much, Mr. Cardoza. Mr. McCaul, the vice chair of the Subcommittee on the Western Hemisphere.

Mr. MCCAUL. Thank you, Madam Chair. Welcome, Madam Secretary. Recently I led a delegation to Pakistan, Afghanistan and Iraq, and it was very, very interesting. And we had a sit-down meeting with President Zardari, a very frank discussion.

He looked at us in the eye and said he had no knowledge that bin Laden was in his country. But we do know it is probably likely that lower-level officials knew of his presence in Pakistan. Then we had Dr. Afridi, who helped us over there, and now he is in prison for treason, as was pointed out earlier. They gave the Chinese access to the helicopter that was left behind at the compound.

And then, finally, the Haqqani Network. We talked about the Haqqani Network, and I asked for his support, as you have very strongly in the past asked for his support to go after the Haqqani Network. And he said he doesn't play—he goes after all terrorist organizations, not just the Haqqani. However, last year we had the chairman of the Joint Chiefs, Admiral Mike Mullen testify that, with ISI support, Haqqani operatives planned and conducted a truck bomb attack, as well as an assault on our Embassy. We also have credible evidence that they were behind the June 28th attack against the Intercontinental Hotel in Kabul, and a host of other smaller but effective operations.

In short, he said the Haqqani Network acts as an arm of Pakistan's Interservices Intelligence Agency, which takes me to my next question. We are giving all this foreign aid to a country that is complicit in working with the terrorists who are killing Americans. I understand all the implications. Zardari referred to our relationship as like a bad marriage, but divorce is not an option.

But when it comes to the funding, we are looking at crafting legislation that would essentially require the State Department to certify that they are not working with these networks, including Haqqani. And if that cannot be certified, then the foreign aid will be cut off. I would like to get your thoughts on that legislation.

Secretary CLINTON. Well, I think, Congressman, what President Zardari told you on behalf of the civilian leadership of the Government of Pakistan is true. He has been a good partner in going after terrorism that threatens his country and Afghanistan and our troops. We have no evidence of any high-level official knowing about bin Laden, but like you I have to assume that lower-level people had to have known something. But we haven't proven that. It can be asserted, but not yet proven.

So this is a complicated, difficult relationship, and what we are doing now is making it very clear what our expectations have to be going forward. And there is no doubt in my mind that certain elements of the Pakistani Government are more ambivalent about cracking down on terrorism than other elements.

You know, when I sit across from the Foreign Minister, or talk to the Ambassador, or talk to the Prime Minister and others, I think they are very sincere. They know that the scourge of terrorism is killing Pakistanis. Zardari knows that terrorists killed his wife. And yet there have been relationships between terrorist groups and the military, and the intelligence services, for many decades.

And what is unique now is that this democratically elected government has survived longer than any other democratically elected government. For the first time in the Parliament, you have questions being asked of the military and the ISI. You have the Supreme Court asking questions about the actions of the military and the ISI. So you see the strains and stresses of trying to have a civilian government in a democracy assert control over all elements of the government.

And we want to continue to support the democratic trend inside Pakistan. So walking this line, trying to make sure what the levers we can pull are, where we can really put pressure, is basically how I spend a lot of my time. And I take seriously the underlying thrust

of your question, and I will carefully evaluate all factors when it comes time to make a decision.

Mr. MCCAUL. Let me just say thank you for—you have been very strong about the Haqqani Network. I think Zardari is sincere in his efforts, but I don't think he has a lot of control over his own military and the ISI, and I think that is part of the problem.

And so I would urge you to continue your efforts to get them to fight with us against these terrorists, rather than be complicit with them.

Chairman ROS-LEHTINEN. Thank you so much. Mr. Cicilline is recognized.

Mr. CICILLINE. Thank you, Madam Chairman. And welcome, Madam Secretary. It is wonderful to have you back before the committee. And thank you for the thoughtfulness of your budget proposal, both in its fiscal responsibility and in its diplomatic priorities. So I thank you for that, and thank and acknowledge all the men and women who serve under your leadership at the State Department. You have helped, really, to restore America's position in the world, as our ranking member said, "as a partner for peace and democracy," and we are all grateful and thank you for your service.

And we have had a lot of discussions today about various parts of the world that are of great concern, and particularly unsettled, areas of great violence. And I would like to really focus my inquiry on two areas really closer to home. And the first is—and I will just articulate the questions, then give you the balance of my time.

The first is really about the sort of events in the Middle East in general—in Syria, in Iran, in that region of the world—and its impact on our gas prices here in the United States. And I know that we—in my home state we have seen a tremendous increase in gas prices, almost 40 cents from a year ago today.

And I am wondering if you can speak to your perspective on how a variety of international events that you are closely monitoring might have an impact on fuel prices in the near term, and also what we are doing, both diplomatically and in terms of development efforts, in the long term to ensure that gas prices are stabilized, or that at least in the long term they are mitigated.

Because I think we hear a lot about how this unrest is contributing to our rising gas prices, and some of us also know that a big part of it is speculation and gouging, and we are going to take up some legislation, hopefully, to address that. But I think that events around the world are certainly impacting it, and I would love to hear your perspective on that.

And the second issue I would ask you to speak to is something I hear a lot about back at home. As you know, Rhode Island is a huge manufacturing state, and we are really engaged in this whole make it in America agenda, to rebuild and reinvigorate American manufacturing. And one of the challenges we face and I hear from Rhode Island manufacturers is about the Chinese and their behavior as trading partners, and their manipulation of currency, and their refusal to protect intellectual property, and the challenges of their policies of indigenous innovation and technology transfers. And so I would like to hear you speak to some of the State Department's efforts diplomatically to help really even the playing field,

so that we can really rebuild American manufacturing in our country.

And again, thank you. And I will finally associate myself with Congressman Cardoza's remarks on the Azores and the importance of both of those issues. And I will submit a written question related to our efforts to ensure that the Turks respect the Christians, and are respecting the churches and religious freedom in that country, which I will follow up with. Thank you, Madam Secretary.

Secretary CLINTON. Thank you, Congressman. With respect to gas prices, I think there is room for considering ways to rein in speculation and gouging, yes. Are there events that are happening in the world that raise questions? Yes. But to the extent that it justifies or can explain the increase in the gas prices? I don't believe so. So therefore, I have long thought that there has to be some market mechanism that can be explored to try to break speculation that is unrelated.

Now, if the Iranians close the Strait of Hormuz, that would be a real event and we would have to deal with it. And we have said we would deal with it, but that would cause the market to obviously react. But right now, there is talk in the air about all kind of things, but there is no event. So I do think it is worth exploring the legislation that you reference.

With respect to manufacturing, this administration has brought more trade actions against China, against unfair trade practices, against the theft of intellectual property, against the use of indigenous innovation, and we will continue to do so. Because we don't fear a level playing field.

I have great confidence in the workers and businesses of Rhode Island to be competitive with anybody. But if a big thumb is on the scale, whether it is currency manipulation or indigenous innovation, or the unfortunate theft of intellectual property, that makes competition one-sided. And so this administration has taken a very aggressive approach on the defensive side. On the offensive side, I just hosted a big conference at the State Department where we had all the American chambers from around the world come in to talk about how we could do a better job helping American businesses, how we could really knock down those barriers, cut through that red tape.

And so we want to be deeply involved with our 1,000 economic officers around the world in helping to open markets and create jobs here at home. We consider that part of what we call economic statecraft, and I am very committed to it.

Chairman ROS-LEHTINEN. Thank you so much. Judge Poe is recognized.

Mr. POE. Thank you, Madam Speaker. I have some questions regarding beef trade with Taiwan, U.S. rice given a fair shot in Iraq, and also some questions about Pakistan. I ask unanimous consent to submit those for the record.

Chairman ROS-LEHTINEN. Without objection.

Mr. POE. Thank you for being here. I know you have to leave. I want to talk about something that we have always talked about when we discuss things, and it is the folks that live in Camp Ashraf. They are being moved. Some are being moved to Camp Liberty. Camp Liberty now is in a situation where there is not enough

water, the sewage is a tremendous problem, there is no electricity, people there are not allowed to see their family members. They are not allowed to see lawyers.

Some have compared Camp Liberty to a prison. Rudy Giuliani said, "It's not a prison, it's a concentration camp." So people are not being moved from Camp Ashraf to Camp Liberty, and of course the goal—and it is my goal, just like it is, I hope, yours, to get those people out of Iraq and get them somewhere in the world where they can be safe, and they can be free, and they can reunite with their families.

We have two situations going on. We have the designation as an FTO. It is still an issue. It has been going on a long time. I have worked with your department, trying to find out, on a consistent basis, is there new evidence? Is there more evidence why they should stay on the FTO? Good evidence, evidence one way or the other, just what it is.

I have been to every briefing that Homeland Security and that your office has sponsored regarding the designation and why they are on it. And I am not convinced they ought to stay on it, and we continue to wait, now so much so that even, I think, yesterday a lawsuit was filed again to get the State Department to pick a horse and ride it, as I like to say.

And meanwhile, during this time, there have been two situations in Camp Ashraf where people have died, and others have been wounded by—regardless of whose fault, that has occurred. And so there are no more people moving to Camp Liberty, and to my knowledge, as of today, no one has left Camp Liberty to go somewhere else in the world.

And so as sincere as I can possibly be, I would like to know from you a couple of things. First, is the United States prepared to take any people from Camp Liberty? Does the FTO designation that they still have affect that in any way?

And I would like to preface that question with one other situation. The last time I was in Iraq, I met with Maliki, and we asked him if we could go and visit the folks in Camp Ashraf and see for ourself what it was like. And he said absolutely not, but the one thing he told all of us, "The reason they are in Camp Ashraf is because your country designates them as an FTO organization, and we treat them like a foreign terrorist organization."

So he dumped it back on our designation as the reason he was treating them the way he was treating them. He apparently got so irritated with us for even asking the question, we learned when we left his office that we had been evicted from the country. He asked us to leave. Of course, we did what we needed to do.

So it is a serious matter, and earlier you mentioned that the FTO designation is tied to Camp Ashraf, and their being a paramilitary group. They don't have any weapons there. So can you tell us where we are, and if we are going to see some resolution about getting this designation removed, getting the people in Camp Liberty humane conditions, and moving the process to countries, including the United States, so these people can leave the area, which everybody wants to do?

Secretary CLINTON. Well, Congressman, I appreciate your deep concern. I share it, because we are trying to work to resolve a com-

plex situation, avoid bloodshed and violence, and have the people from Camp Ashraf move to Camp Korea, and have them processed as soon as the United Nations can process them. There were a lot of—I would have preferred having them processed at Ashraf.

That turned out to be impractical for a lot of reasons, and therefore the move now should open up an accelerated process for these interviews to be held and decisions made. And you know, we are working around the clock. We are seeing improvements in the infrastructure. We have to close Camp Ashraf in order to move this process forward, and it will be a key factor in any decision regarding the foreign terrorist organization status.

Chairman ROS-LEHTINEN. Thank you so much. And Mr. Connolly, I am going to ask your forgiveness, because according to the procedures that we set forth, even though you have been a good soldier and you have sat here the whole time, Mr. Murphy played it well and came here, and he is next on the queue to ask the question. So I don't—it is the last question. Do you want to share it?

Mr. MURPHY. I will share. I will ask a quick one.

Chairman ROS-LEHTINEN. A quick one, and then Mr. Connolly, too. Thank you.

Mr. MURPHY. Thank you very much. Madam Secretary, thank you very much for being here with us today, and I will be brief to allow Mr. Connolly to jump in as well before you leave. You have been generous with your time. I am one of a large number of folks here who are skeptical about our current timetable for a withdrawal from Afghanistan. I am frankly surprised we haven't talked more about Afghanistan here today.

And part of that skepticism comes from the fact that I would like to see us spending a lot more time on the diplomatic and economic cooperation necessary to get Afghanistan to a place in which they can succeed on their own. And so I had a couple of questions related to that economic and diplomatic cooperation, but I will ask one of them, and it is on the economic side.

There are various numbers that come out suggesting that 80–90, to perhaps even as high as 97 percent of the Afghan economy is dependent right now on international aid. And I would love to get an update to you as to how you see the timetable playing out over the next 5 years to make sure that as we withdraw our military contingent, that we leave behind a stable economy there, and perhaps suggestions that you have for the United States Congress as to things that we can do here to make sure that we leave behind a stable economy. I would like to see us pull out as quickly as possible on the military side, but I recognize that we have got to make sure that we don't leave an economy that collapses upon our withdrawal. And I think that that is something that we have not talked enough about as a Congress, and would love your thoughts on that.

Chairman ROS-LEHTINEN. Thank you, Mr. Murphy. Mr. Connolly, if you could ask the question?

Mr. CONNOLLY. Okay. Welcome, Madam Secretary, and let me join my colleagues in extending my great admiration for your service to your country. You have been an extraordinary Secretary of State, and I have known a lot of Secretaries of State over the last 30 years, so I thank you for your service.

I wonder if you could just comment a little bit—and I thank my colleague from Connecticut’s courtesy—on our diplomatic efforts to sort of try to change minds in Russia and China with respect to the Syrian situation. I mean, it gets worse by the day. They have provided a shield of protection that has, at this point, proved not only counterproductive but, frankly, lethal. And I would welcome your thoughts about how we are engaging diplomatically and trying to turn that around.

Mr. MURPHY. Thank you, Madam Chairman, for your courtesy as well.

Secretary CLINTON. Thank you both. Congressman Murphy, we do have some very specific ideas and plans about what we could do to assist Afghanistan being more integrated into the regional economy, developing their own economic assets.

I would like to take it for the record to give you a broader set of responses, because we see this, as you just said, as a critical part to really support the transition of our military troops out at the end of 2014. They do go hand in hand, which is one of the reasons the transition period for a military withdrawal was established. So we will follow up with you.

And Congressman Connolly, we are doing everything we can think of to influence the Russians and the Chinese. Particularly the Russians. They are the ones with the very deep, longstanding relationship with the Assad family, with Syria. They continue to sell arms to the Syrian regime. So we know that if we can persuade them to work with us, at least on the humanitarian issue, they will have access to Assad that hardly anybody else does have. Certainly nobody in the West.

So it is a very troubling and frustrating situation, because the Russians continue to say, oh, they are all for humanitarian aid, but then they don’t produce any plan that Assad will sign off on. And perhaps after their upcoming election they will be able to focus on the serious humanitarian situation that is causing so much loss of life and suffering inside Syria.

But we are not waiting. We are trying to work out other ways of getting humanitarian assistance into Syria, and also support efforts on the borders. Because people are fleeing. They are coming out in Lebanon, in Jordan, in Iraq, and especially in Turkey. So we will be there to try to help the people who are coming out as well.

This is a terrible crisis that demands the entire world’s attention, and I hope that Russia will come and work with us to try to resolve it.

Chairman ROS-LEHTINEN. Thank you so much. And Madam Secretary, if I could yield 1 minute to Mr. Johnson, who has been so patiently waiting there, and I don’t want to end the meeting without him having an opportunity. Thank you, Mr. Johnson.

Mr. JOHNSON. Thank you so much, Ms. Chairman. It is a real quick question, Madam Secretary, and thank you for being here today. With its growing economy and vast foreign reserves, it would seem that Beijing has more than enough money to deal with many of the issues that U.S. foreign aid supports, like its own citizens’ health issues. Borrowing money from the Chinese Government to spend back in China on health programs there seems a particularly bad use of U.S. Government funds, especially as Amer-

icans struggle to cover their own rising healthcare costs. Why are we proposing \$2 million in support of health programs in China, when the Chinese hold an estimated \$1.2 trillion of U.S. debt?

Secretary CLINTON. Well, Congressman, the remaining aid that we are asking for goes to what we consider transnational issues in which we have a stake. It was United States aid and leadership that finally helped China respond to their own HIV/AIDS crisis, which does have a positive effect on the epidemic far beyond their borders. When we look at communicable diseases, when we look at the need to try to help democracy, human rights, good governance groups—there are a lot of brave lawyers in cities in China that are standing up against coercive practices.

So I think I will take it for the record and give you a breakdown of the kinds of things we have been doing, but I share your general point that we are certainly not looking to support the development of China's economy. They are doing that well enough on their own. But there are certain key values that we still believe we can further within an aid relationship with China.

Chairman ROS-LEHTINEN. Thank you so much.

Mr. JOHNSON. Thank you, Madam Chair.

Chairman ROS-LEHTINEN. Thank you, and thank you to Mr. Duncan, Mr. Bilirakis, and Mr. Wilson. You are on my dance card, and you will come up first next time.

Madam Secretary, before we adjourn, I would like to note that since you have announced publicly that you do not intend to serve beyond the end of this term, this is your final appearance to testify on the budget before our committee. I would like to thank you again so deeply for making yourself available to answer our questions, today and during the past 3 years. And I hope that we have the opportunity to host you again for other testimony prior to the conclusion of your exemplary service. I thank you, mi amiga.

Secretary CLINTON. Thank you.

Chairman ROS-LEHTINEN. The meeting is adjourned.

[Whereupon, at 4:06 p.m., the committee was adjourned.]

A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

FULL COMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-0128

Heena Ros-Lehtinen (R-FL), Chairman

February 28, 2012

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held in **Room 2172 of the Rayburn House Office Building (and available live, via the WEBCAST link on the Committee website at <http://www.hcfa.house.gov>)**:

DATE: Wednesday, February 29, 2012

TIME: 1:30 p.m.

SUBJECT: Assessing U.S. Foreign Policy Priorities Amidst Economic Challenges:
The Foreign Relations Budget for Fiscal Year 2013

WITNESS: The Honorable Hillary Rodham Clinton
Secretary of State
U.S. Department of State

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.



COMMITTEE ON FOREIGN AFFAIRS
MINUTES OF FULL COMMITTEE HEARING

Day Wednesday Date 2/29/12 Room 2172 RHOB

Starting Time 1:30 p.m. Ending Time 4:06 p.m.

Recesses (____ to ____) (____ to ____)

Presiding Member(s)

Rep. Heana Ros-Lehtinen

Check all of the following that apply:

Open Session

Electronically Recorded (taped)

Executive (closed) Session

Stenographic Record

Televised

TITLE OF HEARING:

Assessing U.S. Foreign Policy Priorities Amidst Economic Challenges: The Foreign Relations Budget for Fiscal Year 2013

COMMITTEE MEMBERS PRESENT:

Attendace sheet attached.

NON-COMMITTEE MEMBERS PRESENT:

HEARING WITNESSES: Same as meeting notice attached? Yes No

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

- | | |
|---------------------------------|---------------------|
| Rep. Heana Ros-Lehtien (3 QFRs) | Rep. Connolly (SFR) |
| Rep. Berman (QFR) | Rep. Mack (QFR) |
| Rep. Buerkle (QFR) | Rep. Manzullo (QFR) |
| Rep. Carnahan (QFR) | Rep. Poe (QFR) |
| Rep. Chabot (QFR) | Rep. Sherman (QFR) |
| Rep. Cicilline (QFR) | Rep. Smith (QFR) |
| Rep. Faleomavega (QFR) | |

TIME SCHEDULED TO RECONVENE _____

or
TIME ADJOURNED 4:06 p.m.


Jean Carroll, Director of Committee Operations

Hearing/Briefing Title: Assessing U.S. Foreign Policy Priorities Amidst Economic Challenges: The Foreign Relations Budget for Fiscal Year 20

Date: 2/29/12

Present	Member
X	Ileana Ros-Lehtinen, FL
X	Christopher Smith, NJ
X	Dan Burton, IN
X	Elton Gallegly, CA
X	Dana Rohrabacher, CA
X	Donald Manzullo, IL
X	Edward R. Royce, CA
X	Steve Chabot, OH
X	Ron Paul, TX
	Mike Pence, IN
X	Joe Wilson, SC
X	Connie Mack, FL
X	Jeff Fortenberry, NE
X	Michael McCaul, TX
X	Ted Poe, TX
X	Gus M. Bilirakis, FL
X	Jean Schmidt, OH
X	Bill Johnson, OH
X	David Rivera, FL
X	Mike Kelly, PA
X	Tim Griffin, AK
X	Tom Marino, PA
X	Jeff Duncan, SC
X	Ann Marie Buerkle, NY
X	Renee Ellmers, NC
X	Robert Turner, NY

Present	Member
X	Howard L. Berman, CA
X	Gary L. Ackerman, NY
X	Eni F.H. Faleomavaega, AS
	Donald M. Payne, NJ
X	Brad Sherman, CA
X	Eliot Engel, NY
X	Gregory Meeks, NY
X	Russ Carnahan, MO
X	Albio Sires, NJ
X	Gerry Connolly, VA
X	Ted Deutch, FL
X	Dennis Cardoza, CA
	Ben Chandler, KY
X	Brian Higgins, NY
X	Allyson Schwartz, PA
X	Chris Murphy, CT
X	Frederica Wilson, FL
	Karen Bass, CA
X	William Keating, MA
X	David Cicilline, RI

The Honorable Gerald E. Connolly (VA-11)
 HCFA Full Committee Hearing: Assessing U.S. Foreign Policy Priorities Amidst Economic Challenges: The
 Foreign Relations Budget for Fiscal Year 2013
 Wednesday, February 29, 2012
 1:30pm

With the international landscape as it is today, the United States cannot afford to cut corners when it comes to funding our foreign policy. Along those same lines, an oversimplification and politicization of U.S. foreign policy will only harm our national security interests. When Secretary Clinton testified before this Committee one year ago on the FY2012 budget request, the House of Representatives had just passed devastating cuts to the international affairs budget through H.R. 1. That Continuing Resolution (CR), which passed on a party line vote, proposed a 19% cut to the FY2011 requested levels (and a 16% cut from FY2010 outlays). Compared to the FY2010 enacted base, the CR proposed a 30% cut from development assistance, an 11% cut from global health, a 42% cut from humanitarian aid, and a 40% cut from multilateral assistance. Fortunately, the subsequent CR that became law restored some of those ill advised cuts. With the international landscape as it is today, U.S. national security cannot afford another partisan battle that sacrifices our international priorities for the sake of political theater.

For the second consecutive year, the State Department has divided its budget request into two portions—one for the core or enduring budget, and one for Overseas Contingency Operations (OCO) for Afghanistan, Pakistan, and Iraq. Once again, the total budget request for State and USAID total 1% of the federal budget, at \$51.6 billion for FY13 (the enduring request is \$43.4 billion and the OCO request is \$8.2 billion). Nevertheless, in formulating its FY13 budget, the State Department acknowledged the current fiscal climate by making tough choices. For example, the budget:

- Limits the planned expansion of the Foreign Service by extending the timeframe for the goal of a 25% increase while focusing modest staff growth on highest priority programs and countries.
- Scales back funding for overseas construction for one year, despite ongoing need for newer, more secure diplomatic facilities.
- Reduces funding for Europe and Eurasia by 18 percent to reflect the successful transition of a number of countries to market-based democracies.

There are several issues that I would like to examine in greater detail, but for the purposes of this hearing I will focus on a few. The first is the status of the current U.S.-Pakistan bilateral relationship in light of several developments, including: the refusal of Pakistan to allow Ambassador Grossman to visit the country during his January trip to the region, the Nov. 26 NATO shooting incident, and the “Memogate” scandal which resulted in the resignation of the Pakistani Ambassador to the United States. The FY13 request for Pakistan aid totals \$2.4 billion—\$2.2 billion to strengthen democratic and civil institutions, including \$800 million for the Pakistan Counterinsurgency Capability Fund (PCCF). Moreover, \$197 million supports the U.S. government’s civilian presence, as well as programs for engagement with civil society.

With regard to past and current funding for Pakistan, this Congress has codified several reporting requirements. Specifically, the Consolidated Appropriations Act (PL 112-74) requires the Secretary of State to provide, in writing to the congressional appropriations committees, a report on the uses of Foreign Military Financing (FMF), International Military Education and Training (IMET), Peacekeeping

The Honorable Gerald E. Connolly (VA-11)

Operations (PKO), and Pakistan Counterinsurgency Capability Fund (PCCF) for each fiscal quarter; the first report is due April 1.

Second, an update on U.S. progress in Iraq would be useful, given the \$4.8 billion request for FY13. This includes \$2.7 billion in operations funding and \$2.0 billion in other assistance, including \$1.8 billion to fund police training and transition military assistance programs from the Department of Defense. On December 2, I sent a letter to the Department of State asking for a suspension of the Iraqi Police Development Program (PDP) until State presented a comprehensive plan for the PDP with identifiable metrics and milestones. I still have seen no evidence that the Government of Iraq (GOI) is invested in the program. Has the State Department addressed the myriad concerns outlined by several members of this committee during a hearing of the Middle East subcommittee on November 30? I understand State inherited the PDP, but that is no excuse for the lack of metrics.

Last, a detailed plan on how State plans to leverage its personnel and other resources to deal with the transitions in the Middle East would benefit this Committee. For the first time, the FY13 request includes \$770 million for a Middle East and North Africa Incentive Fund to advance democratic, institutional, and economic reform in transitioning governments. In light of the situation in Egypt, how does State plan to use this funding if a democratic transition isn't as smooth as anticipated? Would State welcome Congressional oversight of this fund?

As we discuss these and other international budget issues, I hope the discussion focuses on the policy and not the politics. In closing, I'd like to add that as a consistent supporter of the international affairs budget, I firmly subscribe to the belief that the three pillars of our national security are diplomacy, development, and defense. I look forward to continuing to work with my colleagues to fight for a strong international affairs budget that funds all our priorities overseas. Absent a nuanced and healthy discussion, we will not do these priorities justice.

WRITTEN RESPONSES FROM THE HONORABLE HILLARY RODHAM CLINTON, SECRETARY OF STATE, U.S. DEPARTMENT OF STATE, TO QUESTIONS ASKED BY COMMITTEE MEMBERS DURING THE HEARING



United States Department of State

Washington, D.C. 20520

APR 16 2012

Dear Mr. Burton:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you asked about United States interaction with Islamists in the Middle East in the wake of the Arab Spring.

Recent events demonstrate that earlier assumptions about what helped build stability in the Middle East are no longer valid. It is strongly in our interest to help governments move successfully through these transitions so that they emerge as peaceful, prosperous, and democratic participants in the international community. Only by moving toward this outcome — one that delivers accountable governance and economic opportunity — can these governments address the feelings of grievance and disempowerment that fuel extremism.

In order to effectively engage these new states, and thereby represent our interests, we need to seek out a much wider spectrum of interlocutors than in the past. This includes Islamists.

But we continue to recognize that democracies require some basic elements to succeed, and these qualities are unchanged by the Arab Spring. Fundamentally, democratic players have an obligation to reject political violence, transfer power willingly, foster a strong civil society component, and respect the basic and equal rights of all citizens, regardless of religion, ethnicity, or gender. These are the standards we will use to judge which political actors are credible, and which are not, and they are standards against which we should all be measured.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Adams", written over a circular stamp or watermark.

David S. Adams
Assistant Secretary
Legislative Affairs

The Honorable
Dan Burton,
House of Representatives.



United States Department of State

Washington, D.C. 20520

APR 16 2012

Dear Mr. Cardoza:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you raised the issues of the Ponta Delgada Consulate and Portuguese visas.

We strongly agree that the relationship between Portugal and the United States remains very important. As a close friend and modern nation, Portugal has benefitted from joining the U.S. Visa Waiver Program, which allows most Portuguese nonimmigrant travelers to travel to the United States visa-free. At the same time, immigrant visa demand has decreased to a low level, far too low to occupy even one consular officer for a year. By consolidating immigrant visa operations in the region at a large embassy with sufficient capacity, the Department has been able to shift underutilized consular resources from countries with extremely low demand for visas to countries experiencing exponential growth in demand. The Department has similarly consolidated immigrant visa services in other areas, moving services from Copenhagen and Oslo to Stockholm, and from Valletta to Naples, just to mention a few examples.

Please note this change only affects immigrant visa processing. The U.S. Mission in Portugal will continue to process nonimmigrant visas for business, tourism, education, and other purposes.

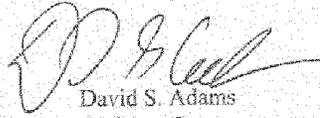
The State Department regularly reviews and evaluates the viability and appropriate sizing of its facilities and operations around the world. The information we gather provides a basis for informed decision making regarding U.S. policies and the protection of U.S. citizens living overseas. There are no plans to close the Consulate in Ponta Delgada, or any State Department facility abroad.

The Honorable
Dennis Cardoza,
House of Representatives.

-2-

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "D. S. Adams", written in a cursive style.

David S. Adams
Assistant Secretary
Legislative Affairs



United States Department of State

Washington, D.C. 20520

APR 16 2012

Dear Mr. Chabot:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you asked how the Administration plans to deal with the current situation in Iraq.

While Iraq remains dangerous, the level of violence there remains consistent or lower than that seen over the past year, and far lower than just a few years ago. Strong tensions remain among Iraq's political blocs, but those groups continue to pursue their goals through Iraq's political structure, and not through violence.

Our diplomats and development experts in Iraq are fully engaged in strengthening the relationships we have built with Iraqi officials, politicians, and social leaders. Our Ambassador and Embassy officers meet regularly with President Talabani, Prime Minister Maliki, cabinet ministers, parliamentarians, and civil society leaders throughout Iraq. Through the first quarter of 2012, attacks against our personnel and facilities are the lowest they have been in 6 years. Where there have been attacks, we have responded appropriately, from engaging local forces and seeking solutions with the help of senior Iraqi officials, to adjusting our own security procedures. Our level and breadth of engagements outside the Embassy is higher today than it was before withdrawal of U.S. forces.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,

David S. Adams
Assistant Secretary
Legislative Affairs

The Honorable
Steve Chabot,
House of Representatives.



United States Department of State

Washington, D.C. 20520

APR 16 2012

Dear Mr. Chabot:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you asked how sanctions have changed Iran's calculations about their nuclear program.

Over the last three years, the United States has built a foundation for international acceptance of unprecedented pressure on Iran's government in the form of sanctions. Our friends and partners have not only supported the sanctions we introduced, but they joined us in undertaking harsh measures of their own when we asked them to do so. Iran's most senior leaders have called our expanding sanctions "painful and crippling," and "the heaviest economic onslaught on a nation in history."

It is clear that Iran is under pressure and more isolated than ever, while the international community is more united than ever in confronting the threats posed by Iran. The Iranians recently stated their willingness to return to the negotiating table; we are seeking sustainable talks that can deliver concrete results. We believe we have an opportunity for diplomacy, backed by pressure, to succeed.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,

David S. Adams
Assistant Secretary
Legislative Affairs

The Honorable
Steve Chabot,
House of Representatives.



United States Department of State

Washington, D.C. 20520

APR 16 2012

Dear Mr. Deutch:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you encouraged the Secretary to continue to press for information about Robert Levinson.

Since Mr. Levinson's disappearance five years ago, the U.S. government has conducted a significant interagency effort to investigate his disappearance, and has raised the issue through numerous diplomatic channels. We have shared information about Mr. Levinson's disappearance with the Iranian government, with the aim of determining his welfare and whereabouts.

Please be assured the U.S. government is committed to Mr. Levinson's safe return, and we will continue to use all available resources until he is home and reunited with his family.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,

David S. Adams
Assistant Secretary
Legislative Affairs

The Honorable
Ted Deutch,
House of Representatives.



United States Department of State

Washington, D.C. 20520

APR 16 2012

Dear Mr. Johnson:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you asked about the support of health programs in China in the FY13 budget.

The United States pursues a long-term strategy vis-à-vis China to protect and promote U.S. national interests and values, and a component of this strategy is targeted programs in health to limit the transmission of infectious diseases that pose threats throughout the region and the rest of world, including the United States. As China transitions from a recipient to a donor nation, our assistance continues to decrease. The FY 2013 bilateral request for China includes \$2 million for the Global Health Program (GHP-State), down from \$5 million in FY 2011 and \$3 million in FY 2012.

The focus of the U.S. government HIV/AIDS program for the past five years has been to foster nationwide scale-up of activities by the Chinese government and other donor agencies. While China provides over 80 percent of the funding for its national HIV/AIDS program, U.S. government technical assistance builds capacity in key technical areas in select high-prevalence locations for Chinese replication both in country and globally. FY 2011 is the last year in which USAID received bilateral HIV/AIDS funding for China. With GHP-State support in FY 2012, key USAID programs supporting civil society and their role in the national AIDS response will transition to local organizations, and USAID projects will close out by the end of September 2013.

The Honorable
Bill Johnson,
House of Representatives.

The Department of State's \$2 million FY 2013 request will continue to support the Centers for Disease Control programs addressing HIV/AIDS in China. The goal is to assist China in preventing its HIV prevalence from rising in areas where HIV is already prevalent; mitigate the effect of HIV on the Chinese people; and provide technical assistance and capacity building to assure that Chinese efforts meet internationally accepted best practices.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Adams", written over a light blue horizontal line.

David S. Adams
Assistant Secretary
Legislative Affairs



United States Department of State

Washington, D.C. 20520

APR 16 2012

Dear Mr. Murphy:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you mentioned your concern about the level of dependency of the Afghan economy on international assistance.

We appreciate the opportunity to respond to this important question. First, we would like to clarify the numbers on the size of the Afghan economy and our expenditures there. In 2010, Afghanistan's GDP, which is the size of their internal economy, was \$16.6 billion dollars, with 8 percent annual growth. It is true that over that same year, U.S. security and civilian assistance for Afghanistan (not including funding for our troop presence) was \$16.4 billion. However, international assistance spending does not translate, dollar for dollar, into Afghan GDP. The World Bank has done useful analysis on this issue, and estimates that, even with a steep reduction in foreign military spending in Afghanistan, Afghan GDP would continue to grow, albeit at a slower rate.

In addition, we are working closely with the Afghans and our international partners to build the foundation for sustainable growth. The Afghans, as recently as the Bonn Conference in December 2011, committed to a series of significant economic reforms to improve the business environment and reduce their dependence on foreign assistance. The Department of State, as we presented in the economic strategy submitted to Congress last November, will proceed based on the concept of "mutual accountability" which calls on Afghanistan to undertake necessary reform and the international community to support these reforms with targeted assistance.

We plan to focus our bilateral assistance on building the capacity of the government to manage key sectors of the economy including extractives, agriculture and other emerging sectors that will maximize potential economic growth. In addition, we have articulated a vision called the New Silk Road that frames our economic goals for Afghanistan and includes its further integration into the region. This strategy will support the conditions necessary for a sustainable Afghan economy by building strong economic ties with neighbors and attracting private investment. Through engagement with the region and the international

The Honorable
Christopher S. Murphy,
House of Representatives.

community, we will support Afghan and regional efforts to break down barriers to the free movement of goods, services, capital, and people in the region.

We are making progress in developing sustainable engines of economic growth in Afghanistan. With U.S. support, several significant Afghan mining deposits have already been put out for bid. Some of these projects, such as the Hajigak iron mine being developed by India, are projected to begin production by 2016, bringing with it jobs for Afghans and revenues for the Afghan government. According to World Bank projections, the extractives sector could create 90,000 jobs and up to \$500 million in annual revenue for the Afghan government when the Hajigak and Aynak mines begin producing.

As Afghanistan moves forward, we see a growing role for private sector investment. The Sheberghan Power Project, which is a public-private partnership investment, was approved by the Afghan cabinet in January. This is a \$582 million dollar project, most of which is funded by private investment, which will develop gas fields in northern Afghanistan and build a 200 megawatt gas-fired power plant. Some of this gas may be exported to the north, strengthening Afghanistan's regional economic ties with Central Asia. The investors in this project see growth potential for the region, and we expect many others will as well as more of these public-private projects get underway.

A sustainable Afghan economy will not become a reality overnight. The next five years will be critical to securing support from regional governments and creating the conditions necessary for private sector investment. We appreciate Congress' continued support to create a sustainable economy in Afghanistan to ensure peace and stability in the region.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,



David S. Adams
Assistant Secretary
Legislative Affairs



United States Department of State

Washington, D.C. 20520

APR 10 2012

Dear Mr. Royce:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you asked if the Administration is going to crack down on North Korea's illicit activities.

We remain concerned about the serious threat posed by North Korea's proliferation and other illicit activities. In April 2010, President Obama issued Executive Order 13551, which targets North Korea's involvement in illicit activities. Using E.O. 13551, we are working to disrupt the networks that facilitate North Korean trafficking in arms and related material, procurement of luxury goods, and engagement in other illicit activities, including money laundering and currency counterfeiting. This is one of the tools the United States is using to disrupt the flow of funds that support North Korea's nuclear and missile programs and other illicit activities.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Adams", written over a horizontal line.

David S. Adams
Assistant Secretary
Legislative Affairs

The Honorable
Ed Royce,
House of Representatives



United States Department of State

Washington, D.C. 20520

APR 18 2012

Dear Mr. Sherman:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you discussed your support for focusing aid to the Javakheti region of Georgia.

The United States continues to focus significant assistance resources toward programs that benefit the Samtskhe-Javakheti region of Georgia. By far, the largest U.S. Government investment has been the over \$200 million Millennium Challenge Corporation (MCC) effort that rehabilitated approximately 222 kilometers of a main road linking Tbilisi with Samtskhe-Javakheti to foster economic development in the region through increasing exports of agricultural products.

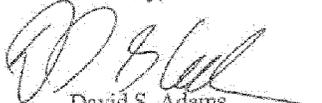
Other efforts in the bilateral budget are leveraging the MCC investment, including agriculture development efforts, which have supported various activities including cattle farming, trout farming, potato production, dairy processing, feed production and beekeeping. We are supporting private sector development by promoting development of small- and medium-sized enterprises in the tourism sector, increasing the access to long-term finance, and broadening business training opportunities.

The Honorable
Brad Sherman,
House of Representatives.

Our programs also target social sector and democratic development. U.S. assistance rehabilitated three public hospitals in the region, and a new primary education project includes teaching Georgian language in schools in Samtskhe-Javakheti to improve the children's ability to participate in the Georgian economy and political life. U.S. democracy programs are focused on empowering people and organizations to debate and resolve issues and increasing active citizen participation in the electoral process, both of which are integral to building a cohesive multi-ethnic nation.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Adams", with a long horizontal line extending to the right.

David S. Adams
Assistant Secretary
Legislative Affairs



United States Department of State
Washington, D.C. 20520

APR 16 2012

Dear Mr. Sherman:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you discussed the need for greater outreach to Sindhi speaking Pakistanis.

The State Department shares your commitment of outreach to the people of Pakistan. Engaging with the entire population of Pakistan – both directly, as well as through the Pakistani media – remains a high priority for us. In the last few years, we have increased the amount of resources for public diplomacy in Pakistan, adding public affairs personnel at the embassy and consulates, and building one of the largest U.S. bilateral educational and cultural exchange programs in the world.

A key aspect of improving our communications in Pakistan has been to expand our outreach in vernacular languages. Obviously an important part of this is our effort to reach the roughly 50 million Sindhi speakers in Pakistan, a significant part of the population.

We have expanded our efforts to engage the Sindhi media of Pakistan and will continue to do so. We have built relationships with Sindhi media and developed a focus on the Sindhi-language press for all of our media activity in the Sindh Province. This has resulted in numerous Sindhi television appearances, radio broadcasts, and print-journal interviews.

In addition, we are expanding our capacity building efforts with the Pakistani media to include an International Visitors Leadership Program specifically for Sindhi-speaking journalists and aim to include Sindhi-language

The Honorable
Brad Sherman,
House of Representatives.

press in our other journalism-focused exchange programs. We will continue our efforts to reach all the people of Pakistan.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Adams', with a long horizontal flourish extending to the right.

David S. Adams
Assistant Secretary
Legislative Affairs



United States Department of State

Washington, D.C. 20520

APR 18 2012

Dear Mr. Sherman:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you commented on reports of the situation in Camp Liberty.

On December 25, 2011, the United Nations Assistance Mission in Iraq (UNAMI) and the Government of Iraq (GOI) signed a Memorandum of Understanding (MOU), which paved the way for a peaceful and humane temporary relocation of Ashraf residents to Camp Hurriya (Formerly Camp Liberty) and their eventual departure from Iraq. The United States has publicly supported the MOU, while also calling on the GOI to abide by the MOU's terms, specifically the elements of the MOU that provide for the safety and security of the residents.

On January 31, following much work by the GOI, the UN High Commissioner for Refugees (UNHCR) and UN Human Rights Office in Baghdad determined the infrastructure and facilities at Camp Hurriya to be in accordance with international humanitarian standards, as required by the MOU.

On February 18, the first group of Ashraf residents relocated to Camp Hurriya. UNAMI and the Office of the UNHCR, as they had committed, supported that relocation through human rights monitoring and mediation of certain issues between the GOI and the residents. There were complications during that move, but despite delays, it took place peacefully and the GOI provided significant resources for the protection of the residents' travel. U.S. officials from Embassy Baghdad also observed portions of this movement, at both Ashraf and Hurriya. A second and similar relocation of nearly 400 residents occurred on March 8, followed by a third relocation on March 19.

The Honorable
Brad Sherman,
House of Representatives.

At Hurriya, the UNHCR has begun a verification and refugee status determination process for the relocated residents, and UN monitors maintain a round-the-clock presence. The residents at Hurriya, who have access to the internet and unrestricted ability to communicate with anyone outside Hurriya, identified problems with certain facilities at the camp. UNAMI, with support from U.S. Embassy Baghdad, has acted swiftly to seek repairs to those problems by the GOI. UNAMI and U.S. officials have also urged leaders of the residents to work directly with the GOI on resolving remaining and future logistical issues. We have seen some progress between the residents and the GOI on finding practical solutions in that regard. Patience and flexibility is required, and both the GOI and residents must cooperate to find solutions.

In addition to our general support for these UN efforts, officials from U.S. Embassy Baghdad joined UNAMI in observing parts of the relocation and U.S. Embassy officers have visited Hurriya frequently since. We remain attentive to the situation at Ashraf and Hurriya and remain in active, regular contact with both the UN and the GOI in support of completing a peaceful and safe relocation process.

The prompt decision of the remaining Ashraf residents to continue relocations to Hurriya is vital in moving forward with the work of UNHCR and the subsequent relocation of individuals out of Iraq. We share your interests in seeing a peaceful conclusion to this issue and we look forward to continuing our dialogue with you.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,



David S. Adams
Assistant Secretary
Legislative Affairs



United States Department of State

Washington, D.C. 20520

APR 16 2012

Dear Mr. Sires:

During Secretary Clinton's February 29, 2012, testimony before the House Foreign Affairs Committee, you asked if we ever raise the issue of Joanne Chesimard with the Cuban government.

The United States has sought and continues to seek the return of fugitives from U.S. law enforcement who have taken refuge in Cuba. The Department of State in our migration talks and other venues has repeatedly raised the Joanne Chesimard case, in particular, with the Cuban government and expressed the strong U.S. desire that she be returned to the United States to resume serving her sentence. The Department of State will continue to press this issue.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. S. Adams", with a horizontal line extending to the right.

David S. Adams
Assistant Secretary
Legislative Affairs

The Honorable
Albio Sires,
House of Representatives.

QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE ILEANA ROS-LEHTINEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, AND CHAIRMAN, COMMITTEE ON FOREIGN AFFAIRS, WITH WRITTEN RESPONSES RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Question 1:

Former Chongqing police chief Wang Lijun's incognito February 6th visit to the U.S. consulate in Chengdu has been the subject of significant press and internet speculation. Wang reportedly brought with him information on the Chinese leadership succession implying a level of internal infighting not seen since the tumultuous days of Tiananmen Square. Wang, if reports of his extensive information are true, was an intelligence asset on a scale not seen since the end of the Cold War. Some reports say concerns over Sino-American relations and the upcoming visit of the Chinese Vice President trumped Wang's value as an intelligence resource as far as Washington was concerned.

- Did Mr. Wang request political asylum while inside a U.S. diplomatic post in China?
- If so, why was he turned away?
- When will you provide the information I requested by letter dated, February 10, 2012?

Answer:

We are in receipt of your request and, as you know, are working with your staff to arrange a briefing on this issue at the earliest convenient time.

Question 2:

Late last year, the Department created a new Bureau of Conflict Stabilization Operations (CSO), headed by a new Assistant Secretary. Four months ago, it was justified to Congress as merely a consolidation and replacement of existing resources, with no new funding. Yet, now you are requesting an 86% increase in funding for 2013. Furthermore, the "principal mandate" of CSO is heavy on slogans and light on detail: "to stay ahead of change and play the appropriate operational role in anticipating, preventing, and responding to conflict."

- What has the new CSO bureau done to justify a near doubling of its funding in FY13?
- How exactly does its mission differ from what we already pay for under the Complex Crises Fund, the Office of Transition Initiatives, and other pre-existing efforts for which the Administration is also seeking increases?
- If we really are able to anticipate conflict and stay ahead of change, why aren't State and USAID's regional and programmatic personnel already doing that? Isn't this just a pre-positioned pot of which State can draw on quickly, with a minimum of strings?

Answer:

The State Department is acutely aware of current fiscal challenges. The Bureau of Conflict and Stabilization Operations (CSO) was established in February 2012 to address the need for greater cohesion and coherence to conflict prevention and conflict response. Although CSO's FY 2013 request of \$56.5 million reflects an increase of \$26.2 million in new Budget Authority from the levels appropriated in FY 2012, in comparison to the total amount available this fiscal year of \$60.94 million, the FY 2013 request represents an actual decrease of \$4.4 million in total program funding. Although our budget is decreasing, it is essential that our field teams have the flexibility to direct modest amounts of project funding to reinforce their conflict and stabilization efforts. We are aggressively reducing Washington overhead to focus funds for overseas deployments. Our requested contingency funding would be focused on building local capacity to implement solutions so that progress can be sustained by local actors.

CSO brings specialized skills and resources to assist the United States in finding creative solutions and approaches to averting or resolving conflicts, along with the resources to support a surge effort. The space in which CSO operates is not overcrowded in light of the dynamic challenges the United States faces in preventing and responding to conflict in strategic countries and regions. Partner organizations like the Office of Transition Initiatives (OTI) and the Office of Foreign Disaster Assistance (OFDA) have specific focus and areas of expertise. CSO's mission and mandate are focused on human and political conflict. CSO will be at the center of complex conflict-related situation supporting joint analysis, creative partnering and integrated strategies that direct foreign assistance (such as the Complex Crises Fund)

to priority needs. In doing so, CSO will ensure USAID and DOD are brought into the discussions in the earliest stages.

Limited State and USAID resources are already overtaxed and constrained from meeting the diplomatic and development requirements of our global foreign policy. Many programs are tied to existing mandates and are not flexible for averting or responding to conflict and crisis situations. CSO funding and resources must be flexible, responsive and focused on countries of critical importance to U.S. national interests. CSO enables the United States to anticipate and respond more quickly and effectively to emerging conflicts around the world and—just as importantly—to assist in identifying emerging conflicts and outlining prevention approaches to channel those conflicts into non-violent resolutions. The United States needs this kind of capacity to advance U.S. interests effectively and at least cost to the taxpayer in our rapidly changing and complex world.

Question 3:

Last year, the State Department moved the Office of the Coordinator for Counterterrorism to the Bureau for Counterterrorism. At the time, the State Department described the move to Congress as a rationalization with no significant staff increases. According to the Administration's request, the staffing for the Bureau will increase by 17%, from 70 to 82 staff positions.

- What new functions has the Bureau taken on that justify this significant increase? Did State miscalculate the need for new resources or does a 17% increase not meet the standards of "significant"?

Answer:

The transition of the Office of the Coordinator for Counterterrorism to the Bureau of Counterterrorism was resource neutral. The request for twelve new FTE positions, a 17% increase in FY2013, is unrelated to the transition to a Bureau, and would have been made regardless of Office or Bureau status. The twelve positions would address growing State Department needs in addressing civilian counterterrorism challenges that include: countering violent extremism; designations of Foreign Terrorist Organizations (FTO's); terrorist travel and interdiction programs; regional policy coordination and program oversight; strategic planning, monitoring and evaluation of CT programs; Homeland Security coordination; and multilateral engagement through the Global Counterterrorism Forum (GCTF) and other bodies.

Question 4:

The budget requests an increase of \$12 million for the Bureau of European and Eurasian Affairs. However, in a March 2011 report, the Office of the Inspector General reported that this bureau, "lacks standard operating procedures for the fiscal management division's overseas and domestic teams. This shortcoming is longstanding and significant . . . the domestic financial management team does not periodically analyze obligation balances, and there are significant unliquidated obligations for domestic allotments."

- Why should we grant this large increase in taxpayer funds for a bureau that has "longstanding" and "significant" concerns about its financial management?

Answer:

The March 2011 Inspection Report rightly highlighted the need for standard operating procedures, particularly in light of staff turnover in the financial management division. Since the report's publication, the Bureau of European and Eurasian Affairs (EUR) has satisfied the Office of the Inspector General that standard operating procedures for financial operations have been documented and are now in place. Furthermore, following stabilization of office staffing, the division has completed a thorough analysis of obligations for all domestic allotments and now undertakes regular reviews throughout the year.

The Bureau's financial management operations adhere to the highest industry standards, and the Bureau has set an example within the Department of generating cost efficiencies. EUR is at the forefront in regionalizing services, including voucher processing, training, position classification, procurement, and warehousing. The Bureau also provides logistical and administrative support to other regions, the most recent example being in supporting evacuations from Middle Eastern posts during the Arab Spring events, and during NATO support efforts in Libya. We believe the marginal increase in the Bureau's costs to provide these services is dwarfed by overall savings generated by the Department.

Although the request is \$12 million above the FY 2012 estimate, the increase seeks to maintain service levels from FY 2011, including a further reduction of \$2.6 million in efficiency savings.

Question 5:

An Office of Inspector General performs best when there is an appointed Inspector General. Permanent Inspector General's undergo significant vetting that helps to instill confidence among OIG stakeholders such as Congress, whistleblowers and the public. The State Department has been without a permanent Inspector General for over four years. The FY 2013 State Department CBJ includes a 6% budget increase from the FY 2012 level for the State Department OIG.

- How can you justify the 6% increase for the State Department OIG when there is no permanently appointed Inspector General?

Answer:

The State Department's Office of Inspector General (OIG) conducts comprehensive oversight of the Department's operations through inspections, investigations, audits, and other reviews. Composed of dedicated professionals, the OIG is fully engaged in its important mission. In FY 2011, the number of reports issued annually had increased to 153 from 107 in FY 2007. By the close of FY 2011, as compared to FY 2007, open investigations increased from 36 to 98; and contractor suspension and debarment actions increased from 0 to 17.

In the past three years, OIG has substantially strengthened its oversight of high-cost, high-risk Department activities in the Middle East, and South and Central Asia. OIG established the Middle East Regional Office (MERO) in 2008 to dedicate on-the-ground resources and expertise to oversight of Department programs and U.S. interests in the frontline states (Afghanistan, Iraq, and Pakistan or "AIP") and other crisis and post-conflict countries. In 2011, OIG further strengthened these operations by merging MERO, as a distinct office, into the Office of Audits.

Also in the past three years, OIG's Office of Investigations opened overseas offices to strengthen accountability and provide investigative oversight for critical Department operations in the Middle East, and South and Central Asia. The Middle East Investigative Branch (MEIB), based in Washington, D.C., has a field office in Amman, Jordan, and satellite offices in Baghdad, Iraq, and Kabul, Afghanistan.

OIG also has taken steps in the past three years to restore its overall investigative capability, which had declined by nearly 60 percent in the preceding decade. OIG aggressively recruited staff to rebuild the Office of Investigations and has greatly improved its capacity to address allegations of waste, fraud, and abuse.

The FY 2013 request is \$65.6 million, an increase of \$3.7 million and includes an increase of \$1.1 million in current services to maintain the FY 2012 level of activity. Program increases of \$2.6 million will be required for increased ICASS and in-country support costs associated with activities in the AIP frontline states. This resource request sustains critical initiatives in the frontline states and maintains the level of oversight required by the size, complexity, and importance of Department programs in these countries.

Question 6:

Last year in its report, "Clearer Guidance Needed on Compliance Overseas with Legislation Prohibiting Abortion-Related Lobbying," GAO recommended that, "To help ensure the actions of U.S. officials and implementing partners comply with the legislative prohibition against using certain U.S. assistance funds to lobby for or against abortion, the Secretary of State and the USAID Administrator should develop specific guidance on compliance . . . indicating what kinds of activities may be prohibited, disseminate this guidance throughout their agencies, and make it available to award recipients and subrecipients." According to the GAO, State Department agreed that it should inform staff of the legislation prohibiting abortion-related lobbying but disagreed that it should provide examples of potentially prohibited activities.

- Please describe the actions the State Department has taken to ensure full compliance with legislation prohibiting abortion-related lobbying? Why does the State Department disagree with the recommendation to provide staff with examples of potentially prohibited activities?

Answer:

The Department is in the process of issuing guidance to grants and contracting officers reminding them of the restriction in the annual appropriations act that funds not be used to lobby for or against abortion. In addition, the offices that re-

view the uses of appropriated funds for State and Foreign Operations are aware of this legal provision.

The language of the statute itself indicates what is prohibited and, to the extent that staff identify an activity which may fall within the scope of the restriction, they are advised to seek legal guidance from the Office of the Legal Adviser before proceeding with the obligation of funds. Because specific factual information on what activities are proposed would need to be evaluated in making a legal judgment under the statute, the Department has chosen to direct staff to seek legal advice on all instances where obligations of funds may implicate the restriction to allow for decisions a case-by-case basis after a review of any relevant specific facts and, therefore, disagreed with the GAO recommendation to provide staff with examples.

Question 7:

The Quadrennial Diplomacy and Development Review (QDDR) highlighted the military to civilian transition in Iraq and stated that “our civilian presence is prepared to take the lead . . . for long-term stability.” Yet, various concerns have been raised regarding the State Department’s ability to take over such a mission and oversee hundreds of personnel, most of them contractors. In a Washington Post article, dated October 8, 2011, a report by the bipartisan Commission on Wartime Contracting is cited as stating that “billions of U.S. taxpayer dollars had been squandered in Iraq . . . and that the State Department had not made the necessary reforms in its contracting operation.” Therefore, U.S. taxpayer dollars are at risk and “significant additional waste . . . can be expected.”

- How do you respond to such criticisms? What steps are being taken to ensure proper accountability and oversight of U.S. taxpayer dollars of both U.S. and non-U.S. contractors? What specific reforms, if any, has the State Department made in its contracting procedures? What system is in place to vet such contractors?

Answer:

The Quadrennial Diplomacy and Development Review (QDDR) process identified improvements to contract oversight that focus on the role of the Contracting Officer Representative (COR) as a key to contract oversight. Improvements that have been implemented include:

- *Link Oversight Duties to Performance Evaluation:* In January and April of 2011, we issued Department notices that provided guidance on work elements for supervisors to include in Contracting Officer Representative (COR) and Government Technical Monitor (GTM) performance appraisal plans (or Employee Evaluation Reports (EERs)). This ensures that employees performing contract administration tasks are graded on that performance and will therefore be motivated to perform these duties more effectively.
- *Expand Training:* The Department launched a revised COR training course that is more skills based and adult learning focused. The class provides CORs with the tools to more effectively manage contract billing, government property, and trafficking in persons, among other topics.
- *Elevate Accountability for Planning and Oversight of Large Contracts:* As part of the QDDR process, the Department of State instituted a requirement for the Assistant Secretary of a Bureau with a service contract with expenditures exceeding \$25 million per year to certify that adequate contract administration resources have been identified to manage the contract. These resources include both personnel and funding for such things as travel or temporary duty assignments.
- *Increased Contract Audits:* We have increased the number of audits performed on high dollar-value contracts within the Department by conducting audits of four of our major contractors. Additional audits are planned.
- *Elevate the Status of Contract Oversight Personnel:* Last year, we created a Contracting Officer Representative (COR) award to highlight contract administration achievements by the COR, and published an article in State Magazine highlighting the importance of contract administration and the valuable role of the COR.

The Department experiences continuous contingency requirements around the world, and our U.S. Government contracting staff is very experienced in dealing with these situations. We centralize procurement operations in the Office of Acquisitions Management (A/LM/AQM) and in its subordinate Regional Procurement Support Offices (RPSO), and have found this model to be effective in supporting contingency situations such as Haiti, Japan, Afghanistan, and Iraq. Through internal funding mechanisms (a 1% fee charged on all contracting services), the Department

is able to draw upon its own resources, including hiring 103 additional staff over the past several years, both U.S. Government direct hires and contractors. Only direct-hire staff serve as Contracting Officers; contractor staff provide only administrative support for our contracting function.

The Department greatly increased interagency planning, particularly with regard to the Iraq transition. Support from DOD is essential to our success, and our cooperative efforts continue unabated. Where it makes sense we use existing DOD support to avoid unnecessary duplication. We will continue life support services under DOD's Logistics Civil Augmentation Program or LOGCAP. Although the transition from a military mission to primarily a diplomatic mission occurred on December 31, the Department continues to work closely on contract oversight activities with DOD and management personnel at the Embassy in Baghdad via weekly in-depth working groups. For the past 2 years, the Department has worked very closely, every day, on an unprecedented level with our Department of Defense (DOD) colleagues on implementing the military-led to civilian-led transition in Iraq.

The Department currently participates in annual audits with the Defense Contract Audit Agency (DCAA) of our high risk contracts to ensure the appropriateness of contractor's cost representations and determine whether incurred costs are reasonable, applicable, and allowable. In addition, DCMA provides contract oversight for the base life support, core logistics services, equipment maintenance, food, fuel, and security services the Department receives under LOGCAP contract. Fifty-two DCMA personnel support our Iraq contracting efforts, with 35 DCMA personnel in Baghdad and the remainder posted at other locations in Iraq. This cooperation between DCMA and the Department of State has continued the essential oversight throughout the transition and maintained superior service provided under LOGCAP which is critical to the diplomatic mission in Iraq. Both DCAA and DCMA support other federal agencies where it is in the best interest of the government.

As authorized by Section 835 of the Ike Skelton National Defense Authorization Act (NDAA) for FY 2011 (P.L. 111-383), entitled "Annual Joint Report and Comptroller General Review on Contracting in Iraq and Afghanistan," (Joint Report) the Department is required to track and report annually contractors and contracting activity in Iraq and Afghanistan. To account for contractors in Iraq and Afghanistan, we have implemented the Department of Defense's Synchronized Pre-Deployment Operational Tracker (SPOT) database at Department facilities across Iraq and Afghanistan. Companies with a contract permitting work in Iraq and Afghanistan are required to register their contractors in SPOT. Contractor Officer Representatives (CORs) and Contracting Officer's (COs) are required to authorize and approve a Letter of Authorization (LOA) for each contractor.

As a matter of practice, vendors are vetted throughout the entire acquisitions timeline within the Department of State as outlined in the Federal Acquisition Regulation. This includes the solicitation process where well defined program office requirements are developed into statements of work; qualified vendors then respond to the statement of work providing the best technical solution and approach they would take to resolve the Department's particular requirement; and then our contracting officers as well as a technical evaluation panel would determine if a vendor qualifies based upon their technical and cost proposal, past performance evaluations, and best value for the Department. After award vendors are evaluated regularly by a program office's Contracting Officer's Representative (COR) for both technical competence in delivering the required product or service as well as adhering to the contract terms and conditions that include, among many, deliverable timelines, applicable Federal laws, special contract guidelines such as Trafficking in Persons (TIP), and adequate housing accommodations. Audits conducted by the Department as well as on site inspections by Contracting Officers who are deployed to overseas sites to obtain first hand information on contractor and COR activities, are other means of ensuring contract oversight and management of the Department's contractors.

Question 8:

The Quadrennial Diplomacy and Development Review (QDDR) calls for the possible transition of the leadership of the Global Health Initiative (GHI) to USAID at the end of FY 2012. The process for determining whether the benchmarks as presented in the QDDR have been achieved is ongoing. However, there are fundamental, practical questions about the implementation of such a transition. For example, U.S. government country teams state that a key to the success of interagency coordination of health programming within a country is the involvement and oversight of the Ambassador.

- If GHI leadership is transferred to USAID, who will be in charge of the global health team at the country level—the Ambassador, the USAID mission director, or another official?
- If interagency disagreements arise (as they do in the course of country operations), who will have the authority to resolve such disagreements? How will such authority be indicated and supported by agencies' headquarters?

Answer:

The QDDR states clearly that the Ambassador is the “CEO” of USG health leadership in country and asks the Ambassador to reallocate time to lead the health team to meet GHI goals. The Ambassador has always been and will continue to be the lead and final authority on interagency coordination and collaboration in country. In most GHI countries, there is also a designated GHI coordinator, under the Ambassador, from either USAID, CDC, or PEPFAR. In some countries, the Ambassador or DCM have chosen to take on the GHI coordinator role. The GHI coordinator has been the lead in organizing the in-country process to draft GHI country strategies that create synergies and reduce duplication in the field. Regardless of any leadership transition of GHI, the Ambassador, as the lead of all USG activities in-country per the QDDR, will retain the ultimate authority for USG global health efforts. When interagency disputes arise, the Ambassador has the authority and mandate to resolve them. Because Ambassadors lead our whole of government efforts across a broad spectrum of issues and sectors in each country, they are uniquely qualified and experienced in bringing USG agencies together. There are also GHI country liaison teams in Washington made up of representatives from USAID, CDC and OGAC and one designated country lead for each GHI country from one of the agencies. These leaders work very closely with GHI country teams in the development and implementation of their integrated GHI country strategies, which now number over 40. They also work to resolve interagency issues before they rise to the policy level and support the Ambassador. Interagency issues and progress in country are also addressed at monthly meetings of the GHI Operating Committee, chaired by Executive Director Lois Quam, bring together senior leaders from the three core global health agencies, USAID, CDC, and OGAC to address.

Question 9:

The Executive Summary of the FY13 Congressional Budget Justification (CBJ) requests \$850 million in International Narcotics and Law Enforcement (INL) funding to support the Iraq Police Development Program (PDP). The CBJ Executive Summary notes specifically that “The PDP will include approximately 190 advisors” which, a recent audit by the Special Inspector General for Iraq Reconstruction (SIGIR) noted is a stark decrease from the initial goal of 350 advisors. Furthermore, the SIGIR audit notes that, of the \$200 million DOS requested for FY 2011 4th Quarter, “only about 12% of the funds are targeted to hire, train, and deploy police advisors and managers. The remaining 88% are for (1) life and mission support for the advisors and staff, (2) security for sites and transportation, and (3) operation and maintenance of the helicopter air wing. Based on INL’s September 2011 data, \$75.3 million—virtually all of the \$75.5 million in expenditures—has been for security costs.” The current formulation breaks down to nearly \$4.5 million per advisor in FY 2013, not counting money previously spent.

- A. How can you justify this program when 88% of the cost is dedicated to life support and security? At what point is the benefit not worth the cost?
- B. The State Department manages and implements police assistance programs in other parts of the world. What do they cost per advisor per year? Is it comparable to the cost of the PDP?
- C. How much money has been spent to date on the air wing and how much of the \$850 million will be spent on it?

Answer A:

The PDP uses shared security, life support and transportation services that support all Mission operations. In Iraq, the State Department operates under extraordinary circumstances that require robust security and support services. Our costs are the same for all components of the mission. For these services, INL pays an appropriate percentage of the total costs based on the services our personnel use and the INL percentage of residents at shared facilities. As contracts are finalized, security and life support costs have been less than we originally anticipated; therefore, program-to-support ratios are improving.

INL and Embassy Baghdad are currently conducting their first semi-annual review of the Police Development Program. The process is intended to monitor the program’s progress and assess whether program adjustments are necessary and/or

appropriate. We expect that the program review will be completed in April and will look forward to keeping the Congress informed through regular updates, including on changes in program-to-support ratios.

Answer B:

The support requirements for police assistance programs are unique to each country. Consequently, the associated support costs vary significantly. For example, the INL police program in Kosovo costs \$235,993 per advisor per year. The cost of our program in Iraq is approximately \$3,420,000 per advisor. However, a simple per-advisor cost comparison does not accurately portray the extraordinary security and life support costs that are unique to Iraq. INL's costs are commensurate with all other mission personnel in Iraq.

These higher expenses in Iraq are justified because Iraq continues to be strategically important to US foreign policy and to stability in the region. Strengthening Iraq's police forces are an important part of positioning Iraq to be a reliable counterterrorism ally and in ensuring that our objectives in Iraq, which include promotion of the Rule of Law, respect for human rights and ensuring that Iraqi government is sovereign and stable, are all achieved. A professional and capable police force in Iraq, even if imperfect by Western standards, is essential to securing the gains that have been made and we believe that police advisors play an essential role in continuing to develop those forces.

Answer C:

Since the beginning of the program on October 1, 2011, PDP advisors have used the services of the Embassy Air program, along with all other U.S. mission personnel posted in Iraq. After careful review, the Department has decided that the PDP will not have its own dedicated aviation support. As with all other mission personnel, INL will pay for air support based on actual usage. INL provided \$11.52 Million from the FY 10 Supplemental for a share of the estimated construction costs for the Erbil and Baghdad/Sather aviation facilities.

Question 10:

The Special Inspector General for Iraq Reconstruction's October 2011 quarterly report to Congress describes an interview with the Government of Iraq (GOI)'s Senior Deputy Minister of Interior (MOI) Adnan al-Asadi on the PDP. In the interview, the Senior Deputy Minister stated that al-Asadi had "grave doubts as to the efficacy of the PDP" and predicted that it would provide "very little benefit to the MOI." SIGIR's audit further notes that "According to INL officials, they do not yet have a written cost-sharing agreement with the Government of Iraq on the PDP. However, an INL official said that obtaining a written agreement is neither required nor critical."

- A. Is INL no longer seeking a written cost-sharing agreement with the Government of Iraq? If so, do you expect the American people to foot the full bill for a program about which al-Asadi stated: "I don't need it. I won't ask for it. But if you provide it, it will be a benefit and will add to our Ministry"?
- B. What other police training programs worldwide operate without a written agreement with the host government?
- C. How should the Congress interpret the comment made that an agreement was not necessary? Is this official State Department policy?

Answer A:

The PDP is covered by the 2008 Strategic Framework Agreement (SFA), which is the umbrella agreement for all of our cooperation in Iraq. In Section VIII (Law Enforcement and Judicial Cooperation) of the SFA the United States and Iraq agree to extensive cooperation in the police sector.

The MOI commitment to the program, including financial participation, is well established. The Embassy has two signed agreements with the Government of Iraq that provide use of land for PDP operations at no cost: a December 2011 land-use agreement regarding the use of the Baghdad Police College Annex, signed by Senior Deputy Minister Adnan al-Asadi; and an August 2011 Memorandum of Understanding regarding land use and logistics operations in Erbil with the Kurdish Minister of Interior, Karim Sinjari. The GOI has also waived the landing fees for all USG flights within Iraq. Unlike previous police assistance programs in Iraq, the PDP provides only advisory and training assistance and the Government of Iraq funds all infrastructure, operational, support, and equipment costs for Iraq's civilian security forces, which total over 400,000 personnel.

In a November 2011 meeting with a senior State INL official, in response to questions about his reported statements, Deputy Minister Adnan Al-Asadi emphasized that he and the Government of Iraq want and value the PDP. He expressed the hope that the United States could reduce security costs, so the program would be even more beneficial for Iraq. Al-Asadi reaffirmed that Iraq sees the PDP as a critical tool for helping the relatively new Iraqi law enforcement institutions further mature and grow. He also reinforced that message during a trip to the Baghdad Police College Annex, the PDP's base of operations, where he met with Senior Police Advisors and reiterated that MOI and Iraq need their expertise to work better and to help better serve Iraq's people. He made clear that he looks to our advisors to be role models for Iraq's still maturing police force.

The Iraqi government and the Ministry of Interior (MOI) have made great strides in building public security institutions, with help from the United States and other partners. However, law enforcement in Iraq was isolated during the Saddam years from the critical police reform and modernization efforts undertaken by most developed nations (e.g., in areas such as human rights and gender equality, criminal investigations and forensics, technology). It will take time and help, which we are providing through the PDP, to enable them to catch up and build a capacity to undertake further reform efforts effectively on their own. While building Iraqi law enforcement capabilities, the PDP also reinforces the strong ties between the United States and Iraq, particularly in the security and law enforcement sector. This collaborative relationship benefits the United States in important ways—not only contributing to more effective protection of U.S. government and private personnel, facilities, and businesses, but also facilitating our common fight against transnational threats such as terrorism, money-laundering, and smuggling of humans and illicit materials.

Answers B and C:

INL's policy is to provide assistance through a bilateral agreement with host governments as authorized under Section 481 of the Foreign Assistance Act of 1961, as amended, for INCLE foreign assistance funds. INL has 122 bilateral agreements in countries receiving U.S. foreign assistance for narcotics control, law enforcement, and criminal justice sector capacity building programs. The bilateral agreement is a key component to State/INL's strategy of establishing commitment of the host government and ensuring compliance with appropriate foreign assistance statutes.

While it is usual INL practice to operate police programs through bilateral agreements with host countries, there are a few exceptions. As noted earlier, we

The PDP is covered by the 2008 Strategic Framework Agreement, which is the umbrella agreement for all U.S. government cooperation in Iraq. In Section VIII (Law Enforcement and Judicial Cooperation) of the Strategic Framework Agreement, the United States and Iraq agree to extensive cooperation in the police sector.

Question 11:

The budget request includes \$370 million in economic assistance for the West Bank and Gaza, as well as \$70 million in assistance for the Palestinian Authority Security Forces.

- How much of the economic assistance will be direct support for the PA budget? Under what conditions would the Department discontinue that assistance?
- Given that Fatah and Hamas are on the verge of forming a new PA government, and that Abu Mazen will likely continue to pursue his dangerous Palestinian statehood scheme at the UN, why is the U.S. proposing further assistance to the PA?
- What are the specific purposes of the \$70 million for the PASF?

Answer:

Budget Support. Direct budget support to the Palestinian Authority (PA) is among the most immediate and efficient means of helping the PA build the foundations of a viable, peaceful future Palestinian state. In FY2011, we provided \$200M in direct budget support to the Palestinian Authority. In FY2012 we have set aside the same amount, and in FY2013, we plan to provide \$150 million in direct budget support. As always, the PA will only be authorized to use funds for purposes approved by USAID. Vetting under established procedures is a prerequisite for the disbursements of funds to specific private sector creditors, and we have full audit rights.

Reconciliation and Enhanced Status Efforts. We continue to monitor the intra-Palestinian reconciliation process which, for now, appears stalled. Mahmoud Abbas remains the President of the PA and Salam Fayyad remains the Prime Minister, and no interim government is in the works. If an interim government that includes Hamas is formed, we will reevaluate Hamas' influence and our engagement with

that government in accordance with U.S. policy and law. Likewise, our view on Palestinian attempts to enhance their status outside of direct negotiations is clear, and we have opposed it in every fora, every time.

PASF Assistance. The \$70 million in Palestinian Authority Security Forces (PASF) assistance for 2013 and beyond is intended to provide the PA with the ability to maintain their security forces and infrastructure, as our work in this area has been essential to the creation of professional and reliable PASF that both Palestinians and Israelis can trust. The ability to maintain security and fight terrorism is a fundamental building block for peace and an essential element for a future negotiated settlement, and benefits Israelis and Palestinians alike.

Question 12:

With its growing economy and vast foreign reserves, it would seem that Beijing has more than enough money to deal with its own citizens' health issues. Borrowing money from the Chinese government to spend back in China on health programs there seems a particularly bad use of U.S. government funds especially as average Americans struggle to cover their own rising health care costs.

- Why are we proposing two million dollars in support of health programs in China when the Chinese hold an estimated 1.2 trillion dollars of U.S. debt?

Answer:

The United States pursues a long-term strategy vis-à-vis China to protect and promote U.S. national interests and values, and a component of this strategy is targeted programs in health to limit the transmission of infectious diseases that pose threats throughout the region and the rest of world, including the United States. As China transitions from a recipient to a donor nation, our assistance continues to decrease. The FY 2013 bilateral request for China includes \$2 million for the Global Health Program (GHP-State), down from \$5 million in FY 2011 and \$3 million in FY 2012.

The focus of the U.S. government HIV/AIDS program for the past five years has been to foster nationwide scale-up of activities by the Chinese government and other donor agencies. While China provides over 80 percent of the funding for its national HIV/AIDS program, U.S. government technical assistance builds capacity in key technical areas in select high-prevalence areas for Chinese replication both in country and globally. FY 2011 is the last year in which USAID received bilateral HIV/AIDS funding for China. With GHP-State support in FY 2012, key USAID programs supporting civil society and their role in the national AIDS response will transition to local organizations, and USAID projects will close out by the end of September 2013.

The Department of State's \$2 million FY 2013 request will continue to support the Centers for Disease Control programs addressing HIV/AIDS in China. The goal is to assist China in preventing its HIV prevalence from rising in areas with high HIV prevalence; mitigate the effect of HIV on the Chinese people; and provide technical assistance and capacity building to assure that Chinese efforts meet internationally accepted best practices.

Question 13:

Migration and Refugee Assistance. In contrast to the \$462 million increase the Administration is seeking for State Department salaries and operations, you propose to cut \$250 million—a quarter of a billion dollars—from current-year Migration and Refugee Assistance, which provides lifesaving help to some of the world's most vulnerable people, and has long enjoyed bipartisan support in Congress.

- Do you anticipate that refugee protection needs will be that much less in 2013?
- What would this reduction eliminate, in terms of specific programs and resettlement numbers, compared to what the United States is doing this year?

Answer:

The Administration remains dedicated to providing robust support for humanitarian programs worldwide. The President's FY 2013 request includes \$1.675 billion for the Migration Refugee Assistance and the Emergency Refugee and Migration Assistance accounts. While this represents a decrease in funding available for humanitarian programs supported by these accounts in FY 2012, it represents a \$30.3 million increase from the President's FY 2012 request for these accounts. This increase reflects the Administration's ongoing commitment to humanitarian programs, while taking into account the current constrained budget environment.

Refugee protection needs are not expected to decrease in FY 2013. The request will allow the Department to continue to support humanitarian programs for refu-

gees and conflict victims worldwide, albeit at a lower level than is expected in FY 2012.

The State Operating account funds the resources that support diplomatic relations. It will allow us to continue to hire and train foreign service officers and other personnel who carry out U.S. foreign policy worldwide, and pay the salaries of our 44,675 locally hired staff who ably support our embassies and consulates. The request provides resources to promote diplomatic solutions and engage in critical public diplomacy and cultural exchange programs. It also provides tangible and necessary support services such as contracting, security, information technology and communications, and medical services to support our staff and our missions.

Question 14:

The budget request indicates that almost all health programs under the Global Health Initiative (GHI) have received a reduction in funding, except for Family Planning and Reproductive Health, and the Global Fund. In fact, the Fiscal Year 2013 request for the Global Fund is \$1.65 billion, an increase of 27% from Fiscal Year 2012 and a 120% increase from Fiscal Year 2011.

- How do you justify such a substantial increase to the Global Fund? Could you comment on the recent instances of graft that the Global Fund has suffered and what steps have been taken to avoid future instances of waste and abuse of U.S. taxpayer dollars?
- In your opinion, does this request reflect the will of Congress as indicated by the 2008 Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008?
- With these proposed increases, how do you intend to meet the spending directive for Orphaned and Vulnerable Children (OVC) authorized under the 2008 Act?

Answer:

GLOBAL FUND

PEPFAR and Global Fund-financed programs are complementary. As we move aggressively to a sustainable response to HIV/AIDS, a key principle of the 2008 Hyde-Lantos PEPFAR reauthorization, it is critical that we have a strong Global Fund to support our bilateral efforts. PEPFAR, the Global Fund, and partner countries are working closely together to eliminate duplicative investments and improve the program response to HIV/AIDS—which will ultimately result in an overall decrease in PEPFAR’s programming costs at the same time services are expanded to reach more people. For Fiscal Year (FY) 2013, we had a unique opportunity to meet our PEPFAR goals while also putting additional resources into the Fund, recognizing that a strong PEPFAR requires a strong Global Fund. By focusing on proven interventions and continuing to push for greater efficiency and lower costs, PEPFAR continues to meet goals without additional resources.

The United States takes all allegations of corruption and fraud extremely seriously; we have been a leader in calling for reform of the Global Fund and we remain committed to ensuring that the Global Fund maintains the highest standards of transparency, accountability, and efficiency to support its core mandate of saving lives. In November 2011, we called upon the Global Fund Board and Secretariat to develop an action agenda that includes clear timelines and measures progress so all parties can be held accountable for the clear steps that must be taken for necessary improvements. The United States is working with and through the Global Fund Board, Secretariat, and our bilateral programs to strengthen the Global Fund’s internal oversight systems and to increase country-level capacity to comply with Global Fund requirements in order to prevent any future misuse of funds and improve capacity to maximize the impact of Global Fund resources. The Fund is working on this action plan, which will address issues uncovered by the Global Fund Inspector General. The Global Fund’s transition to a more flexible, sustainable and predictable funding model, adopted in November 2011 with strong United States Government support, will also ensure that resources go to high-impact interventions and to people with the greatest need.

The appointment of General Manager Gabriel Jaramillo in February 2012 demonstrates the Fund’s commitment to implement its aggressive reform agenda as urged by the United States Government. Mr. Jaramillo is committed to the Fund’s reform agenda, having served on the independent High-Level Panel that evaluated the Global Fund’s financial oversight systems. Mr. Jaramillo has also emphasized strengthening the Global Fund’s grant management and grant impact in country during the 12 months that is expected to serve at the Fund.

Under the Administration's FY 13 request, PEPFAR will have the resources to continue to meet the 10 percent directive for orphaned and vulnerable children by supporting child-centered, family-focused, community-based, and government-supported programming. In addition to direct services for children, PEPFAR programs will continue to strengthen families as primary caregivers of children, support capacity of communities to create protective and caring environments, work on household economic strengthening for the sustainable and long term well-being of children, build capacity of social service systems to protect the vulnerable, and support life skills training, education and HIV prevention for children and youth.

A recent external review noted PEPFAR's role as the largest global funder of programs for orphaned and vulnerable children and found that "over the last 30 years, a unique groundswell of support has emerged from families and communities to protect and support children affected by HIV and AIDS . . . with the funding and technical support of PEPFAR and others, this groundswell has developed into massive capacity, with widespread and deep community penetration by community based organizations." PEPFAR leverages its significant resources to bring in other partners (e.g. the private sector, governments, and other donors) to support a comprehensive, multisectoral approach. This includes an emphasis on promoting a coordinated system of services integrated throughout the continuum of care that includes but goes beyond health needs of children and addresses overall vulnerability due to HIV/AIDS. This approach will be maintained and strengthened with the resources requested in the FY 13 budget.

In addition to the OVC programs counted toward the directive, it is important to note that PEPFAR's prevention, treatment and care programs benefit children in a variety of ways. Children benefit directly from prevention programs such as those to prevent mother-to-child transmission of HIV, as well as pediatric treatment programs for children living with HIV. In addition, children benefit from programs that keep their parents and caregivers alive—approximately 4 million orphans have been averted through PEPFAR treatment programs for adults alone.

Question 15:

I am deeply troubled by the inclusion in your budget request of 39 million dollars for a voluntary contribution to the UN Population Fund, UNFPA.

- Why is the Administration requesting an increase in funding to UNFPA even though that body assists the Chinese government's coercive abortion and sterilization programs?
- What would UNFPA have to do for the Administration to enforce the Kemp-Kasten amendment and cut off funding to UNFPA?

Answer:

The Obama Administration strongly supports UNFPA's goals and programs, which provide life-saving assistance to women, children, and families in over 150 countries. This partnership between the U.S. government and UNFPA is critical to achieving the goals of the Global Health Initiative as well as the Millennium Development Goals. In particular, the partnership with UNFPA helps to advance the promotion of sexual and reproductive health and reproductive rights, including through increased access to voluntary family planning.

UNFPA is the largest multilateral provider of family planning and reproductive health information and services. The USG's partnership with UNFPA leverages funds for these health programs and extends the reach of USG support to a number of countries where USAID does not have programs. Currently, UNFPA has programs in nearly 150 countries and is a world leader in efforts to reduce maternal mortality and morbidity, end female genital mutilation and cutting, treat obstetric fistula, reduce transmission of sexually transmitted infections and HIV/AIDS, and ensure access to health care and essential supplies for women and families during emergency and humanitarian crises. The partnership between the USG and UNFPA is critical to achieving sustained progress in these areas.

The Obama Administration has routinely expressed opposition to China's coercive birth limitation policies. The White House issued a statement on August 23, 2011 articulating the Administration's strong opposition to "all aspects of China's coercive birth limitation policies, including forced abortion and sterilization." In March 2009, based on a review of available facts, Secretary Clinton concluded that the Kemp-Kasten amendment does not preclude U.S. funding to UNFPA. We continue to monitor UNFPA's programs and remain convinced that the available facts show that UNFPA does not support or participate in the management of a program of coercive abortion or involuntary sterilization, and that UNFPA has been a catalyst for greater acceptance of voluntary family planning and works against practices such as sex selective abortion, coercive abortion, and involuntary sterilization in its China coun-

try program. The fundamental principle of UNFPA's work in China is to promote programs and policies that are based on a human rights approach to reproductive health, an approach they work to promote in countries around the world.

We are grateful for the support that Congress has shown for UNFPA programs and activities over the past three years, including the \$35 million Congress appropriated for UNFPA in FY 2012. This important renewal of U.S. leadership in promoting sexual and reproductive health and reproductive rights, including through increased access to voluntary family planning, has helped UNFPA advance health and development programs for vulnerable women and girls around the world.

Question 16:

As you are aware, the compensation fund for American victims of Libyan terrorism established pursuant to the Libyan Claims Resolution Act may incur a shortfall. Please describe what efforts, if any, the Department is undertaking to: 1) establish contingency plans in the event of a shortfall; 2) engage in state-to-state negotiations with the new Libyan government to ensure that American victims of Libyan state-sponsored terrorism receive full compensation in accordance with awards set forth by the Foreign Claims Settlement Commission; and 3) use assets belonging to Muammar Qaddafi, the Qaddafi family and advisors currently under U.S. control to compensate these American victims of terrorism.

Answer:

The Department believes that it is premature to determine whether there will be a shortfall in settlement funds. The Foreign Claims Settlement Commission (FCSC) is still in the process of adjudicating and, in some cases, establishing the appropriate levels of compensation for many of the claims that were referred to it as part of the Libya claims program. The FCSC must be allowed to complete more of this work before a projection regarding the sufficiency of settlement funds can be made. In the event of a shortfall, the International Claims Settlement Act of 1949 establishes that each claimant who receives an award from the FCSC will receive a pro rata share of the available settlement funds up to the full amount of that award.

Regarding possible state-to-state negotiations, the 2008 U.S.-Libya Claims Settlement Agreement provided for the "full and final settlement" of terrorism-related claims against Libya and its public officials in exchange for the \$1.5 billion settlement amount. Given the terms of this agreement, there does not appear to be a legal basis for seeking additional compensation from the Government of Libya at this juncture. Doing so could well undermine our efforts to secure compensation for other U.S. nationals through similar claims settlements with other governments in the future.

Furthermore, frozen Qadhafi family assets would not be an appropriate source of additional funds for these claims, which the United States has already settled through the 2008 U.S.-Libya Claims Settlement Agreement. This would similarly undermine the United States' ability to conclude similar claims settlements on behalf of U.S. nationals in the future. Moreover, those Qadhafi family assets that are in the United States have been frozen pursuant to legally-binding U.N. Security Council Resolutions. Those resolutions indicate that any frozen assets shall be used for the benefit and in accordance with the needs and wishes of the Libyan people. If the United States were to unilaterally decide on an alternative disposition of these assets, it would undermine our ability to obtain similar U.N. action in the future and could expose the United States to claims under international law.

In any event, we are not aware of any Qadhafi family member interest in the assets that comprise the amounts reported publicly by the Office of Foreign Assets Control (OFAC) as blocked pursuant to the Libya sanctions program. We understand that the only property reported to OFAC as blocked pursuant to Executive Order 13566 that might contain an interest of a Qadhafi family member is non-liquid property regarding which valuation would be difficult to ascertain and that may have no significant value.

ADDITIONAL QUESTIONS SUBMITTED FOR THE RECORD TO THE HONORABLE HILLARY
RODHAM CLINTON BY THE HONORABLE ILEANA ROS-LEHTINEN

Question:

As you know, Section 47(9) of the Arms Export Control Act (AECA) defines "significant military equipment" as articles "for which special export controls are warranted because of the capacity of such articles for substantial military utility or capability" and identified on the United States Munitions List (USML). Will the Department provide to the Committee a list of all significant military equipment cur-

rently on the USML that is proposed for removal from the Munitions List pursuant to section 38(f) of the AECA? If so, when? If not, why not?

Answer:

The Department notification under section 38(f) of the AECA will identify those defense articles designated as significant military equipment proposed for removal from the USML consistent with the controls currently enumerated on the USML for such articles.

Question:

The proposed creation of a “Commerce Munitions List” (CML) within the larger Commerce Control List—which as I understand it would include certain lethal firearms, numerous non-weaponized end items, and various parts, components, software (including source code), and production technology specially designed for commodities on the USML or CML—raises a number of questions about the relationship of the proposed CML to the authorities governing the provision of U.S. security assistance under Title 22 United States Code (and equally, to those related authorities under Title 10 U.S.C.).

To the extent that articles proposed to be transferred to the Commerce Munitions List may be transferred to a foreign country or international organization pursuant to authorities for Foreign Military Financing, Foreign Military Sales, the Pakistan Counterinsurgency Contingency Fund or any other State Department administered security assistance program, would the requirements of section 502 of the Foreign Assistance Act—“Utilization of Defense Articles and Services”—apply to articles controlled on the CML and subject to the Export Administration regulations? Why or why not?

Answer:

Section 502 of the Foreign Assistance Act of 1961, as amended, (FAA) states that defense articles and defense services to any country shall be furnished solely for internal security, legitimate self-defense, and certain other specified purposes. For the purposes of section 502, the terms “defense articles” and “defense services” are defined in section 644 of the FAA¹ and are independent of the USML (unlike the definition of “defense articles and defense services” applicable to section 38 of the AECA, which is laid out in section 47(7) of the AECA). Therefore, whether a given item is controlled on the USML or is a military item controlled in 600 series ECCNs on the CCL has no impact on the question of what constitutes a defense article or defense service for the purposes of section 502.

Question:

Would the limitations of section 502B—“Human Rights”—apply to CML-controlled articles provided under the authority of Part II of the Foreign Assistance Act, the Arms Export Control Act, or licensed or otherwise authorized for export under the Export Administration Regulations? Why or why not?

Answer:

Section 502B(a)(2) states that “[e]xcept under circumstances specified in this section, no security assistance may be provided to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights. Security assistance may not be provided to the police, domestic intelligence, or similar law enforcement forces of a country, and licenses may not be issued under the Export Administration Act of 1979 for the export of crime control and detection instruments and equipment to a country, the government of which engages in a consistent pattern of gross violations of internationally recognized human rights [subject to certain exceptions]. Assistance may not be provided under chapter 5 of this part to a country the government of which engages in a consistent pattern

¹“Defense article” is defined as “(1) any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war; (2) any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance; (3) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing storage, construction, transportation, operation, or use of any article listed in this subsection; or (4) any component or part of any article listed in this subsection. . . .” The definition specifically excludes merchant vessels and certain source material as defined in the Atomic Energy Act of 1954.

“Defense service” is defined as “any service, test, inspection, repair, publication, or technical or other assistance or defense information used for the purposes of furnishing military assistance, but does not include military educational and training activities under chapter 5 of part II.”

of gross violations of internationally recognized human rights [subject to certain exceptions].”

For the purposes of section 502B, “security assistance” is defined as “(A) assistance under chapter 2 (military assistance) or chapter 4 (economic support fund) or chapter 5 (military education and training) or chapter 6 (peacekeeping operations) or chapter 8 (antiterrorism assistance) of [part II of the FAA]; (B) sales of defense articles or services, extensions of credits (including participation in credits, and guaranties of loans under the [AECA]; or (C) any license in effect with respect to the export of defense articles or defense services to or for the armed forces, police, intelligence, or other internal security forces of a foreign country under section 38 of the [AECA].” Removal of items from the USML will have an effect on the section 502B restriction only to the extent that the restriction on licenses is limited to export of defense articles and services under section 38 because the definition of “security assistance” in section 502B incorporates section 38 by reference. The removal of items from the USML would have no effect on the application of section 502B to security assistance or FMS.

Question:

Would the provisions of section 503—“General Authority” for military assistance—apply to CML-controlled articles, including any such articles provided by grant or loan? Please explain.

Answer:

We do not currently rely on section 503 to provide military assistance. Nor does section 503 incorporate section 38 of the AECA, so whether an item is controlled on the USML or is a military item controlled in 600 series ECCNs on the CCL is not relevant to section 503.

Question:

Would the provisions of section 505—“Conditions of Eligibility”—apply to CML-controlled articles provided to a foreign country by grant? Why or why not?

Answer:

Section 505 sets forth conditions for eligibility for the furnishing of defense articles, related training and other defense services to foreign countries on a grant basis. The question of whether section 505 applies to the furnishing of a given article or service on a grant basis turns on the question of whether such article or service falls within the FAA’s definition of “defense article” or “defense service,” which, as noted above, do not relate to whether an item is controlled on the USML or is a military item controlled in 600 series ECCNs on the CCL. Thus, any changes to the USML are not relevant to the application of section 505.

Question:

Would the provisions of section 506—“Special Authority”—including the Congressional notification requirements therein, apply to the “drawdown” of CML-controlled articles still in the inventory of the Department of Defense? Please explain.

Answer:

Section 506 authorizes two drawdown authorities. Under the first drawdown authority, the President, upon making certain determinations and reporting them to Congress, may direct the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training. This authority may be relied upon to draw down defense articles as defined by section 644 of the FAA, regardless of whether they are included in the USML or is a military item controlled in 600 series ECCNs on the CCL. The second drawdown authority authorizes the President to draw down “articles, services, and military education and training” for the purposes and under the authorities of FAA part I chapters 8 and 9, part II chapters 8 and 9, and the Migration and Refugee Assistance Act of 1962, or for other specified purposes. The nature of the articles that may be drawn down under this drawdown authority is a question of the scope of those underlying authorities, and does not relate to whether the items are found on the USML or is a military item controlled in 600 series ECCNs on the CCL. All drawdown determinations must be reported to Congress and there is an advance notification to Congress of the President’s intent to use such authority.

Question:

Would the provisions of section 516—“Authority to Transfer Excess Defense Articles”—including the Congressional notification requirements therein, apply to CML-controlled articles still in the inventory of the Department of Defense? If your an-

answer turns on a distinction between “military sales” and “commercial sales” in section 644(d)(2) of the FAA and its companion section 47(3)(B) of the AECA, please explain how those definitions would apply to the transfer of excess defense articles.

Answer:

The question of whether a given item is on the USML or is a military item controlled in 600 series ECCNs on the CCL has no bearing on whether it may be transferred pursuant to section 516. “Defense article” for the purposes of section 516 is defined in section 644 of the FAA.

Section 516(f) requires advance notification to Congress for transfer of excess defense articles that are significant military equipment (as defined in section 47(9) of the AECA), or excess defense articles valued, in terms of original acquisition cost, at \$7,000,000 or more. Section 47(9) of the AECA defines “significant military equipment” as articles “(A) for which special export controls are warranted because of the capacity of such articles for substantial military utility or capability; and (B) identified in the United States Munitions List.”

Because the definition of significant military equipment in section 47(9) references the USML, the advance notification requirements of section 516(f) will not apply if an item currently designated as SME is removed from the USML, and if the \$7 million threshold is not met for congressional reporting. However, the items will still be controlled by the Commerce Department under such statutory authorities as the Commerce Department has available to it.

Question:

Alternatively, is it your view that CML-controlled articles—such as the approximately 50 C-130Es at the Aerospace Maintenance and Regeneration Group (AMARG) at Davis-Monthan Air Force Base in Tucson, Arizona (which per Air Force policy require demilitarization and removal of all crypto and GPS systems prior to delivery to a foreign customer)—are ineligible for transfer under section 516 authority? Please explain.

Answer:

The question of whether a given item is on the USML or is a military item controlled in 600 series ECCNs on the CCL has no bearing on whether it may be transferred pursuant to section 516. “Defense article” for the purposes of section 516 is defined in section 644 of the FAA.

Question:

Would the provisions of section 551—“General Authority” for support of peacekeeping operations—apply to CML-controlled articles which the U.S. may seek to transfer to friendly countries and international organizations in support of United Nations peacekeeping operations? Why or why not?

Answer:

Section 551 of the FAA authorizes the President “to furnish assistance to friendly countries and international organizations, on such terms and conditions as he may determine, for peacekeeping operations and other programs carried out in furtherance of the national security interests of the United States. . . .” The question of whether a particular item is a military item controlled in 600 series ECCNs on the CCL has no bearing on the scope of this authority. The provisions of this section apply to the use of funds for PKO activities and those funds may be used for many types of material assistance, all of which must be provided consistent with this authority.

Question:

Would the provisions of section 552(c)—relating to emergency drawdown authority for peacekeeping operations—apply to CML-controlled articles still in the inventory of the Department of Defense? Please explain.

Answer:

The question of whether a particular item is a military item controlled in 600 series ECCNs on the CCL has no bearing on the scope of the drawdown authority in section 552(c). The requirements of that provision would apply to any commodities or services drawdown under that authority.

Question:

Would the provisions of Chapter 8—relating to anti-terrorism assistance—apply to CML-controlled articles? Why or why not?

Answer:

The question of whether a particular item is a military item controlled in 600 series ECCNs on the CCL has no bearing on the scope of the assistance authority in chapter 8 of part II of the FAA. The provisions of this section apply to material assistance provided under that authority of this Chapter, all of which must be provided consistent with this authority.

Question:

Would the provisions of section 582 —“Authorization of Assistance” for non-proliferation and export control assistance—apply to CML-controlled articles? Please explain.

Answer:

The question of whether a particular item is a military item controlled in 600 series ECCNs on the CCL has no bearing on the scope of the assistance authority in section 582 of the FAA. The provisions of this section apply to material assistance provided under that authority of this Chapter, all of which must be provided consistent with this authority.

Question:

Would the provisions of section 620A—“Prohibition on Assistance to Governments Supporting International Terrorism”—apply to CML-controlled articles provided under the authority of Part II of the Foreign Assistance Act? Why or why not?

Answer:

Section 620A(a) of the FAA prohibits assistance under the FAA, the Food for Peace Act, the Peace Corps Act, or the Export-Import Bank Act of 1945 to any country if the Secretary of State determines that the government of that country has repeatedly provided support for acts of international terrorism. This prohibition restricts assistance under specified authorities; it is not structured to apply only to specified items. The scope of the restriction is thus unrelated to whether an item is on the USML or is a military item controlled in 600 series ECCNs on the CCL.

Question:

Would the provisions of section 620G—“Prohibition on Assistance to Countries that Aid Terrorist States”—apply to CML-controlled articles provided under the authority of Part II of the Foreign Assistance Act? Please explain.

Answer:

The restriction in section 620G of the FAA restricts assistance under specified authorities; it is not structured to apply only to specified items. The scope of the restriction is thus unrelated to whether an item is on the USML or a military item controlled in 600 series ECCNs on the CCL.

Question:

Would the provisions of section 620H—“Prohibition on Assistance to Countries that Provide Military Equipment to Terrorist States”—apply to any CML-controlled articles provided under the authority of Part II of the Foreign Assistance Act? Why or why not?

Answer:

The restriction in section 620H of the FAA restricts assistance under specified authorities; it is not structured to apply only to specified items. The scope of the restriction is thus unrelated to whether an item is on the USML or a military item controlled in 600 series ECCNs on the CCL.

Question:

Would the provisions of section 620I—“Prohibition on Assistance to Countries that Restrict United States Humanitarian Assistance”—apply to any CML-controlled articles provided under the authority of Part II of the Foreign Assistance Act? Please explain.

Answer:

The restriction in section 620I of the FAA restricts assistance under specified authorities; it is not structured to apply only to specified items. The scope of the restriction is thus unrelated to whether an item is on the USML or is a military item controlled in 600 series ECCNs on the CCL.

Question:

Would the provisions of section 644—“Definitions”—apply to any CML-controlled articles provided under the authority of Part II of the Foreign Assistance Act? Why or why not?

Answer:

The “Definitions” section of the FAA defines several terms, none of which relate to whether an item is on the USML or is a military item controlled in 600 series ECCNs on the CCL.

Question:

Would the reporting requirements of section 655—“Annual Military Assistance Report”—apply to any CML-controlled articles provided pursuant to the authority of Part II of the Foreign Assistance Act or the Arms Export Control Act, or otherwise licensed or authorized for export to the military or security services of a foreign government? Please explain.

Answer:

The report called for in section 655 includes any defense articles, defense services, and international military education and training activities authorized by the United States.

Section 655(b)(3) provides that the report must specify by category, whether the defense articles were licensed for export under section 38 of the AECA. To the extent that such defense articles are a military item controlled in the 600 series ECCNs on the CCL, the provisions of section 655(b)(3) would not be applicable to those items.

Question:

Would the provisions of section 660—“Prohibiting Police Training”—apply to any CML-controlled articles provided under the authority of the Foreign Assistance Act? Why or why not?

Answer:

Section 660 prohibits the provision of training or advice, or any financial support, for foreign law enforcement and internal intelligence forces provided under the FAA, subject to a number of exceptions. The scope of the restriction is unrelated to whether an item is on the USML or is a military item controlled in 600 series ECCNs on the CCL.

Question:

WITH RESPECT TO THE ARMS EXPORT CONTROL ACT

Will any of the provisions of section 3—“Eligibility”—including U.S. consent to retransfers (and all retransfer-related notifications to Congress), penalties for misuse of U.S.-origin military equipment (and related reporting requirements)—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Please explain.

Answer:

Section 47(7) of the AECA defines “defense articles” and “defense services,” with respect to commercial exports under section 38 of the AECA, as those items that the President designates “as defense articles and defense services for the purposes of [section 38] and to promulgate regulations for the import and export of such articles and services. The items so designated shall constitute the United States Munitions List.” For all other sections of the AECA, the definition of “defense articles” and “defense services” found in section 47(3) essentially mirror the definition found in the Foreign Assistance Act (FAA), section 644.²

²For all other sections of the Arms Export Control Act, a “defense article” is defined as (A) any weapon, weapons system, munition, aircraft, vessel, boat or other implement of war, (B) any property, installation, commodity, material, equipment, supply, or goods used for the purposes of making military sales, (C) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any article listed in this paragraph, and (D) any component or part of any article listed in this paragraph . . . Like the FAA, the definition specifically excludes merchant vessels and certain source material as defined in the Atomic Energy Act of 1954.

A “defense service” is defined in section 47(4) as “any service, test, inspection, repair, publication, or technical or other assistance, or defense information (as defined in section 644(e) of the

Most of the provisions of section 3 of the Arms Export Control Act (AECA) would not be affected by any removal of any item from the United States Munitions List (USML) for the purposes of exports pursuant to Direct Commercial Sales (DCS) under section 38 of the AECA. Because a “defense article” for purposes of a Foreign Military Sale under section 3 is different from a “defense article” under section 38, it is immaterial whether an item is controlled by the USML or is a military item controlled in 600 series ECCNs on the CCL.

Section 3(d)(3)(A) is an exception. If an item that is currently controlled by the USML is removed from the USML and becomes a military item controlled in 600 series ECCNs on the CCL, the Congressional notification requirements for transfer of such an item would no longer be applicable. The notification requirement is triggered by an “export . . . licensed or approved under section 38 of this Act,” which would no longer be applicable.

Question:

Will the provisions of section 4—“Purposes for Which Military Sales by the United States are Authorized”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Why or why not?

Answer:

The provisions of section 4 of the AECA would not be affected by any removal of any item from the USML. The provisions of section 4 only pertain to sales or leases by the United States Government. Because a “defense article” for purposes of section 4 is different from a “defense article” under section 38, it is immaterial whether an item is controlled by the USML or is a military item controlled in 600 series ECCNs on the CCL.

Question:

Will the provisions of section 5—“Prohibition Against Discrimination”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Please explain.

Answer:

The provisions of section 5 of the AECA would not be affected by any removal of any item from the USML. The provisions of section 5 generally apply to sales, credits, or guarantees by the United States Government.

Question:

Will the provisions of section 6—“Foreign Intimidation and Harassment of Individuals in the United States”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Why or why not?

Answer:

Section 6 provides, in part, that “no export licenses may be issued under this Act with respect to any country determined by the President to be engaged in a consistent pattern of acts of intimidation or harassment against individuals in the United States.” This section would not apply to a DCS export of any military item controlled in 600 series ECCNs on the CCL since the statutory authority for that export is not the AECA, but pursuant to such authorities as the Commerce Department has available to it.

Question:

Will any of the provisions of section 21—“Sales from Stocks”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? If your answer turns on a distinction between “military sales” and “commercial sales” in sections 47(3) and 47(7) of the AECA, please explain how the reference to “military sales” in section 47(3)(B) can be construed to apply to *all* FMS sales.

Answer:

Section 47(7) of the AECA defines “defense articles” and “defense services,” with respect to commercial exports under section 38 of the AECA, as those items that the President designates “as defense articles and defense services for the purposes of [section 38] and to promulgate regulations for the import and export of such articles and services. The items so designated shall constitute the United States Muni-

FAA) used for the purposes of making military sales, but does not include design and construction services under section 29 of this Act.”

tions List.” For all other sections of the AECA, the definition of “defense articles” and “defense services” are found in section 47(3) and 47(4), which essentially mirror the definitions found in section 644 of the Foreign Assistance Act (FAA).

The provisions of section 21 of the Arms Export Control Act (AECA) would not be affected by any removal of any item from the United States Munitions List (USML). Because the definitions of “defense article” and “defense service” for purposes of section 21 of the AECA are different from the definitions of “defense article” for purposes of section 38, it is immaterial whether an item is controlled by the USML or is a military item controlled in 600 series ECCNs on the CCL.

Question:

Will any of the provisions of section 22—“Procurement for Cash Sales”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? If your answer turns on a distinction between “military sales” and “commercial sales” in sections 47(3) and 47(7) of the AECA, please explain how the reference to “military sales” in section 47(3)(B) can be construed to apply to *all* FMS sales involving procurement from private parties.

Answer:

The provisions of section 22 of the Arms Export Control Act (AECA) would not be affected by any removal of any item from the United States Munitions List (USML) for the purposes of exports pursuant to Direct Commercial Sales (DCS) under section 38 of the AECA. Because a “defense article” and “defense service” under section 22 is different from a “defense article” under section 38, it is immaterial whether an item is controlled by the USML or is a military item controlled in 600 series ECCNs on the CCL.

Question:

Will any of the provisions of section 23—“Credit Sales”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? If your answer turns on a distinction between “military sales” and “commercial sales” in sections 47(3) and 47(7) of the AECA, please explain how the reference to “military sales” in section 47(3)(B) can be construed to apply to FMF transactions (as opposed to military “sales”).

Answer:

The provisions of section 23 of the Arms Export Control Act (AECA) would not be affected by any removal of any item from the United States Munitions List (USML) for the purposes of exports pursuant to Direct Commercial Sales (DCS) under section 38 of the AECA. Because a “defense article” and “defense service” under section 23 is different from a “defense article” under section 38, it is immaterial whether an item is controlled by the USML or is a military item controlled in 600 series ECCNs on the CCL.

Question:

Will the requirements of section 25—“Annual Estimate and Justification for Sales Program”—apply to any CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Why or why not?

Answer:

Section 25(a)(1) requires the an annual report that sets forth “all sales and commercial exports under this Act of major weapons or weapons-related defense equipment.” The report would therefore include Foreign Military Sales in addition to commercial exports licensed under section 38. Accordingly, to the extent that a “sale” by the U.S. pursuant to an FMS case includes “major weapons or weapons related equipment” that is a military item controlled in 600 series ECCNs on the CCL, such item must be included in the report. For purposes of “commercial exports under this Act,” if such items include military items controlled in 600 series ECCNs on the CCL, such items will not be included in this report.

Question:

Will the provisions of section 29—“Foreign Military Construction Sales”—apply to any CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Please explain.

Answer:

The provisions of section 29 of the Arms Export Control Act (AECA) would not be affected by any removal of any item from the United States Munitions List

(USML) for the purposes of exports pursuant to Direct Commercial Sales (DCS) under section 38 of the AECA.

Question:

Will any of the provisions of section 36—“Reports on Commercial and Governmental Military Exports; Congressional Action”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Why or why not?

Answer:

Some of the provisions of section 36 will be impacted by the removal of items for purposes of export from the USML. Congressional Notification procedures for DCS exports under sections 36(c) and 36(d) will not apply to those items that are moved from the USML to the CCL. The Congressional notification procedures for FMS will not be affected by these proposed changes.

Question:

Will any of the provisions of section 38—“Control of Arms Exports and Imports”—such as those relating to brokering, limitations on license exemptions, ineligibility of exporters, and the identification of consignees and freight forwarders apply to CML-controlled articles (such as semi-automatic weapons up to 50 caliber, utility helicopters, naval vessels, or tactical military transport) that are licensed or otherwise authorized for export? In your explanation, please explain how the absence of such limitations or licensing requirements (such as those relating to brokering), are consistent with international best practices for the regulation of arms and related military equipment?

Answer:

The provisions of section 38 will not apply to an item controlled by the Commerce Department once that item is removed from the USML. The statutory authority for that export is not the AECA, but it will be under such statutory authorities as the Commerce Department has available to it.

The items moving to the Commerce Department will still require authorizations consistent with our international regime commitments and statements of understanding (e.g., Wassenaar’s Elements for Effective Legislation on Arms Brokering). The details of these arrangements are still being considered.

Question:

Will the provisions of section 39—“Fees of Military Sales Agents and other Payments”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Why or why not?

Answer:

Many of the provisions of section 39, Fees of Military Sales Agents and other Payments, of the Arms Export Control Act (AECA) would not be affected by the removal of any item from the United States Munitions List (USML) for the purposes of exports pursuant to Direct Commercial Sales (DCS) under section 38 of the AECA. Because a “defense article” and “defense service” under section 39 is different from a “defense article” under section 38, it is immaterial whether an item is controlled by the USML or is a military item controlled in 600 series ECCNs on the CCL.

To the extent that a provision of section 39 applies to the commercial export of a defense article under section 38, such as section 39(a)(2), those provisions will not apply to an item controlled by the Commerce Department if that item is removed from the USML because the statutory authority for that export is not the AECA, but it will be under such statutory authorities as the Commerce Department has available to it.

Question:

Will the provisions of section 39A—“Prohibition on Incentive Payments”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Please explain.

Answer:

To the extent that a provision of section 39A applies to the commercial export of a defense article under section 38, these provisions will not apply to an item controlled by the Commerce Department once that item has been removed from the USML because the statutory authority for that export is not the AECA, but it will be pursuant to such statutory authorities as the Commerce Department has available to it.

Question:

Will the requirements of section 40—“Transactions with Countries Supporting Acts of International Terrorism”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Why or why not?

Answer:

Unlike other provisions of the AECA, the restrictions laid out in section 40 are keyed to the term, “munitions item,” which section 40(1)(1) defines to mean “any item enumerated on the United States Munitions List (without regard to whether the item is imported or exported from the United States).” Accordingly, the provisions of section 40 will not apply to an item controlled by the Commerce Department if that item is removed from the USML because that item would no longer be a “munitions item.”

While the items transferred from the USML to the CCL will no longer be subject to the restrictions set forth in section 40 of the AECA, they will be subject to the restrictions on exports to terrorism sponsoring countries set forth in section 6(j) of the EAA as kept in force by Executive Order 13222 issued under the International Emergency Economic Powers Act as well as to any restrictions imposed on licenses to specific terrorism sponsoring countries (e.g., Syria Accountability and Lebanese Sovereignty Restoration Act of 2003, Iran-Iraq Arms Non-Proliferation Act of 1992, Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996).

Question:

Will the requirements of section 40A—“End-use Monitoring of Defense Articles and Defense Services”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Please explain.

Answer:

Many of the provisions of section 40A, End-use Monitoring, of the Arms Export Control Act (AECA) would not be affected by any removal of any item from the United States Munitions List (USML) for the purposes of exports pursuant to Direct Commercial Sales (DCS) under section 38 of the AECA. Because a “defense article” and “defense service” under section 40A is different from a “defense article” under section 38, it is immaterial whether an item is controlled by the USML or is a military item controlled in 600 series ECCNs on the CCL.

To the extent that a provision of section 40A applies to the commercial export of a defense article under section 38, those provisions will not apply to an item controlled by the Commerce Department if that item is removed from the USML because the statutory authority for that export is not the AECA, but will be controlled under such statutory authorities as the Commerce Department has available to it.

Question:

Will any of the provisions of section 47—“Definitions”—apply to CML-controlled articles provided under the authority of the Arms Export Control Act, or otherwise licensed or authorized for export? Why or why not?

Answer:

The provisions of section 47, definitions, of the Arms Export Control Act (AECA) will not change, however, the scope of the items that come within the definition of “defense articles and defense services” in section 47(7) will change since it is keyed to the USML. Therefore, once an item is removed from the USML for the purposes of exports under section 38 that item will no longer be under the statutory authority of the AECA, but under such statutory authorities as the Commerce Department has available to it.

Question:

Will the provisions of section 51—“Special Defense Acquisition Fund”—be applicable to CML-controlled articles? Or is it the position of the Department that because section 51 refers to the “acquisition of defense articles and services” that any CML-controlled article would be ineligible for inclusion among those items procured by the Fund? Please explain.

Answer:

The provisions of section 51 of the Arms Export Control Act (AECA) would not be affected by any removal of any item from the United States Munitions List (USML) for the purposes of exports pursuant to Direct Commercial Sales (DCS) under section 38 of the AECA. Because a “defense article” for purposes of section

51 is different from a “defense article” under section 38, it is immaterial whether an item is controlled by the USML or is a military item controlled in 600 series ECCNs on the CCL.

Question:

Will the provisions of section 52—“Use and Transfer of Items Procured by the Fund”—be applicable to CML-controlled articles? Why or why not?

Answer:

The provisions of section 52 of the Arms Export Control Act (AECA) would not be affected by any removal of any item from the United States Munitions List (USML) for the purposes of exports pursuant to Direct Commercial Sales (DCS) under section 38 of the AECA. Because a “defense article” for purposes of section 52 is different from a “defense article” under section 38, it is immaterial whether an item is controlled by the USML or is a military item controlled in 600 series ECCNs on the CCL.

Question:

Will the provisions of section 61—“Leasing Authority”—be applicable to any CML-controlled articles in the inventory of the Department of Defense? Or is it the position of the Department that CML-controlled articles would be ineligible for lease under the authority of the AECA? Please explain.

Answer:

The provisions of section 61 of the Arms Export Control Act (AECA) would not be affected by any removal of any item from the United States Munitions List (USML) for the purposes of exports pursuant to Direct Commercial Sales (DCS) under section 38 of the AECA. Because a “defense article” for purposes of section 61 is different from a “defense article” under section 38, it is immaterial whether an item is controlled by the USML or is a military item controlled in 600 series ECCNs on the CCL.

Question:

Will the provisions of section 62—“Reports to Congress”—be applicable to any CML-controlled articles leased under the authority of Chapter 2 of Part II of the Foreign Assistance Act or of the Arms Export Control Act? Why or why not?

Answer:

The provisions of section 62 of the Arms Export Control Act (AECA) would not be affected by any removal of any item from the United States Munitions List (USML) for the purposes of exports pursuant to Direct Commercial Sales (DCS) under section 38 of the AECA.

Question:

Will the provisions of section 63—“Legislative Review”—be applicable to any CML-controlled article leased under the authority of Chapter 2 of Part II of the Foreign Assistance Act or of the Arms Export Control Act? Please explain.

Answer:

The provisions of section 63 of the Arms Export Control Act (AECA) would not be affected by any removal of any item from the United States Munitions List (USML) for the purposes of exports pursuant to Direct Commercial Sales (DCS) under section 38 of the AECA.

QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE HOWARD L. BERMAN,
A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, WITH WRITTEN
RESPONSES RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Question 1:

On December 13, 2011, the House overwhelmingly passed a resolution calling on Turkey to return confiscated Christian churches and properties (H. Res. 306). The resolution calls on the Secretary of State “in all official contacts with Turkish leaders and other Turkish officials . . . [to] emphasize that Turkey should (1) end all forms of religious discrimination . . . (2) allow the rightful church and lay owners of Christian church properties, without hindrance or restriction, to organize and administer prayer services . . . (3) return to their rightful owners all Christian churches and other places of worship, monasteries, schools, hospitals, monuments, relics, holy sites, and other religious properties.” Are you satisfied that Turkey is

committed to returning confiscated Christian churches and fully respecting the Armenian and other Christian populations that have lived on these lands since biblical times?

Answer:

While I recognize religious minority groups continue to face concerning challenges in Turkey, I am encouraged by concrete steps the Government of Turkey has taken over the past year to return properties to religious communities.

In August 2011 the government issued a decree allowing religious minorities to apply to reclaim churches, synagogues, and other properties confiscated 75 years ago. Several properties have already been returned to the 24 religious minority foundations that have applied thus far. Separately, in November 2010, the government of Turkey returned the Buyukada orphanage to the Ecumenical Patriarchate, in line with a ruling by the European Court of Human Rights.

Turkish officials at the most senior levels have told me they are committed to reopening the Ecumenical Patriarchate's Halki Seminary in the near future. In March, Deputy PM Bekir Bozdag stated, "There are no laws in Turkey against opening a seminary to train Christian clerics; the state will also support such a move."

The government is redrafting its 1982 military-drafted constitution to fully embrace individual rights, including those of religious and ethnic minorities. Significantly, Parliament speaker Cemil Cicek reached out to Orthodox, Jewish, Armenian and Syriac leaders during this process. In response, on February 20, the Ecumenical Patriarch addressed the Turkish Parliament for the first time in the history of the republic, noting the positive changes taking place in Turkey: "Unfortunately, there have been injustices toward minorities until now. These are slowly being corrected and changed. A new Turkey is being born."

These steps are encouraging and we are urging the Government of Turkey to continue returning other properties confiscated from minority religious communities to their rightful owners, as well as moving forward with needed legal reforms in its Constitutional redrafting process. We will continue to remain vigilant of the situation for religious communities and encourage needed reforms in the country.

Question 2:

There have been increasing ceasefire violations in Nagorno-Karabakh, with the most recent resulting in the death of an Armenian soldier. Azerbaijan's President has repeatedly stated that only the first stage of war is over. In January of this year, President Aliyev said, "It's not a frozen conflict, and it's not going to be one." The three Minsk Group Co-Chairs have all called the pulling back of snipers as a crucial step for decreasing tensions. It has been at least a year since both Armenia and Nagorno-Karabakh agreed to this proposal, but Azerbaijan has not. What steps is the Administration taking to encourage Azerbaijan's acceptance of this important proposal to prevent war from resuming in this vital area for U.S. interests?

Answer:

As a Co-Chair of the OSCE Minsk Group, the United States remains deeply committed to helping the sides in the Nagorno-Karabakh conflict reach a lasting and peaceful settlement. The U.S. has emphasized that the parties should show restraint in both their public statements and on the ground to avoid misunderstandings and unintended consequences. We reiterate at every opportunity that there is no military solution to the conflict and that only a peaceful settlement will lead to security, stability, and reconciliation in the region. We regret any loss of life and continue to call upon the sides to take steps—including the withdrawal of snipers—to improve the atmosphere for negotiations, prevent unnecessary casualties, and strengthen implementation of the ceasefire.

Question 3:

Can you give us an update on progress the Administration has made in expanding U.S.-Armenia trade and investment in recent years?

Answer:

The United States remains committed to expanding our economic relations with Armenia. The principle vehicle for addressing issues of trade and investment with Armenia is the U.S.-Armenia Joint Economic Taskforce (USATF). Established in 1999, the USATF meets annually to deepen economic ties between Armenia and the United States, advance market reforms in Armenia, and discuss opportunities for U.S. assistance to contribute to Armenia's long-term economic development. The task force is an open forum to discuss issues of concern and interest to both countries.

The most recent USATF was held in late September 2011 and focused on promoting trade and investment, protecting intellectual property rights, and enhancing the business climate in Armenia.

The United States continues to seek avenues, through our assistance programming, to promote greater linkages between American and Armenian private sector firms with the goal of increasing the volume of bilateral trade and investment. For example, in the coming months the U.S. will sponsor a “Reverse Trade Mission” to the United States for up to 10 Armenian businesspeople from the information technology sector. This mission will provide Armenian entrepreneurs a chance to explore opportunities to buy American products, sell Armenian products, and build mutually beneficial relationships with U.S. counterparts.

Armenia recently completed its five-year compact with the Millennium Challenge Corporation (MCC). That program, with its focus on the agricultural sector, laid the groundwork for increasing agricultural exports and greater private sector investment in the sector, and will have a significant long-term impact on trade.

QUESTION SUBMITTED FOR THE RECORD BY THE HONORABLE CHRISTOPHER H. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY, WITH WRITTEN RESPONSE RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Is there any instance or are there any instances in which the Obama Administration has withheld, or has threatened to withhold, or plans to withhold, or has used or plans to use its voice and vote at international lending organizations to reward with debt relief or loans, or to deny such, or has undertaken or plans to undertake any other retaliatory or incentivizing measure:

- 1) based on that nation’s policy on abortion; or
- 2) based on that nation’s support or opposition to resolutions at the United Nations regarding abortion?

Answer:

Use of the U.S. voice and vote in international lending institutions is based on the economic merits of the projects proposed for such lending and the borrower’s creditworthiness, and complies with U.S. law. Lending by these institutions aims to support economic development. The borrowing countries’ policies on abortion are not considered in these lending decisions.

QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE ENI F.H. FALEOMAVAEGA, A REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA, WITH WRITTEN RESPONSES RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Question 1:

Madame Secretary, Acting Assistant Secretary Rodriguez last year wrote Congress that the Agreement to provide terms for continued free association with the former Trust Territory of Palau through 2024 is “an important element of our Pacific strategy for defense of the U.S. homeland.” It “creates an invaluable security zone . . . vital to our national security.” Palau also votes with us in the U.N. more than any other member. And it took Chinese Muslims from Guantanamo who could not safely be repatriated when no other nation would.

You and others in the Department did a great service to our country by negotiating the Agreement. But, although the Department rushed Palau in 2010 to sign an accord that phases out and reduces assistance by 62 percent, it did not submit the Agreement to Congress until last year after new offset requirements were in place. Then, the Administration’s suggestions for paying for the cost were proposed changes in Interior Department programs that had been previously rejected by the committees of jurisdiction in both Houses. The leaders of both parties in both committees have reiterated that the offset proposals are not viable as have the appropriations committees, although all have said that they want to approve the Agreement—and no Member of Congress has questioned it. Under Secretary of Defense Flournoy last year wrote Congress that “Failure to follow through on our commitments to Palau, as reflected in the [Agreement approval] legislation would jeopardize our defense posture in the Western Pacific.” That sounds like the situation created by the Administration’s offset proposals.

The Nation needs you to try to get OMB to develop congressionally viable offsets. Will you do so?

Answer:

The Palau Compact review process resulted in an agreement between the United States and Palau that we hope will be passed by Congress this session. Under the terms of the Compact Review Agreement, if approved and funded by Congress, Palau would receive a package of assistance worth an additional \$229 million for fiscal years 2010 through 2024. This is an increase of \$229 million over the assistance provided for in the Compact.

Although the Department of State is responsible for U.S. foreign relations with Palau and the Department of Defense maintains the defense relationship, the Department of the Interior has always been responsible for implementing the Compacts as well as the source of funding for assistance programs provided under the Compacts. It is most appropriate that the Palau Compact Review Agreement be funded and implemented in a manner consistent with that of the Compact. The Department of the Interior is the agency responsible for providing assistance and implementing most provisions of the proposed Palau Compact Review legislation. The proposed FY2012 budget for the Department of the Interior included sufficient mandatory savings to cover the cost of Compact programs provided for in the legislation. The Department of the Interior and the Office of Management and Budget worked closely to identify appropriate offsets to cover the assistance.

Former OMB Director Jack Lew has noted that "each of these proposals furthers an important policy goal, while creating sizable savings to the Treasury that could offset the Palau Agreement." OMB Acting Director Jeffrey Zients has stated that "The President's FY 2012 Budget included several legislative proposals with mandatory savings that could offset the \$194 million cost over 10 years to extend the Palau Compact. For example, the proposal for "net receipts sharing" of energy and mineral receipts would provide savings of \$441 million over 10 years. This proposal would make permanent the current arrangement for sharing the cost to administer energy and mineral programs on Federal lands. A form of net receipts sharing was in place during the 1990s, and this proposal has been enacted annually through the appropriations bills since 2008. The proposal has enjoyed the bipartisan support of the majority of Members of Congress and is a viable offset for the Palau Compact." The Administration continues to discuss possible offsets with Congress in the hope of reaching a resolution to the question of offsets.

Question 2:

In 2010, your Department successfully negotiated with the Government of Japan to initiate a visitation program to Japan for United States former prisoners of war from World War II. What steps, if any, has your Department take to encourage the Government of Japan to expand this program to descents and researchers? What steps, if any, has your Department taken to ensure that the visitation program becomes an institutionalize and permanent exchange program between the United States and Japan that is not subject to the Government of Japan's yearly budget review, and is instead supported by a public-private autonomous fund?

Answer:

The Japanese Ministry of Foreign Affairs (MOFA) has now successfully completed two "Japanese/POW Friendship Program" visits for former Prisoners of War (POWs). Participants in the trips have voiced effusive praise for both the opportunity to establish personal contacts in Japan as a step toward personal healing, as well as the attention to detail and coordination by MOFA. MOFA has expressed its intent to continue the program and has submitted to the Ministry of Finance a request for funds to support the trip in 2012. The Lower House of the Japanese Diet has approved the Cabinet's proposed budget, and it is currently pending approval by the Upper House. The Department of State continues to voice appreciation to MOFA for this program and support for its continuation. We believe, however, that the type of funding used to support the program is a matter for the Japanese government to decide.

As currently designed, the Ministry of Foreign Affairs finances participation in the program by seven former POW invitees and a companion of their choosing. Former POWs participating over the past two years have selected children and spouses of children to accompany them as personal attendants. Moreover, in the first year of the program, the Secretary and President of the Descendants Group auxiliary of the American Defenders of Bataan and Corregidor, whose fathers were POWs, participated as primary invitees.

The stated purpose of the friendship program is to "encourage 'reconciliation of minds' by inviting former American POWs to Japan." As proposed and executed, the trips have focused on creating opportunities to build human connections with Japa-

nese citizens and for public speaking by former POWs rather than to conduct historical research.

The POW reconciliation program was designed specifically to provide an opportunity for personal healing and closure for those who suffered through this painful chapter of history. Other programs offer funding for researchers and historians. Such programs include but are not limited to: the Japan- U.S. Educational Commission (Fulbright Program), the Japan Foundation Japanese Studies Fellowship Program, and the National Museum of Japanese History (NMJH) Visiting Scholar Program.

QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE DONALD A. MANZULLO,
A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS, WITH WRITTEN RE-
SPONSES RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Question 1:

America's relationship with the Argentine Republic has been under tremendous pressure ever since that country suffered the largest sovereign default in recent history. Argentina's economic woes have led to billions of dollars worth of losses for the American taxpayer, investor, and government. Argentina has systematically refused to honor over 100 U.S. court judgments and other rulings ordering the government to uphold its obligations to investors all over the world. Frankly Madam Secretary, I am shocked that Argentina, a member of the G-20 club of nations, is given a pass on undermining America's rule of law. The Treasury Department's recent decision to vote against loans to Argentina at International Financial Institutions is a step in the right direction, but this action alone is not enough.

Madam Secretary, what steps are you taking to ensure that the Argentine Republic respects American rule of law and makes whole the remaining investors seeking equitable treatment? Why isn't the State Department not doing more to ensure that American court judgments are respected and honored abroad? Finally, aren't you concerned that America's attractiveness as a global financial center will be undermined if Argentina continues to have access to U.S. financial markets while it continues to avoid international obligations?

Answer:

On the margins of the Cannes G-20 Summit in November, President Obama discussed with President Fernandez de Kirchner the need for Argentina to normalize its relationship with the international financial and investment community, and he urged Argentina to take concrete actions with respect to repayment of outstanding arrears and complying with final and binding arbitral awards. Senior Department of State officials and others in the Administration have followed up with Argentine officials to reinforce the President's message.

The United States believes that it is in the mutual interest of Argentina and the United States, that Argentina resolves its longstanding obligations to creditors and arbitral award holders. Failing this, Argentina's access to U.S. financial markets remains sharply curtailed.

By meeting its obligations to creditors and investors, Argentina would send a strong signal that it welcomes and encourages foreign and domestic investment that is crucial for its sustained economic growth.

Argentina's arrears to U.S. government agencies total about \$550 million, and U.S. government effort, including in the Paris Club of official creditor nations, is appropriately focused on recovering full payment on these loans extended on behalf of American taxpayers. We also continue to use every opportunity to urge Argentina to resolve the claims of private American bondholders and investors.

Question 2:

Madame Secretary, Acting Assistant Secretary Rodriguez wrote Congress last year that continuing the Compact of Free Association with the Republic of Palau through 2024 is "an important element of our Pacific strategy for defense of the U.S. homeland." The Compact "creates an invaluable security zone . . . vital to our national security." Furthermore, Palau also votes with the U.S. and Israel in the United Nations more than any other member state.

The Compact Agreement has bipartisan and bicameral support in Congress. Congress has requested the Administration on numerous of occasions to provide viable offsets for the spending contained in the Compact. It is widely recognized that the relationship with Palau is important and that it has evolved into a strong partnership with people who share American values. Given that our national debt now over

\$15 trillion, any expenditure must be justified and offsets found to balance the costs. At a hearing I held on the Compact in November 2011, witnesses from the Departments of State, Defense and Interior proclaimed Palau's importance, but yet, still did not offer any further options to pay for it, or share the cost.

Why is the State Department not taking ownership in this issue if it is so important to your strategy in the Asia Pacific, and what will you do to push the Office of Management and Budget to identify congressionally viable offsets to get the Compact signed once and for all?

Answer:

Although the Department of State is responsible for U.S. foreign relations with Palau and the Department of Defense maintains the defense relationship, the Department of the Interior has always been responsible for implementing the Compacts as well as the source of funding for assistance programs provided under the Compacts. It is most appropriate that the Palau Compact Review Agreement be funded and implemented in the same manner. The Department of the Interior is the agency responsible for providing assistance and implementing most provisions of the proposed Palau Compact Review legislation. The proposed FY2012 budget for the Department of the Interior included sufficient mandatory savings to cover the cost Compact programs provided for in the legislation. The Department of the Interior and the Office of Management and Budget worked closely to identify appropriate offsets to cover the assistance.

Former OMB Director Jack Lew has noted that "each of these proposals furthers an important policy goal, while creating sizable savings to the Treasury that could offset the Palau Agreement." In a February 6, 2012, letter, OMB Acting Director Jeffrey Zients stated that "The President's FY 2012 Budget included several legislative proposals with mandatory savings that could offset the \$194 million cost over 10 years to extend the Palau Compact. For example, the proposal for 'net receipts sharing' of energy and mineral receipts would provide savings of \$441 million over 10 years. This proposal would make permanent the current arrangement for sharing the cost to administer energy and mineral programs on Federal lands. A form of net receipts sharing was in place during the 1990s, and this proposal has been enacted annually through the appropriations bills since 2008. The proposal has enjoyed the bipartisan support of the majority of Members of Congress and is a viable offset for the Palau Compact." The Administration continues to discuss possible offsets with Congress in the hope of reaching a resolution to the question of offsets.

QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE BRAD SHERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, WITH WRITTEN RESPONSES RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Question 1:

In March 2011 and again in July 2011, Azerbaijan threatened to shoot down civilian airplanes. Would the Administration not waive Section 907 of the FREEDOM Support Act, if Azerbaijan followed through with their threats to shoot down civilian airplanes and other acts of aggression against Nagorno-Karabakh?

Answer:

As a Co-Chair of the Minsk Group, the United States has emphasized that all sides should show restraint in their public statements and on the ground to avoid misunderstandings and unintended consequences. As we emphasized last year, the threat or use of force—including against civil aircraft, which pose no threat themselves—is unacceptable, and runs counter to commitments made by the Presidents of Azerbaijan and Armenia to seek a peaceful, negotiated settlement of the conflict in Nagorno-Karabakh. The United States has continued to make clear to Azerbaijan and Armenia, both bilaterally and through the Minsk Group, that there is no military solution to the conflict.

Question 2:

Given Turkey's and Azerbaijan's ongoing blockade of Armenia, I have concerns about the Administration's Budget with respect to Armenia and the region. While the entire account received an approximately 18 percent cut, I am concerned about the economic impact of the dual blockades against Armenia. We should not be reducing aid to Armenia, but rather looking at ways to assist Armenia in overcoming the dual blockades. What steps are being taking to press Turkey to end its blockade of Armenia?

Answer:

After being essentially straight-lined in FY 2011 and FY 2012, our proposed assistance budget for Armenia compares favorably with the rest of the region, which has been reduced by 25 percent between FY 2011 and FY 2013. Comparatively, our request for Armenia in FY 2013 represents a reduction of less than \$8 million, or approximately 17 percent. These reductions reflect the difficult tradeoffs we have to make between competing priorities in a difficult budget environment.

U.S. assistance seeks to enhance Armenia's position as a stable partner at peace with its neighbors, fully integrated into the regional economy, where principles of democracy are respected, and the benefits of economic growth are shared by all segments of society. While the proposed budget will require us to make some difficult choices between specific programs, we believe the resources requested are sufficient to continue robust support to top assistance priorities such as fostering regional stability, promoting economic growth, and advancing democracy and the rule of law.

U.S. assistance will continue to support confidence-building measures designed to build linkages with Azerbaijan and Turkey. We will also support conflict mitigation projects and international visitor exchanges to promote mutual understanding between neighboring countries. We will sustain efforts to develop a stable and predictable economic environment that encourages the private sector to make productive and growth-enhancing investments.

We continue to urge Turkey to ratify the 2009 bilateral protocols. We believe normalization carries important benefits for Turkey and Armenia, and will foster increased stability and prosperity in the entire Caucasus region. We will continue to work to promote understanding between Turkey and Armenia, including by encouraging people-to-people cultural and economic contacts, and other cross-border and regional initiatives.

Question 3:

Madame Secretary, Congress has provided aid to the people of Nagorno Karabakh over the years, but I remain concerned about whether such assistance is actually delivered to Nagorno Karabakh. Do you support ongoing U.S. assistance to help the people of Nagorno Karabakh?

Answer:

The Administration shares Congress' view on the importance of aiding those who have been affected by the conflict over Nagorno-Karabakh (NK). Since 1998, the United States has provided over \$37 million in humanitarian assistance to victims of the NK conflict, including food, shelter, emergency and medical supplies, access to quality healthcare and water, and demining projects. In addition to the ongoing demining project which has thus far cleared 94% of anti-personnel and anti-tank mines and 71% of the battle area, we are concluding a potable water project that will expand access to clean water in the city of Stepanakert. We intend to continue our support to the people of Nagorno-Karabakh in FY 2013.

Question 4:

I request that our aid programs in Georgia, while supporting development throughout the entire country, focus on the relatively impoverished and under-developed Javakh region in the south of Georgia. We should provide a robust U.S. aid package for Georgia that includes targeted assistance to the Javakh region. Do you support U.S. aid to the Javakh region of Georgia?

Answer:

The United States has, and continues to focus significant assistance resources toward programs that benefit the Samtskhe-Javakheti region of Georgia. By far, the largest U.S. Government investment has been the over \$200 million Millennium Challenge Corporation (MCC) effort that rehabilitated approximately 222 kilometers of a main road linking Tbilisi with Samtskhe-Javakheti to foster economic development in the region through increasing exports of agricultural products.

Other efforts in the bilateral budget are leveraging the MCC investment, including agriculture development efforts, which have supported various activities including cattle farming, trout farming, potato production, dairy processing, feed production and beekeeping. We are supporting private sector development by promoting development of small- and medium-sized enterprises in the tourism sector, increasing the access to long-term finance, and broadening business training opportunities.

Our programs also target social sector and democratic development. U.S. assistance rehabilitated three public hospitals in the region, and a new primary education project includes teaching Georgian language in schools in Samtskhe-Javakheti to improve the children's ability to participate in the Georgian economy and political life. U.S. democracy programs are focused on empowering people and organizations

to debate and resolve issues and increasing active citizen participation in the electoral process, both of which are integral to building a cohesive multi-ethnic nation.

QUESTION SUBMITTED FOR THE RECORD BY THE HONORABLE STEVE CHABOT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO, WITH WRITTEN RESPONSE RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Question:

The Subcommittee on Asia and the Pacific, in November of 2011, held a hearing to assess the 15-year renewal of the Compact of Free Association with the Republic of Palau. Both Chairman Manzullo and Ranking Member Faleomavaega expressed a commitment to enacting legislation approving a revised Agreement.

As you know, our nations have longstanding ties. Acting Assistant Secretary Rodriguez recently wrote continued free association with Palau is “an important element of our Pacific strategy for defense of the U.S. homeland,” creating “an invaluable security zone . . . vital to our national security. Undersecretary of Defense Flournoy has said that “failure to follow through on our commitments to Palau . . . would jeopardize our defense posture in the Western Pacific.”

It has become apparent that budget offsets proposed to pay for the Agreement by the Administration do not meet with the approval of a bipartisan majority in Congress. Will you work with the Committee to identify offsets that can meet with the approval of Congress so that we may move forward with enacting legislation?

Answer:

Although the Department of State is responsible for U.S. foreign relations with Palau and the Department of Defense maintains the defense relationship, the Department of the Interior has always been responsible for implementing the Compacts as well as the source of funding for assistance programs provided under the Compacts. It is most appropriate that the Palau Compact Review Agreement be funded and implemented in the same manner. The Department of the Interior is the agency responsible for providing assistance and implementing most provisions of the proposed Palau Compact Review legislation. The proposed FY2012 budget for the Department of the Interior included sufficient mandatory savings to cover the cost Compact programs provided for in the legislation. The Department of the Interior and the Office of Management and Budget worked closely to identify appropriate offsets to cover the assistance.

Former OMB Director Jack Lew has noted that “each of these proposals furthers an important policy goal, while creating sizable savings to the Treasury that could offset the Palau Agreement.” In a February 6, 2012, letter, OMB Acting Director Jeffrey Zients stated that “The President’s FY 2012 Budget included several legislative proposals with mandatory savings that could offset the \$194 million cost over 10 years to extend the Palau Compact. For example, the proposal for ‘net receipts sharing’ of energy and mineral receipts would provide savings of \$441 million over 10 years. This proposal would make permanent the current arrangement for sharing the cost to administer energy and mineral programs on Federal lands. A form of net receipts sharing was in place during the 1990s, and this proposal has been enacted annually through the appropriations bills since 2008. The proposal has enjoyed the bipartisan support of the majority of Members of Congress and is a viable offset for the Palau Compact.” The Administration continues to discuss possible offsets with Congress in the hope of reaching a resolution to the question of offsets.

QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE RUSS CARNAHAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI, WITH WRITTEN RESPONSES RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Question 1:

International science engagement has become a regular and important part of the State Department’s toolbox for working with countries. I have long believed that this is an important part of our diplomatic engagement around the world. To that end, I am working on legislation to further develop these initiatives. Much of this work has been mostly done through science and technology agreements with other countries which focus on knowledge exchange and basic scientific research and education. Recently, however, initiatives which focus more on the commercialization of science and technology, entrepreneurship, and innovation have become part of the

State Department's repertoire. Why has there been a shift in priorities, and how is this in our diplomatic, security, and economic interests? Further, how does this investment of US tax dollars in this manner help US businesses and companies?

Answer:

The Department has expanded, not shifted, its priorities to address commercialization of science and technology, entrepreneurship, and innovation. We continue to vigorously support science and technology cooperation in areas such as STEM education, basic scientific research, and fact-based decision making. We have over fifty umbrella Science & Technology Agreements with countries around the world that enhance the exchange of knowledge and promote cooperation among scientists.

We have expanded our global engagement to include topics that are integral to our foreign policy objectives worldwide. Commercialization of science and technology, entrepreneurship, and innovation are essential for the economic growth and prosperity of the United States and its foreign partners. When other countries learn our processes, value open competition, accept international standards and protect intellectual property, the U.S. private sector benefits.

Through our science, technology and innovation efforts, we are helping our foreign partners become more responsive to the needs of their citizens. Our programs create economic opportunities for those scientists and engineers who might otherwise be tempted to use their knowledge for nefarious purposes.

In the short term, the Department's programs have the potential to lead to new products and new markets for U.S. and foreign companies. In the long term, these programs may contribute to more substantive cultural changes that bolster the local, regional, and global economic and security environment.

Question 2:

Madam Secretary, as you know, the Republic of Argentina has still not resolved issues stemming from its 2001 default, and a significant amount of the sovereign debt on which Argentina defaulted was issued by Argentina under U.S. law to U.S. investors. This default and accompanying policies have impacted a diverse array of Americans, from large investors to farmers to educators' pensions. I commend you, the Department of Treasury, and the White House for taking steps to help resolve this in a way that is in the best interests of both of our countries. However, Argentina has still not resolved the issue despite having the means to settle its default. I remain concerned that even though Argentina promised to follow U.S. law when it issued bonds to Americans in U.S. markets, it has since evaded over one hundred judgments against it in U.S. courts leaving Americans with no other legal recourse. I believe that it is our government's role to stand up to Argentina on these Americans' behalf.

Would you elaborate on why it is important for the international community, as well as in Argentina's long-term interest, to resolve these issues? Also, what steps are being taken by the State Department to address this situation and encourage Argentina to meet its international obligations?

Answer:

On the margins of the Cannes G-20 Summit in November, President Obama discussed with President Fernandez de Kirchner the need for Argentina to normalize its relationship with the international financial and investment community, and he urged Argentina to take concrete actions with respect to repayment of outstanding arrears and complying with final and binding arbitral awards. Senior State Department officials and others in the Administration have followed up with Argentine officials to reinforce the President's message.

We believe it is in the mutual interest of Argentina and the United States that Argentina resolve its longstanding obligations to creditors and arbitral award holders.

In meeting its obligations to creditors and investors, Argentina will send a strong signal that it welcomes and encourages foreign and domestic investment that is crucial for the sustained economic growth.

QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE CONNIE MACK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, WITH WRITTEN RESPONSES RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Question 1:

Secretary Clinton, on October 27, 2011 you testified before the House Committee on Foreign Affairs that you had "no record of any request" for an export license from

the Department of Justice despite the Department causing 2,000 arms to be exported outside of the U.S. and into Mexico during the tragic Operation Fast and Furious. If no license was received, the Department of Justice would be in clear violation of the International Traffic in Arms Regulations (ITAR) which requires a written waiver from the State Department before exporting or causing to export weapons on the United States Munitions List.

According to the Department of State, “the U.S. Government views the sale, export, and re-transfer of defense articles and defense services as an integral part of safeguarding U.S. national security and furthering U.S. foreign policy objectives.”

As you know, the authority to control the export of defense articles and services, as provided to the President in the Arms Export Control Act, was delegated to the Secretary of State through Executive Order 11958, as amended. The ITAR implements this authority.

Civil violations of ITAR are punishable by a maximum penalty of \$500,000 per violation while criminal violations are punishable by a maximum penalty of \$1,000,000 per violation or up to 10 years imprisonment per violation.

What steps have you taken to hold accountable those responsible at the Department of Justice for violating the ITAR?

Answer:

The Department of Justice (DOJ) Office of the Inspector General is looking into the circumstances surrounding this operation. We are awaiting the completion of that review.

Question 2:

Secretary Clinton, in 2001 the Republic of Argentina defaulted on tens of billions of dollars in sovereign debt. Ten years later, Argentina still has not paid what it owes U.S. citizens and U.S. corporations. In fact, Argentina has evaded over 100 U.S. court judgments and has attempted to repudiate the debt altogether.

What steps have you taken to urge Argentina to meet its legal obligations?

Answer:

On the margins of the Cannes G-20 Summit in November, President Obama discussed with President Fernandez de Kirchner the need for Argentina to normalize its relationship with the international financial and investment community, and he urged Argentina to take concrete actions with respect to repayment of outstanding arrears and complying with final and binding arbitral awards. Senior State Department officials and others in the Administration have followed up with Argentine officials to reinforce the President’s message.

We believe it is in the mutual interest of Argentina and the United States that Argentina resolve its longstanding obligations to creditors and arbitral award holders.

In meeting its obligations to creditors and investors, Argentina will send a strong signal that it welcomes and encourages foreign and domestic investment that is crucial for the sustained economic growth.

Question 3:

Secretary Clinton, in FY2013 the State Department requested more than \$500,000 in military training and education assistance to Argentina.

However, last year, Argentina hijacked and jeopardized sensitive U.S. equipment during a training mission and continues to disregard over 100 U.S. court judgments.

What is the rationale for providing more than a half million dollars to Argentina for their military?

Additionally, it appears that Argentina has implemented import restrictions that are in violation of our existing bilateral investment treaty.

Are you aware of Argentina’s import restrictions and what actions have you taken as a result?

Answer:

One of the primary objectives of IMET is to develop long-term relationships with foreign military officers. IMET funding for Argentina would support aviation-related courses, defense resource management training, international law courses, as well as sending its senior- and mid-level military officers to professional-military education and management courses as part of their professional development. It is important to continue to sustain a basic relationship between the U.S. and Argentine militaries as we work through all issues in our broader bilateral relationship.

Despite the success of a 22 percent increase in U.S. exports to Argentina in 2011, we remain concerned by measures introduced by the Argentine government—measures that create barriers to trade and investment, including increased use of non-

automatic licenses, requirements that all imports and purchases of dollars to pay for those imports be approved by the government, requirements that companies balance imports with exports, and restrictions on remittances abroad of profits and dividends. We have engaged Argentina on our concerns, both bilaterally and through the WTO, that these new policies pose barriers to trade and investment and have a negative effect on both U.S. and Argentine companies.

QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE TED POE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS, WITH WRITTEN RESPONSES RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Madame Secretary:

Question 1:

What is the Administration's strategy at the summit in Chicago to ensure that Georgia is given a clear roadmap and benchmarks for achieving full NATO membership?

Answer:

The United States is working closely with NATO Allies on planning for the Summit, which will focus on NATO engagement in Afghanistan in addition to NATO's capabilities and partnerships. Georgia continues to be an important NATO partner and significant contributor to ISAF operations in Afghanistan, and we believe the Summit should highlight this partnership.

NATO's door remains open to all aspirants, including Georgia. The Administration supports Georgia's NATO membership aspirations, and its Annual National Program (ANP) and the NATO-Georgia Commission (NGC) play central roles in this regard. The Administration is also working with Allies on ways to acknowledge the progress that Georgia has made on democratic, economic, and defense reforms at the Summit.

Question 2:

In 2007, Taiwan notified the WTO that it would establish maximum residue levels for Ractopamine (a substance U.S. beef and pork farmers use to produce lean livestock) so that U.S. beef and pork farmers could export their livestock to Taiwan. However, because of political pressure from Taiwan pork farmers, the Taiwan government refuses to implement science-based standards for beef and pork imports. U.S. beef and pork exports continue to be subject to unwarranted import restrictions. Taiwan has been a top 5 export market for U.S. beef until recently because of these restrictions. Taiwan President Ma Ying-jeou announced after his re-election in January that resolving outstanding trade issues affecting U.S. beef and pork exports to Taiwan would be one of his main goals for his second term in office. What is the State Department doing to keep pressure on the Taiwanese government to lift trade restrictions on U.S. beef and pork exports? What are the next steps to resolve this issue? Is the State Department working with affected industries as it strives to resolve this matter?

Answer:

The Department of State, as part of an interagency team including USTR, USDA, the FDA, Commerce, and the American Institute in Taiwan (AIT), has worked for years to encourage Taiwan to adopt science-based food safety measures, following other key trading partners in the region. As part of this effort, we have urged Taiwan to set science-based minimum residue levels MRLs not only for the import of products containing trace amounts of feed additives like ractopamine, but also for a range of other products.

The interagency team of experts working on this issue has, on an ongoing basis, provided technical information to Taiwan regulators; consulted closely with U.S. farmers, ranchers and other stakeholders; briefed key staff on Capitol Hill on developments; and traveled to Taiwan to meet directly with all of the relevant agencies to press Taiwan to take action. Senior officials from the State Department, USTR, and other agencies have raised the ractopamine issue with Taiwan counterparts consistently during bilateral events and visits.

The AIT team, led by Director Stanton, has met with Taiwan political leaders and media to urge action and to correct misinformation about the safety of ractopamine and U.S. meat exports. Most importantly, Director Stanton and senior U.S. Government officials have repeatedly made clear to Taiwan that ensuring that its measures are based on science is critical to Taiwan acting as a responsible trading partner,

and that Taiwan's actions regarding ractopamine have undermined confidence in the United States that Taiwan will treat U.S. products fairly. Senior U.S. Government officials have further made clear to Taiwan that its actions have become a major impediment in our bilateral economic relationship, including our bilateral Trade and Investment Framework Agreement talks.

On March 5 the Taiwan authorities announced a plan to implement a ractopamine MRL for beef, subject to several additional conditions. We are currently seeking additional information about the plan and how it will be implemented, and are closely monitoring developments in Taiwan.

Question 3:

The U.S. rice industry exports half of all production each year. Rice farmers have suffered in recent months because of increased production costs and lack of access to potential markets like Iraq. Iraq imports most of its rice—about 1 million metric tons per year. Over the past decade, 10–15% of that total came from the U.S., however Iraq has not purchased U.S. rice since late 2010. The U.S. rice industry would benefit from having access to the Iraq market. Have you talked with the Iraqi government about this issue? If not, would you be willing to raise this issue with the Iraqi government?

Answer:

U.S. rice is well regarded by consumers in Iraq and is always considered an option when Iraq makes purchases. Over the past twelve months, lower prices offered by other rice suppliers have made those suppliers much more competitive. That is changing, however, and as U.S. rice prices are becoming increasingly competitive, Iraq is again looking seriously at U.S. rice as an option.

As our embassies do around the world, our embassy in Baghdad continually and vigorously engages with the Iraqi authorities in support of U.S. agricultural exports, including rice. We will continue this effort to encourage them to purchase U.S. rice this year.

Question 4:

Over the last year, 40% of the military reimbursement claims filed by Pakistan were ruled fraudulent. After we got Osama bin Laden, Pakistan outed our CIA station chief, arrested a doctor that helped us, and demanded we close our drone bases. A month after bin Laden's capture, the United States identified bomb making factories where IEDs were made to kill American soldiers. Instead of going after the militants at the factories, apparently Pakistani intelligence officials tipped off the bad guys. To top it off, according to Admiral Mike Mullen, the government of Pakistan supported the killing of Americans. "With ISI [Pakistan's Inter-Services Intelligence agency] support, Haqqani operatives plan and conducted" a truck bomb attack that wounded more than 70 U.S. and NATO troops on—get this—September 11. Given all these events, why do you want to give Pakistan \$500 million more in FY13 than we did in 2011?

Answer:

Our core national security interests in Pakistan are as urgent and compelling as ever, and we remain committed to sustaining a productive relationship with Pakistan. As a result, we continue to request robust levels of security assistance to preserve options and flexibility as we move forward with the relationship. Building Pakistan's counterterrorism (CT) and counterinsurgency (COIN) capabilities remain critical to U.S. national security interests. Of course, we continue to calibrate and evaluate the delivery of security assistance to ensure it is linked to Pakistan's cooperation and in line with our shared objectives.

The actual increase in the FY 2013 Administration's request for security assistance for Pakistan compared to the assistance appropriated in FY 2011 is approximately \$56 million. The increase of \$50 million is calculated when considering how our training and equipping efforts to support the development of Pakistan's COIN and CT capabilities were distributed between the State Foreign Assistance and DOD budgets in FY 2011 and FY 2013.

- In FY 2011, State's Foreign Military Financing (FMF), International Military Education and Training (IMET) program, and the Pakistan Counterinsurgency Capability Fund (PCCF) plus DoD's Pakistan Counterinsurgency Fund (PCF) totaled approximately \$1.1 billion.
- For FY 2013, the Administration requested \$1.156 billion in PCCF, IMET, and FMF, a relatively modest increase of approximately \$56 million over FY 2011 enacted levels. In FY 2013, the Administration did not request funding

for PCF but instead requested funding for PCCF as part of State's Overseas Contingency Operations account.

- Of this increase, \$55 million is in FMF, which brings the total FY 2013 FMF request to \$350 million, the same level it was requested at in FY 2012. The modest increase of \$1 million for IMET will enable us to fund increased Pakistan participation in professional and technical military training programs here the United States.

It is worth noting that the FY 2013 security assistance request for Pakistan is a 21 percent decrease from the FY 2012 request. As such, we consider this to be a realistic request that takes into account both budget and implementation constraints.

Question 5:

The Senator Paul Simon Water for the Poor Act of 2005 made safe drinking water and sanitation a priority of US foreign policy. I am proud to serve as the lead Republican cosponsor of H.R. 3658, the Senator Paul Simon Water for the World Act, which would strengthen these efforts to provide safe drinking water and sanitation. In the last two years you have made two strong policy speeches on or around World Water Day about the importance of this issue. Can you brief us on what changes have been made at Department of State and USAID to turn those strong policy speeches into strong policy for global water?

Answer:

Our efforts to implement the Senator Paul Simon Water for the Poor Act of 2005 are described in full in our annual reports to Congress (available at <http://www.state.gov/e/oes/water/index.htm>). In addition, the Department of State has taken a number of steps over the past two years to make water issues a priority of our bilateral, regional and global diplomatic engagement and to strengthen the capacity of the United States to address these issues internationally. For example:

- We have strengthened our understanding of global water challenges and improved our plans and strategies. We requested a National Intelligence Estimate (NIE) on Global Water Security to better understand the relationship between global water challenges and U.S. national security. We will be using the recently released unclassified version of the NIE to build international support for these issues and to guide our own efforts on water and security.
- USAID is in the process of developing a water and development strategy that integrates water into USAID supported health, food security and climate change efforts.
- We have launched a number of partnerships to catalyze greater international action and mobilize additional resources. The Shared Waters Partnership was established in September 2011 and creates a multi-donor platform for advancing cooperation on transboundary waters in regions where water is, or may become, a source of conflict. The Middle East and North Africa Network of Water Centers of Excellence was launched in December 2011 and is an alliance of research and educational institutions and civil society to resolve water challenges through collaborative research, capacity building, innovation, and knowledge sharing.
- We have established institutional relationships that will greatly leverage U.S. expertise and knowledge. In March 2011, we signed a Memorandum of Understanding between the United States and the World Bank to strengthen our respective capacities and efforts to improve water security. More than 30 different projects involving over 10 U.S. government agencies have been identified. This March, we launched the U.S. Water Partnership, which will serve as a platform to mobilize knowledge, expertise and resources from the U.S. private sector, government, non-profit, foundation, academic, and expert communities in support of water and sanitation challenges, especially in developing countries where needs are greatest.
- And we have engaged diplomatically to build international awareness and commitment and to support riparian country efforts to address national and transboundary water challenges in a number of regions where water and security are closely linked (e.g., the Nile, Mekong, Pakistan). We have worked closely with international partners to support international events such as the Bonn International Conference on Water, Food and Energy Security, the 6th World Water Forum in Marseille, and the Sanitation and Water for All High-level meetings) to contribute to meaningful impact.

These are some of our activities from the past two years. More information is available at <http://www.state.gov/e/oes/c36032.htm>. We are grateful for your leader-

ship on this important issue and would be pleased to send our experts to provide a more detailed briefing if you would like.

QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE ANN MARIE BUERKLE,
A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, WITH WRITTEN
RESPONSES RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Question 1:

Madam Secretary, I would first like to direct your attention to a matter of importance for many New Yorkers living along the St. Lawrence Seaway and our Great Lakes. The International Joint Commission, funded through the Department of State and a component of our nation's foreign policy, recently released a report (the BV7 plan) outlining its proposed changes for Lake Ontario and the St. Lawrence River which could have a dramatic impact on my constituents in Western and Central New York. As a former New York State Senator, you well understand the importance of maintaining and preserving current water levels. It is my hope that as the International Joint Commission moves ahead with its efforts, your office will remain an active participant in the process and work with mine to protect New York's waters and protect those who live and own businesses along the shores.

Answer:

I continue to appreciate your strong engagement on this important issue and your strong commitment to the concerns of your constituents. As I noted in my response to your letter of February 2, 2012, the waters of Lake Ontario and the St. Lawrence River are shared by the United States and Canada and are therefore subject to the 1909 Treaty and the International Joint Commission, which was established by the United States and Canada under that treaty. In 1952, in relation to a reference to the IJC relating to construction of a hydroelectric power project on the St. Lawrence River, the two federal governments asked the International Joint Commission (IJC) to analyze whether the extreme fluctuations of water on the lake could be reduced.

Recent studies show that the existing management plan has harmed the health of the lake and river by degrading wetlands and other habitat. The IJC's objective in modernizing that plan, pursuant to the 1909 Treaty, is to make decisions taking into consideration all interests of the basin, using the best available science. The proposed plan would substantially improve wetlands, a key indicator for lake and river health. Healthy wetlands support birds, fish, and other wildlife, and contribute to the quality of life of the basin's human residents by filtering pollutants and enhancing recreational opportunities. I share your concern, and I know the IJC shares your concern, for balancing these important objectives with the needs of people whose property borders the lake, and we all remain committed to striking the best possible balance.

Question 2:

I'm certain you agree that Israel is our most important ally in the Middle East. The United States has always strongly supported the nation of Israel, who is truly a representative of American values and security interests in the region. For that reason, both Democratic and Republican Administrations alike have always nurtured a close alliance with Israel.

A look back at the previous two Administrations indicates the special relationship the United States has had. President Bush and President Clinton, despite being on different sides of the aisle, maintained very strong ties with Israel throughout their terms.

During his expansive efforts in the Middle East, the Bush Administration worked tirelessly to ensure that Israel's interests were taken into account. President Bush and Secretary of State Condoleezza Rice labored to bring about successful negotiations between Israel and the Palestinians, drawing up a "Roadmap to Peace" in 2002. Throughout that process there was never any doubt that the United States and Israel were firmly unified.

President Clinton's Administration likewise nurtured our relationship with Israel while pursuing an ambitious agenda for peace between Israel and Palestine. During his time in office, President Clinton, among other things, had a significant role in the Oslo Peace Accords and conducted the Camp David Summit in 2000. Many would characterize the period during which President Clinton was in office as the most promising for creating a lasting peace in the region.

In stark contrast to these two administrations, President Obama has managed to undermine the peace process between Israel and Palestine. He has destabilized our

relationship with Israel perhaps more than any President since Israel gained independence in 1948. It is clear that you, as Secretary of State, have worked to maintain our alliance with Israel. President Obama, however, has weakened your efforts with his misguided approach to Middle East policy, as well as in his interactions with Prime Minister Benjamin Netanyahu.

Many would not be surprised that President Obama might differ from the Bush Administration on Israel Policy. It is not so obvious, however, why he would differ so significantly from President Clinton. Like Bill Clinton, Barack Obama is a Democratic president. Also like Mr. Clinton, Mr. Obama's counterpart in Israel is Benjamin Netanyahu.

You served in the Senate during President Bush's two terms and you had a very important and influential role during President Clinton's time in office. Undoubtedly you have valuable insight regarding our important relationship with Israel. Perhaps, you would be willing to offer some commentary as to why President Obama has taken such an unwise and, in my perspective, irresponsible approach. Why has President Obama failed to comprehend the importance of being a strong ally to Israel?

Answer:

As President Obama has said repeatedly, our longstanding commitment to the security and well-being of Israel—a commitment that is consistent with the history of previous occupants of the Oval Office—is unbreakable. During his recent visit, Prime Minister Netanyahu reaffirmed the unprecedented level of cooperation this Administration has with Israel on a broad range of regional and strategic issues. We have a constant high-level security dialogue with key Israeli defense and intelligence officials. In a very tight budget environment, our overall security assistance to Israel has increased every year since 2009 to its highest levels in U.S. history. Backing up its commitment to Israel's security with its deeds, this Administration has expanded U.S.-Israeli cooperation on security challenges, including counterterrorism, preventing arms smuggling to Gaza, missile defense, and preventing Iran from obtaining a nuclear weapon.

Question 3:

This week it was reported that Israeli officials said they won't warn the United States if they decide to launch a pre-emptive strike against Iranian nuclear facilities. Obviously, this is a rather unsettling report, especially given that it so closely precedes Prime Minister Netanyahu's visit to Washington. What, if anything, does this report indicate about our partnership with Israel in facing the threat of a nuclear Iran?

Answer:

This Administration has been unequivocal with regard to our policy on Iran. As the President has said, we are determined to prevent Iran from obtaining a nuclear weapon, and no options are off the table. A nuclear-armed Iran would further embolden Tehran's support for terrorism and would constitute a destabilizing threat across the region, including to our closest ally in the Middle East—Israel. We continue to have frank discussions with the Israelis on our options regarding Iran, which President Obama recently stated include all elements of American power: a political effort aimed at isolating Iran; a diplomatic effort to sustain international unity and ensure that Iran's program is monitored; an economic effort that imposes crippling sanctions; and a military effort to be prepared for any contingency. This Administration firmly believes that an opportunity still remains for diplomacy—backed by pressure—to succeed. We are in close consultations with Israel and the rest of our international partners on maximizing this opportunity to persuade Iran to resolve the international community's concerns regarding the nature of its nuclear program.

Question 4:

On a separate note, but keeping on the subject of Iran. There has recently been some indication that Iranians would have welcomed American intervention during the 2009 uprising. It was reported that members of the Green Party in Iran sent a memo to the Obama Administration calling on the West for support. At the time, the administration claimed that any support in Iran was unwelcome. Can you confirm the authenticity of this memo?

Answer:

We are unaware of any such letter or memo and therefore cannot comment on its authenticity.

Question 5:

(In any case) In retrospect do you believe President Obama should have acted differently during the unrest in Iran in 2009? Do you believe that some of the challenges we are facing in Iran would have been avoided had the President chosen to take more decisive steps during that period?

Answer:

The most insistent voices we heard from within the Green Movement and their supporters outside Iran advised that events happening inside the country could not appear to be influenced by the United States. The Green Movement was an organic movement by the Iranian people. We were cautioned that fueling perceptions of U.S. interference would put people's lives in danger and discredit their movement.

We remain committed to helping civil society activists throughout the region acquire the tools to create the space where free thought and expression can flourish. This administration is also strengthening activists' capacity to hold their governments accountable by amplifying their calls for greater freedom, accountability, and rule of law. We continue to work with like-minded partners to bring international pressure on Iran to respect its citizens' fundamental rights.

QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE DAVID CICILLINE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF RHODE ISLAND, WITH WRITTEN RESPONSES RECEIVED FROM THE HONORABLE HILLARY RODHAM CLINTON

Question 1:

Gas prices—Madame Secretary, we have talked extensively today about current events in the Middle East—about unrest and violence in Syria, about increased aggression in Afghanistan, and about whether Iran will demonstrate a greater willingness to cooperate and halt its development of nuclear missiles. Amid all of that hostility and uncertainty, gas prices are rising here in the United States. In my home state of Rhode Island, as of February 24th, the average price per gallon of regular unleaded gasoline was \$3.76—that is an increase of almost 40 cents from the same time last year. At a time where states like Rhode Island are struggling to recover from the Great Recession, increased energy costs can only serve to hamper that recovery. I am deeply concerned that fuel prices will continue to rise and my constituents are extremely anxious about the effects those rising prices will have on their ability to cover basic energy costs, like driving to work or heating their homes. So Madame Secretary, I am hoping that you can talk about the ongoing events in the Middle East and the effects you expect our diplomatic efforts, as well as potential military action, to have on gas prices here at home. For example, the latest spike in gas prices is due in part to fears that the Strait of Hormuz will close—according to some analysts. What can we expect if it actually does close and how will other events in the Middle East exacerbate or mitigate those effects?

Answer:

The price of gasoline here in the United States depends on the price of crude oil. As you correctly noted, oil is a globally traded commodity and events in one part of the world have a clear impact on what we pay for the finished product—gasoline—here at home.

One of the reasons that I established the Bureau of Energy Resources in the State Department is to ensure that energy issues are kept at the forefront of our diplomatic engagements with both energy producers and major consumers. The State Department is in regular dialogue both bilaterally with other countries and through multilateral forums, such as the International Energy Agency, to find ways to mitigate the impacts of higher energy prices.

As the President said, “the single biggest thing that’s causing the price of oil to spike right now is instability in the Middle East—this time around Iran. When uncertainty increases, speculative trading on Wall Street increases, and that drives prices up even more.” The Administration is addressing both sides of that equation, through diplomatic engagement in the Middle East and by seeking to limit speculation here at home.

With respect to the Strait of Hormuz, under international law and long-standing international practice, the Strait of Hormuz is a waterway used for international navigation. As such, vessels of all states enjoy “transit passage” rights through the Strait of Hormuz. Any attempt by Iran to close the Strait or to require vessels to obtain Iranian consent to transit the Strait would be inconsistent with international law and would not be recognized by the United States.

Question 2:

China—As of December, my home state of Rhode Island has the third highest unemployment rate in the U.S. at 11%. Our economy has been slow to recover from this Recession and people are really hurting due to this slow economy. One of the concerns I hear about very often from my constituents is that some of our trading partners don't play by the rules, thereby creating an unlevel playing field for American businesses. Specifically, many of my constituents are very concerned about China and the effects of their trade practices on the ability of our businesses to compete in the global market. I would like to hear about the State Department's efforts to urge the Chinese to trade more fairly, namely, to stop manipulating their currency, end their unfair policies of indigenous innovation and technology transfer, and enforce protections for intellectual property rights.

Answer:

The Administration will continue to work to assure that our economic relationship with China is mutually beneficial. Economic and trade discussions were a major part of President Hu Jintao's visit to Washington last year and were again during Vice President Xi's visit this February. We are also using all available channels, including regular bilateral discussions such as the upcoming Strategic and Economic Dialogue and multilateral venues like the G-20, to push for progress on China's economic policies.

The United States is committed to ensuring that all of our trading partners, including China, follow the rules set forth in international trade agreements. The United States regularly files WTO cases against other WTO members with which it has disagreements. This is a natural part of the international rules-based trading system, and China is no different. The U.S.-China trade relationship is one of the largest and most robust in the world. We seek negotiated solutions to trade disputes wherever possible, but do not hesitate to use available enforcement tools, including the WTO dispute system, when necessary. The Department of State works closely with other U.S. government agencies, including USTR, Treasury, and Commerce, to enforce these rules and defend the rights of American businesses in China.

On the topic of currency, the President has made it clear that this issue remains a top priority for our Administration in addressing our economic concerns with China. Since China decided in June 2010 to allow its currency to appreciate, China's currency has appreciated by about eight percent in nominal terms, and about 13 percent in real terms, after taking into account the higher rate of inflation in China than in the United States. This represents some progress, but the process remains incomplete, and further progress is needed.

With regard to innovation policies, at the end of the S&ED in 2010, United States and China reaffirmed that such policies, consistent with WTO rules, would leave the terms and conditions of technology transfer, production processes, and other proprietary information to agreement between individual enterprises. During the Xi visit this year, China reiterated that technology transfer and technological cooperation shall be decided by businesses independently, and will not be used by the Chinese government as a pre-condition for market access. During discussions leading up to the S&ED that will take place on May 3-4, we have been asking China to make fulfillment of this commitment a top priority.

The protection of intellectual property rights is a key priority to this Administration and is a major component of the National Export Initiative (NEI) and the Administration's Innovation Strategy. At the conclusion of the 22nd Joint Commission on Commerce and Trade (JCCT) in November 2011, China agreed to make a significant systemic change in its enforcement of intellectual property rights. Through a high-level central government enforcement structure led by Vice Premier Wang Qishan, China will make permanent its 2010 Special intellectual property rights (IPR) Campaign. China will continue high-level involvement that will enhance its ability to crack down on intellectual property rights infringement. Additionally, at the 2011 Strategic and Economic Dialogue (S&ED), China pledged to improve its high-level, long-term IPR protection and enforcement mechanism, building on the 2010-2011 Special Campaign Against IPR Infringement and Fake and Shoddy Products. China also pledged to eliminate all of its government procurement indigenous innovation products catalogues and revise Article 9 of the draft Government Procurement Law Implementing Regulations as part of its implementation of President Hu's January 2011 commitment not to link Chinese innovation policies to government procurement preferences.

Senior U.S. government officials are regularly engaging their Chinese counterparts on the importance of protecting and enforcing intellectual property rights. U.S. Ambassador Gary Locke recently led the Ambassador's IPR Roundtable in Beijing, where he said that China's IPR system makes it difficult for both foreign and Chi-

nese companies to compete on a level playing field. The Ambassador went on to say that “the issue of intellectual property rights protection is troubling not just to foreign firms but to Chinese firms in China as well. Stronger IPR enforcement is essential to encourage the enterprises to be innovative.”

Question 3:

Churches in Turkey—On December 13, 2011, the House overwhelmingly passed a resolution calling on Turkey to return Christian churches and properties (H.Res. 306). The resolution called on you as Secretary of State “in all official contacts with Turkish leaders and other Turkish officials . . . [to] emphasize that Turkey should (1) end all forms of religious discrimination. . . . (2) allow the rightful church and lay owners of Christian church properties, without hindrance or restriction, to organize and administer prayer services. . . . And (3) return to their rightful owners all Christian churches and other places of worship, monasteries, schools, hospitals, monuments, relics, holy sites, and other religious properties. . . .” As a cosponsor of this resolution, I am hoping you can share with us further details about your recent efforts and conversations with the Turkish government to urge them to cooperate on these matters. And, can you also share with us whether you are satisfied with Turkey’s progress in returning stolen Christian churches and fully respecting the Armenian population that has lived on these lands since biblical times?

Answer:

Christian and other religious minority populations continue to face significant challenges in Turkey. However, we are encouraged by concrete steps the government of Turkey has taken over the last year to return some religious properties. In August 2011, Prime Minister Erdogan introduced a decree that will allow for the return of properties confiscated from religious minority community foundations over the last 75 years. The announcement of property returns to the 13 foundations that have so far applied continue to occur, with three new returns to Armenian and Rum (Anatolian Greek) foundations announced on April 19.

Separately, speaking to the press on the issue of the re-opening of Halki Seminary, Deputy Prime Minister Bozdag said in February the government would “support such a move.” He went on to say, “The main debate is on the status of the school; it is not about permission.” On April 14, the head of the Directorate for Religious Affairs in Turkey said it was inappropriate that Greeks and Armenians in Turkey had to study outside of the country to be educated as clergy.

Other steps respecting minority groups include the government’s recent permission for the re-opening of an Armenian foundation in Istanbul and a new Jewish foundation in Izmir; the return of the Buyukada orphanage to the Ecumenical Patriarchate; the lifting of restrictions on religious services for the first time at significant sites of worship that had been converted to museums in 1923; and the granting of citizenship to over 20 Greek Orthodox metropolitans to expand the pool of candidates eligible to serve as Ecumenical Patriarch.

The current constitutional redrafting process is also encouraging an unprecedented dialogue on individual rights and religious freedom. Deputy Prime Minister Arinc promoted this dialogue on February 13, noting, “There are thousands of people in our country from various ethnic groups. Together, we are Turkey . . . We draw our strength from them.” The Ecumenical Patriarch, who addressed the Turkish Parliament for the first time in connection to the constitution redrafting process on February 20, also noted the change taking place in Turkey, stating: “Unfortunately, there have been injustices toward minorities until now. These are slowly being corrected and changed. A new Turkey is being born.” Other religious groups have also addressed the Turkish Parliament in the context of the constitutional redrafting process, including the Armenian Deputy Patriarch of Constantinople, and representatives from the Syriac and Catholic communities.

The realization of religious freedom for all Turkish citizens is a major priority for this Administration, and is an issue we raise at the highest levels of the Turkish government on a continuous basis. President Obama, Vice President Biden, and I raised the topic of religious freedom with PM Erdogan during their most recent meetings. The Ambassador and officers from the U.S. Embassy and Consulate General also engage on this issue on a regular basis. While the developments described above are encouraging, the Administration will continue to urge the government at all levels to live up to its commitments, allowing Turkey’s ethnic and religious communities to enjoy their rights fully.

Question 4:

Nagorno Karabakh—Azerbaijan is increasing its armed aggression against the Nagorno-Karabakh Republic with more and more ceasefire violations. What actions

has the State Department taken to address Azerbaijan's repeated calls to resolve the Nagorno-Karabakh conflict by military means?

Answer:

As a Co-Chair of the OSCE Minsk Group, the United States remains deeply committed to assisting the sides of the Nagorno-Karabakh conflict to achieve a lasting and peaceful settlement. We have reiterated that the sides should prepare their populations for peace, not war, since only a negotiated settlement can lead to stability and reconciliation. We continue to urge the sides to show restraint both in their public rhetoric and actions on the ground.

Question 5:

Nagorno-Karabakh—Can you provide information as to whether the Government of Azerbaijan has been taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh, as required by Section 907 of the FREEDOM Support Act?

Answer:

As a Co-Chair of the OSCE Minsk Group, the United States has been firm in reiterating that there is no military solution to the Nagorno-Karabakh conflict. On January 23, 2012, Armenian President Sargsian and Azerbaijani President Aliyev reaffirmed in a joint statement their commitment to the peace process, and agreed to continue developing a mechanism to investigate incidents along the frontlines.

Question 6:

Nagorno-Karabakh—Can you please provide information regarding how the Administration is distributing aid to Nagorno Karabakh?

Answer:

Since 1998, the United States has provided over \$37 million in humanitarian assistance to victims of the NK conflict, including food, shelter, emergency and medical supplies, access to quality healthcare and water, and demining projects. In addition to the ongoing demining project which has thus far cleared 94% of known minefields and 71% of the battle area, we are concluding a potable water project that will expand access to clean water in the city of Stepanakert. We intend to continue our support to the people of Nagorno-Karabakh in FY 2013.

