S. HRG. 107–283

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR FISCAL YEAR 2002

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

ON

H.R. 2506

AN ACT MAKING APPROPRIATIONS FOR FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2002, AND FOR OTHER PURPOSES

Agency for International Development
Department of State
Nondepartmental Witnesses

Printed for the use of the Committee on Appropriations

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[1] Committee and subcommittee memberships—January 25, 2001 to June 6, 2001.

NOTE.—From January 3 to January 20, 2001 the Democrats held the majority, thanks to the deciding vote of outgoing Democratic Vice President Al Gore. Senator Thomas A. Daschle became majority leader at that time. Starting January 20, 2001, the incoming Republican Vice President Richard Cheney held the deciding vote, giving the majority to the Republicans. Senator Trent Lott resumed his position as majority leader. On May 24, 2001, Senator James Jeffords of Vermont announced his switch from Republican to Independent status, effective June 6, 2001. Jeffords announced that he would caucus with the Democrats, changing control of the evenly divided Senate from the Republicans to the Democrats. Senator Thomas A. Daschle became majority leader once again on June 6, 2001.

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[1] Committee and subcommittee memberships—July 10, 2001.

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FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR FISCAL YEAR 2002

TUESDAY, MAY 8, 2001

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

The subcommittee met at 10:04 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Mitch McConnell (chairman) presiding.

Present: Senators McConnell, Leahy, and Bennett.

AGENCY FOR INTERNATIONAL DEVELOPMENT

STATEMENT OF ANDREW NATSIOS, ADMINISTRATOR

OPENING STATEMENT OF SENATOR MITCH MC CONNELL

Senator MCCONNELL. Mr. Natsios, let me apologize in advance for what I expect is going to be the most disjointed hearing you have ever participated in, because the Senate at 10:15, is going to go into a series of three votes. We are going to try to tag team this in a way that does not take up your whole day.

It is a pleasure to welcome you to the Foreign Operations Subcommittee. Your background makes you uniquely qualified to take charge of the U.S. Agency for International Development, and I have no doubt that your time on the "Big Dig" in Boston will serve you well in your many tasks ahead.

In the past, I have been extremely critical of the Agency for lacking a strategic vision, failing to establish concrete goals, and failing to deliver assistance in a timely and effective manner. I have repeatedly and publicly taken issue with poor management and ineffective leadership in Washington and the field. Although recently confirmed, you seem to have wasted no time in trying to address these shortfalls.

You are off to a good start. Identifying management and personnel reform as your first priority gives me hope that real change at USAID is in the offing. I note that the fiscal 2002 budget request for your Agency's operating expenses has increased $30 million over last year's request and I look forward to hearing more about how you envision those funds being spent.

Your testimony that foreign assistance programs should serve U.S. policy objectives is on the mark. As I have often said, U.S. foreign assistance is not an entitlement and our aid must support U.S. economic, political and security goals. The strategic reorienta-

tion of USAID to address the trends of globalization and conflict give definable purpose to the Agency. While time will allow more informed judgment on the effectiveness of the four program pillars you have proposed, the changes you are initiating at USAID are welcomed.

I want to comment briefly on the four pillars. As I understand the Global Development Alliance, the GDA pillar, USAID will seek partnerships with corporations, NGOs, and the academic community, and ask that they contribute funding, personnel and information to support development programs. I am concerned that unless the Agency addresses its management shortfalls, the GDA will be short lived. The strength of corporations, NGOs and academic institutions is that they often initiate and respond to program needs faster and better than government bureaucracy. I am curious how the GDA will operate and make decisions on funding priorities and would appreciate your thoughts in this area.

Coming from a farm State, the pillar of Economic Growth and Agriculture seems to make good sense. The linkages between economic and agricultural development, and improvements in local markets and the welfare of citizens is no different whether in the United States, South Asia, or Africa. However, I wonder if democracy and governance programs should also fall under this pillar. I see a logical connection between economic development and good governance.

The pillar of Global Health has received particular attention in the budget request. The request for Child Survival and Disease Program Fund reflects a $50 million increase over last year's appropriated level, with HIV/AIDS programs receiving a 10 percent increase. Many on Capitol Hill feel we ought to be doing more on HIV/AIDS, as evident in the recent Senate vote to double AIDS assistance to $1 billion. I look forward to hearing your views on that subject.

The final pillar of Conflict Prevention and Development Relief encompasses democracy and governance programs and disaster relief. While I continue to have concerns with USAID's democracy and governance programs, I applaud your efforts to be proactive rather than reactive in responding to political and natural crises.

The administration's fiscal year 2002 request for your Agency is an increase of $129 million over last year's appropriated level. The Child Survival and Disease Program Fund, Development Assistance, International Disaster Assistance, and funding for basic education programs have all been increased under the President's request.

PREPARED STATEMENT

You have a unique opportunity to make a lasting mark on this Agency and you are going to have my support and encouragement in that effort.

With that, I call on my friend and colleague, Senator Leahy.

[The statement follows:]

PREPARED STATEMENT OF SENATOR MITCH MCCONNELL

It is a pleasure to welcome you before the Foreign Operations Subcommittee, Mr. Natsios. Your background makes you uniquely qualified to take charge of the U.S.

Agency for International Development, and I have no doubt that your time on the "Big Dig" in Boston will serve you well in your many tasks ahead.

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You have a unique opportunity to make a lasting mark on USAID, Mr. Natsios, and you have my support and encouragement.

OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Thank you very much, Mr. Chairman. I am going to put most of my statement in the record, and I ask Mr. Natsios to take a minute to read it. But let me just say to you, Mr. Natsios, that we are very fortunate to have you as the new Administrator for USAID.

I think it is very fitting that you are the first one to testify before us on the budget. I remember your tenure as head of USAID's Office of Foreign Disaster Assistance, where you did a fine job on some of the most distressing but urgent humanitarian disasters. As head of World Vision, you developed strong ties with the NGO community, and I think that's very necessary.

And I will give you one bit of advice, and that is to use the expertise that is so abundant on the AID professional staff, because they will provide support for your Agency. Do not keep them hidden, because you know as well as anyone how to build relationships with Members of Congress and those who support foreign aid, as well as those who have not supported it. And so it is not just the Legislative and Public Affairs Office that is the only face we see, no matter how fine a job they do. There is so much expertise there that we should know about.

PREPARED STATEMENT

Mr. Chairman, so we can move on, I will submit the rest of my statement for the record, but I am very very pleased that he is here.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Mr. Chairman, we are very fortunate to have Andrew Natsios as the new Administrator of the Agency for International Development, and it is fitting that he is the first witness to testify before this Subcommittee in this session of Congress.

I remember Mr. Natsios' tenure as the head of AID's Office of Foreign Disaster Assistance, where he did a fine job responding to the most urgent humanitarian disasters. As head of World Vision, he developed strong ties with the NGO community which we increasingly count on to implement foreign aid programs.

AID needs a new kind of leadership. It needs someone who knows the trenches, who recognizes that AID's staff are by far its greatest asset and who trusts their judgment. AID has many very talented staff who make life better for millions of people.

AID also needs a leader who doesn't tolerate incompetence, mediocrity or staff telling him what they think he wants to hear, rather than the facts.

There have been too many programs that failed by any objective standard, and yet the money kept flowing. Just as AID should take risks, it also needs to recognize when the conditions are not right, and to stop throwing good money after bad.

Mr. Natsios can provide that leadership. He knows from past experience that AID has been in dire need of reform for years. I was very pleased to see in your written testimony that your first priority will be fixing AID's broken procurement, budgeting and information management systems.

This is absolutely essential for AID's staff to be able to do their jobs, for AID's grantees and contractors, and for the millions of people in developing countries who benefit from our foreign aid programs.

Mr. Natsios, if you accomplish nothing more than fixing these problems, you should be given a medal. I am confident that this Subcommittee will do everything possible to help you succeed.

I have questions on several topics, but let me close with two pieces of advice. Use the expertise that is so abundant in AID's professional staff, to build support for your agency. Don't keep them hidden, as has been the custom.

Encourage them to build relationships with Members of Congress—those who support foreign aid and those who have not but may not know what AID is doing.

It is not enough for the Legislative and Public Affairs office to be the only face of AID we see, and the only voice we hear. Your whole agency should be that face and voice, and not just for the Congress, but for the public at large.

Senator MCCONNELL. Thank you, Senator Leahy. We also have Senator Bennett here this morning. Senator Bennett, do you have any comments for Mr. Natsios?

Senator BENNETT. I was just going to say, I did not.

Senator MCCONNELL. Would you like to summarize your statement, and we will put the full statement in the record?

SUMMARY STATEMENT OF HON. ANDREW NATSIOS

Mr. NATSIOS. Thank you, Senator. I would request that the voluminous text of this address which I am not going to read to you be placed in the record. Having been a legislator myself for 12 years at the State level, I know that the most important part of this hearing is in the questions and answers, but given that this is my first appearance, I might make some brief opening remarks.

I want to first say how pleased I am, Mr. Chairman, to be asked to testify on behalf of my new Agency's budget for fiscal 2002. I told the staff that the only request I made for a position in the new administration was USAID. People at the White House said you must have some other second or third choice, and I said actually I do not, that is the only thing I am really interested in doing.

This is for me the climax of my career. The work that USAID does around the world is of central importance from a humanitarian and ethical perspective, but also for American foreign policy. I was a military officer for 23 years in the reserves, I served in the Gulf War. If you talk to a lot of soldiers who served in many of the peacekeeping operations, they will tell you that the best force protector is not our tanks in these countries, or that we send peacekeeping forces, it is USAID's programs. If the programs are well run, and if they are administered in a visionary way working with the NGO community, it creates a lot of goodwill toward the United States and toward our troops, and stabilizes the society. This reduces the anger level and increases employment so that the young men, who are the ones usually causing trouble, are working instead of hanging around not clear in what their future looks like.

So I think there is a direct connection between foreign affairs and foreign policy of the U.S. Government and USAID's programs. I think that in helping countries that have decided to move toward democratic capitalism as a system of economics and a system of governance, we do a lot to stabilize the world and create an international system that is more civilized and decent, with more protections for human rights and individual freedoms.

Let me also say that one of the two central characteristics of the post cold war world are globalization and conflict. In effect, you would say they are almost moving in opposite directions. One, you have an integrating function of the world where the world is being tied together, and at the other hand you have countries which are what we call in the political science community "failed states," countries that are collapsing.

I wrote a book about this some 4 years ago, and at the time, I counted 24 countries that could be qualified as failed states. The CIA now puts out an unclassified chart every year listing all the complex humanitarian emergencies, and it is disturbing how many of them there are; how severe they are. There was a report done by the Carnegie Commission on Ending Deadly Violence, I believe it is called, and they estimated the total cost of our response to the Bosnian civil war as $52 billion, including peacekeeping operations for everyone, not just the United States but the Europeans as well, and for all the humanitarian assistance over more than a decade.

It is clear to me that it is better to prevent these states from failing than to clean up the mess after the catastrophes have taken

place. We are facing serious challenges even now in some very large countries that are on the edge of dissolution politically and economically. I told our staff to begin to focus not just on the long-term, but on the short-term. If a country looks like it's heading down that slope, see what we can do to reprogram money in our aid budget to stop the collapse of these countries, because all of our aid, all of our programs, however successful they may be in these countries, can disappear overnight. When a country goes into civil war, the economy collapses, hyperinflation occurs, there are atrocities that are committed, there are militias that are formed, any systems of government collapse, there are no public services.

So it is in our interest not just from a purely financial point of view, but also from an ethical and humanitarian point of view, to insure that we do all we can, within the constraints that we operate under, to prevent these countries from falling into the abyss.

We should be humble, though, in understanding that in some cases we cannot, no matter how hard we may try, prevent these forces from taking over. But even if we succeed in the next 4 years in a couple of cases in taking countries that are on the edge and move through skillful diplomacy and the use of military-to-military diplomacy, and through USAID's programs at the grass-roots level to prevent some of these countries from collapsing, it would be a great service to American foreign policy and to the world.

Globalization is also important, though, because the world is being tied together in a way that has never existed before, and that can be good and it can be bad. There are many instances where globalization has in fact increased the prosperity of developing countries, but there are other cases where there are unanticipated and unintended consequences of globalization that are not terribly good.

In some cases, countries just do not get drawn into the global trading system. So one of the things that we are looking at is a new emphasis on economic development and agriculture. I am a very very strong advocate of agriculture because three-quarters of the poor people in the world live in rural areas. If you want to deal with the poverty problems of the world, you have to deal with agriculture.

Our agriculture budget has gone from $1.3 billion 15 years ago to $300 million this year, $1 billion drop. We had almost 250 agronomists working for us in 1985; we have 46 left. That has been particularly devastating because in my view, the importance of rural development, we need to rebuild that capacity.

In order for countries that are moving into the trading system, or want to move into the international trading system, reforms are required frequently; they need to invest in in their own countries, whether it be in infrastructure in terms of port facilities or airports, whether it be in their exchange rates, because if your exchange rate is screwed up, there is no way you are going to effectively join the global system. If you have hyperinflation, it is very difficult to be a serious trading partner. If you develop markets and there is so much political instability that your supply of materials is interrupted or your exports to new markets are interrupted, you make it very difficult in the future for people to trade with you, be-

cause a very important thing is stability in trading relationships, as I am sure you know.

So, we will put a new focus in USAID on economic development, on agriculture, and on drawing countries into the international trading system.

We have been leaders in the global health community for a very long time and I propose that we maintain that leadership. Now, we are facing the most visible challenges of current periods, particularly in Africa, but also increasingly the alarming growth rates of the HIV/AIDS epidemic in the former Soviet States. That is the place where the infection is spreading the fastest. We are very concerned. It is mostly through drug use that the former Soviet states are threatened with this.

But in Africa as you know, we have four countries that will shortly begin experiencing a drop in population, they will be below maintenance in their population growth rates. And another, I think it is six countries, within 5 years, that will be at zero population growth because of the catastrophic nature of the AIDS epidemic.

I talked to business people in Africa 10 years ago, health ministers, who said that even then, let alone now, had in their work force planning a certain number of people who would simply die from AIDS every year. This tends to be a disease that is more prevalent among the upper income and educated classes, it is a higher prevalence rate that, for example, the rural areas. And as a result of that, it means that the devastation to the economy in Africa is unimaginable, because the elites are so thin in size, the educated elites, to begin with, that this is destroying what little infrastructure in terms of human capital Africa has. So there is a large effort within USAID on the AIDS epidemic right now.

I might add that the U.S. Government spends more money, internationally on AIDS than all other countries of the world, donor and recipient, combined. Take all of the AIDS budgets in Africa and in Europe, and count in the other developed countries like Japan, we spend more money than all of them combined. And our budget is inadequate to deal with this epidemic.

What we have done is to experiment over a period of years as to what works and what does not work in terms of stopping the spread of this disease, and we have reached some very important conclusions. Our strategies in the 20 or 25 countries that we focus our attention on intensively are in the areas of prevention that we have had the most success in.

I want to also say that one of my great interests is in nutrition, obviously connected to agriculture, but there is a lot of research that has been done in last 10 or 20 years that shows that micronutrient interventions in our programs can have a profound effect on a child's likelihood of getting a particular disease, of blindness, of all sorts of disorders and illnesses that children and adults are faced with in the developing world simply by improving diets.

And so, micronutrients, micronutritional intervention is appropriate and is something I intend to put some real stress on, because we know that the payout on the other end in terms of benefit is so high.

Senator MCCONNELL. Mr. Natsios, just for your information, the three of us are going to have to leave here in about 3 or 4 minutes, so I do not know if you can wrap up your opening statement.

Mr. NATSIOS. I can, yes. I mentioned conflict prevention before, but I also would like to introduce the idea of developmental relief. Developmental relief means that we merge into a humanitarian relief program as we are in the middle of a disaster, be it famine or a war or a flood, interventions that will develop the country later on. We have done this very successfully in the NGO community. We use that term, we do not use it publicly, but it is something I want to introduce in a more systematic basis.

Finally, let me talk about the Global Development Alliance. We know, if you look at the flow of money into the developing world, that the biggest source of revenue is not ODA anymore, it is in the area of private capital markets, foundation money. We need to, in my view, in a more systematic and a much larger scale than we have ever done before, develop alliances with these new high-tech foundations, many of which do not want to develop large staffs. We have the staff, the experts in the field that can help them spend their money. If we can take their objectives and our objectives, along with the primary capital markets, there are a lot of companies, I have talked with some about seeing if we couldn't do things together in countries where they had an interest that overlapped, and try to do a coordinated series of development efforts.

What our objective would be in the first year is to choose two or three very large projects, not a couple million of dollars, tens of millions of dollars, maybe even more than that. We would make these agreements and announce an attempt to use government money as leverage to increase two or threefold the amount of money that might be available for these sorts of programs. This recognizes the reality of where money is coming from in the developing world, and uses our particular expertise in our 75 missions and among our technical staff, which remains very very good in terms of our health specialists, our environmental specialists, with tax dollars being saved in terms of what we can do to invest in these areas.

PREPARED STATEMENT

Those are my comments. I will not go into depth in the management area, but my testimony has indicated that I am going to focus on four areas of management, the personnel system, the procurement system, the budgeting and financing system, and the information management system, all of which are dysfunctional at this point in various phases and various ways, and in my view need to be corrected. I will spend my first year focusing on those four areas, because if those are not fixed, our people in the field cannot get their work done. Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF ANDREW NATSIOS

INTRODUCTION

Chairman McConnell, Senator Leahy, Members of the Committee, good morning. Thank you for inviting me here today to present the Administration's budget re-

quest for foreign assistance programs for fiscal year 2002. I would like to take this opportunity to lay out my priorities for the Agency.

FOREIGN ASSISTANCE AND FOREIGN POLICY

As a great power, I believe America's foreign assistance both serves to accomplish our foreign policy objectives, and expresses the deep humanitarian instincts of the American people.

Foreign assistance is an important tool for the President and the Secretary of State to further America's interests. In fact, foreign assistance is sometimes the most appropriate tool, when diplomacy is not enough or military force imprudent. In general, foreign assistance works hand-in-hand with other foreign policy tools. Foreign assistance implements peace agreements arranged by diplomats and often enforced by the military; foreign assistance supports peacekeeping efforts by building economic and political opportunity; foreign assistance helps developing and transition nations move toward democratic systems and market economies; foreign assistance helps nations prepare for participation in the global trading system and become better markets for U.S exports. All of these activities help build a more peaceful, stable, and prosperous world—which is very much in the interest of the United States.

Foreign assistance does work, but it takes years of investment and hard work. I am asking for your support today to let me continue that work.

GLOBALIZATION AND CONFLICT PREVENTION

USAID's fiscal year 2002 budget marks the beginning of a new strategic orientation and the incorporation of a new way of doing business to ensure that USAID's long-term development assistance and humanitarian/disaster relief programs better respond to U.S. national interests.

The two most distinctive trends in the world since the fall of the Berlin Wall have been globalization and conflict. The rise of the internet, of a more open international trading and financial system, the spread of democratic capitalism as the preferred model of political and economic development, contrast remarkably with the increase in the number of failed or failing states and the increasing number of civil wars, many of enormous brutality.

In many ways, globalization has meant demolishing barriers to the exchange of information, technology, finance, goods and services with startling speed over the past decade. With appropriate and timely assistance, the spread of information and technology can foster increased productivity, economic prosperity and political stability in developing countries—and ultimately lead to secure markets for U.S. exports and investments. Conversely, if developing countries and their people are left out of the information age, and do not realize any real benefits from the international trading system, then the promise of globalization will be squandered. In stead of prosperity and stability, we will likely see increased gaps between rich and poor, extremism of increasing violence, and acceleration of global health problems like HIV/AIDS and other infectious diseases. These problems contribute to human suffering, instability and conflict.

The increasing number of states that are unable to deal with problems that are potential sources of conflict is of grave concern to the United States. The ensuing regional instabilities, complex humanitarian emergencies and, in some cases, chaos are threatening USAID's development objectives and broader U.S. foreign policy goals. Nearly two-thirds of the countries with USAID field missions have been ravaged by civil conflict over the past five years, in some cases destroying years of economic and political progress. I have witnessed the horror of these conflicts, the widespread starvation of civilians, terrible atrocities, the collapse of governments and national economies.

USAID'S PROGRAM PILLARS

While many of USAID's programs already respond to these challenges individually, in order to improve the Agency's effectiveness as a key foreign policy instrument this Administration intends to coordinate and focus Agency resources and capabilities to address globalization and conflict.

We will bring together USAID programs and activities into three program pillars that cut across all USAID funding accounts. By aggregating current and new programs that are mutually reinforcing into these pillars USAID will be able to use scarce budget and human resources more effectively, and to describe its programs more clearly. The program pillars are: Economic Growth and Agriculture; Global Health; and Conflict Prevention and Developmental Relief.

ECONOMIC GROWTH AND AGRICULTURE

More than 1.2 billion people live on less than a dollar a day; more than 800 million people continue to go to bed hungry; and more than 113 million children are not in school. The Economic Growth and Agriculture pillar will strengthen U.S. efforts to ensure that these people are able to take advantage of the potential of globalization, rather than becoming its victims. It highlights the interrelationship and interdependence of economic growth and agricultural development, environmental sustainability, and the development of a country's human capital—with the ultimate goal of creating and cultivating viable market-oriented economies. Programs in this pillar will encourage economic opportunity, agricultural development, education and training, and effective management of natural resources.

Without economic growth and food security, no development effort is sustainable. We will increase support for economic growth and agriculture programs that reduce poverty and hunger, while finding better ways to mobilize and partner with the private sector.

Microenterprise development plays an increasingly important role in job creation and economic opportunity. This budget guarantees that USAID will remain the world's leader in microenterprise programs that provide microloans to the world's poorest microentrepreneurs (especially women), services to help improve their businesses, and policy changes to improve business climates.

It's been said that the most important and rewarding investment any country can make is in the education of its children, and especially young girls. The President believes that. For fiscal year 2002, USAID plans to increase its support for basic education for children from $103 million to $123 million.

The Economic Growth and Agriculture pillar will incorporate $3.383 billion of fiscal year 2002 funds from all accounts.

GLOBAL HEALTH

I intend to include in this pillar maternal and child health, nutrition, women's reproductive health, HIV/AIDS, and programs that address other infectious disease such as malaria and tuberculosis. These are global issues with global consequences: the health of a population directly affects their productivity, and unchecked infectious diseases in other countries pose threats to our own.

USAID will maintain its international leadership in health. Our programs in women's reproductive health, children's health, HIV/AIDS, infectious diseases, and nutrition are among the best in the world. As a nation, we can be proud of our successes in global health. Over the past 15 years USAID, with Congress's support, has spent over $3.5 billion on child survival programs. Over this same period, we have seen a 20 percent reduction in under-five mortality, from 145 deaths per 1,000 live births in 1985 to about 116 per 1,000 today. Deaths from measles have been cut in half, from some 2 million in years past to about 970,000 in 1998. Increased access to Vitamin A, which USAID helps to distribute in about 20 countries, improves vulnerable children's chances of survival by up to 30 percent. Americans can be proud of the leadership role our country has played in eradicating polio around the world; the number of reported cases in the world dropped from 350,000 in 1988 to fewer than 7,000 in 1999, a year in which 470 million children were immunized against polio.

However, many problems remain. Immunization levels for children in some countries are stagnating or declining, and millions of children continue to suffer from malnutrition. Women continue to die in childbirth from preventable causes.

One major and ongoing effort is to address the spread of HIV/AIDS. The HIV/AIDS pandemic is devastating many nations in Africa, and transmission is escalating in other regions. The HIV/AIDS epidemic is now reaching such catastrophic levels it is decimating entire societies, creating negative population growth rates: we are beginning to see famine-like conditions developing in some particularly hard hit countries. Up to 40 million children will be orphans because of AIDS in the next decade. This Administration pledged a 10 percent increase in USAID's HIV/AIDS funding for fiscal year 2002 to a total of $369 million from all accounts, with the emphasis on preventing transmission of the disease.

Because of our nation's efforts, we have also made great progress in addressing family health, reducing maternal deaths last year and abortions. More than fifty million couples in the developing world make more educated and informed decisions about having children and taking care of them as a direct result of USAID-supported programs. But again, our work is far from complete. More than 580,000 women die annually from preventable pregnancy-related causes. Because of the importance of women's reproductive health programs in helping cut child mortality rates and improve maternal health, the Administration requests a total of $475 mil-

lion from all accounts for these programs. We will use these funds to promote improvements in maternal nutrition, access by mothers and children to medically trained personnel, reproductive health education, and to strengthen support for voluntary family planning practices that allow couples to choose family size and child spacing.

The Global Health pillar incorporates $1.46 billion of fiscal year 2002 funds from all accounts.

CONFLICT PREVENTION AND DEVELOPMENTAL RELIEF PILLAR

USAID continues to stand at the forefront of agencies around the world in its ability to respond to man-made and natural disasters. The request will enable USAID to maintain this capability to provide needed help rapidly when international emergencies occur.

To complement our strength in disaster assistance, USAID must improve its ability to promote conflict prevention. To address the rising number of collapsed states, internal violent conflicts and complex humanitarian emergencies in the post-Cold War era, some of which have become focal points of U.S. foreign policy, USAID will undertake a major new conflict prevention, management, and resolution initiative. We want to integrate foreign policy and foreign assistance in a way that accommodates both short-term operational and longer-term structural prevention needs. To do so, we need to strengthen current partnerships and create new ones with the U.S. military, the international community, and U.S. and indigenous private and religious institutions dedicated to conflict prevention and resolution. This approach will require even closer collaboration within the U.S. foreign affairs community, especially between USAID and the Department of State.

This initiative will integrate the existing portfolio of USAID democracy programs with new approaches to crisis and conflict analysis, and new methodologies to assist conflicting parties resolve their issues peacefully. Our experience has proven that by promoting and assisting the growth of democracy—by giving people the opportunity to peacefully influence their government—the United States advances the emergence and establishment of societies that will become better trade partners and more stable governments. By facilitating citizens' participation and trust in their government, our democracy efforts can help stop the violent internal conflicts that lead to destabilizing and costly refugee flows, anarchy and failed states, and the spread of disease.

The Conflict Prevention and Developmental Relief pillar will incorporate $2.193 billion in fiscal year 2002 funds from all accounts. This amount includes $835 million requested in fiscal year 2002 for Public Law 480 Title II (Food for Peace) programs.

USAID'S FOURTH PILLAR: THE GLOBAL DEVELOPMENT ALLIANCE

It's not enough to reconsider our priorities. We need to fundamentally change the way we do business. Not only has the world changed; but the provision of foreign assistance has changed drastically. The globalization of the world economy has meant that governments, while still essential, are not the only institutions through which public services are provided. The role of religious institutions, non-governmental organizations, private foundations, universities, and the private market economy in providing services and accomplishing public objectives has dramatically increased.

I intend to create a fourth "process" pillar that defines the Agency: the Global Development Alliance. The Global Development Alliance (GDA) is USAID's commitment to change the way we implement our assistance mandate. We propose to serve as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporate America, the higher education community and non-governmental organizations in support of shared objectives. For example, a critical development need is to help poor countries have access to new information technologies, so they aren't left permanently off the digital highway. Some companies, like Hewlett Packard, already assist developing countries with information technology; I want such companies to consider working with us, in collaboration with U.S. universities and NGOs, to really make an impact.

Why will this work? Because U.S. organizations and companies want to and already do try to help less fortunate people worldwide, out of American compassion and out of the desire to create new markets. But many organizations don't know how to get involved in providing foreign assistance, and USAID has not been prepared to take full advantage of the resources private organizations can bring us. The GDA will change this by actively seeking out partners willing to commit real resources—funding, information, or personnel—to support development programs.

With these partners, we will build alliances that target specific development objectives, and leverage private funds from foundations and corporations to accomplish those objectives.

USAID's role with these alliances will be to collaborate with non-governmental partners to provide the technical expertise needed to effectively use private funds, and to use the field-based personnel and management systems to track projects and funds. USAID's extensive field presence and technical expertise give the Agency the ability to integrate, coordinate, and facilitate a public-private alliance among U.S. development assistance actors.

This is not an entirely new way of doing business for the Agency. USAID is already engaged in many successful alliances around the world. For example, the Global Alliance on Vaccines and Immunizations (GAVI) is an alliance of the United States, the United Nations, the Gates Foundation, the Rockefeller Foundation, and the International Federation of Pharmaceutical Manufacturers to coordinate a worldwide effort to protect children from vaccine-preventable diseases.

The GDA will be a fundamental reorientation of how USAID sees itself in the context of international development assistance, both in how we relate to our traditional partners, and in how we seek out and develop alliances with new partners. Incorporating GDA as a pillar of our new approach means we will pursue a systematic approach to alliances on a much larger scale and will institutionalize these alliances as a central business model across Agency operations.

To jump-start the process, I intend to assign $160 million in fiscal year 2002 funds specifically for GDA projects. The $160 million requested will generate new alliances that support the three program pillars, consistent with the authorized intentions of USAID's funding accounts. This investment will leverage private funding in program areas important to USAID's goals.

MANAGEMENT CHALLENGES

The Agency cannot make sweeping changes to its business model without overhauling the central management systems through which USAID does its work. USAID, and its ability to perform optimally, has been seriously compromised for a number of years by ineffective management systems—particularly those related to finance and budgeting, human resources, information management and procurement. The books of USAID have been unauditable for four years. In a recent study of federal agencies, USAID finished second to last in a survey of whether the personnel system rewards managers for accomplishing the objectives of the agency.

While some progress has been made in fixing these systems, it has been too slow, and neither innovative nor sweeping enough to get the job done. As I said earlier, the business of foreign assistance has changed drastically in recent years. The Agency has 35 percent fewer staff than it did ten years ago, while the number and size of awards and contracts has grown significantly. The Agency has not adjusted to these changes.

Let me say that I have been extremely impressed with the Agency's career civil and Foreign Service employees. These people are working their hearts out to do the very best for the American people, to capture the spirit of American values, and to take that spirit around the world. But USAID's career officers are demoralized and frustrated by these systems, which make it nearly impossible for them to get their work done. Our procurement officers are overloaded and coping with archaic and inefficient systems. They want to help me overhaul the systems. My first priority at USAID will be to get command of the Agency's finance, budgeting, and personnel systems. In fact, in my first direct discussion with Secretary Powell, he made it clear that he expected me to be a change agent in order to make sure that we are doing the best job for the American people and the people of the world with the money that Congress is providing us to use.

The ultimate goal of implementing a new way of doing business and management reforms is to provide the most effective and efficient foreign assistance programs possible. USAID's experts and partners who live and work in developing countries are best positioned to know which programs will best serve U.S. national interests and the needs of people in those countries. I hope the Congress will help us be effective and efficient by reducing the number and intrusiveness of earmarks. Earmarks divert scarce resources away from field-initiated programs that address U.S. development and foreign policy goals.

BUDGET REQUEST SUMMARY

The President had a number of tough choices to make in putting this budget together, and I was very pleased that he saw fit to continue to support International Affairs programs including foreign assistance. For fiscal year 2002, the Administra-

tion proposes $23.9 billion for International Affairs programs. Of that amount, USAID will manage $7.7 billion or 32 percent, which includes programs that USAID manages and those we administer in cooperation with the Department of State and other agencies. The fiscal year 2002 USAID budget request is an increase of $129 million, or less than two percent, over the previous year's appropriation.

I will summarize our request in terms of existing appropriations accounts, and briefly describe how they relate to my focus on the Agency's four pillars. For your convenience, the attached tables show this budget request by account and by pillar.

DEVELOPMENT ASSISTANCE

The Administration requests $1.325 billion for Development Assistance (DA) programs, an increase of $23 million over fiscal year 2001 appropriations. This account supports programs that promote economic growth, agricultural development, human capacity development, women's reproductive health, environmental protection and biodiversity, and democracy and governance in some of the poorest countries in the world. With this request, USAID will increase support for economic growth, renew its focus on agricultural development to reduce hunger and malnutrition, improve business and trade climates in developing countries, and continue its work to promote efficient energy technology in developing countries.

The DA account also includes $358 million for USAID family planning programs, of a total $425 million from all accounts. We will use these funds to promote family health and to strengthen support for voluntary family planning practices, that cut child mortality rates and improve health by allowing couples to choose family size and child spacing.

DA funds support all three of the Agency's program pillars:

Economic Growth and Agriculture: $817.8 million.—DA funds in this pillar go to activities that ultimately serve to provide poor people, especially women, access to real economic opportunity. Our programs help expand and strengthen private markets and institutions, encourage agriculture development and food security, promote efficient growth and energy use, and protect valuable natural resources. For example, microenterprise development efforts play an increasingly important role in building futures for women and the rural poor. We expect to meet the congressionally authorized target of $155 million for microenterprise programs in fiscal year 2002. This pillar includes USAID funds to expand its leadership in helping the developing world participate effectively in the global trading system; such participation is critical to sustainable economic development for developing and transition economies, and important to the economic future of our own nation.

Global Health: $375.5 million.—The majority of DA funds for Global Health are for USAID's family planning and reproductive health programs. The total request for $425 million from all accounts includes $358 million in Development Assistance. The President knows that one of the best ways to prevent abortion is by providing quality voluntary family planning services, and decided to maintain the fiscal year 2001 funding level in his fiscal year 2002 budget request.

The remainder of DA funds in this pillar fund important health programs such as $10 million for the Leahy War Victims Fund, which contributes to improving the mobility, health, and socioeconomic integration of civilians who have sustained physical disabilities as a result of armed conflict.

Conflict Prevention and Developmental Relief: $131.7 million.—USAID's democracy and local governance programs funded by DA fall under this pillar. USAID's programs work to build democracy, support human rights, strengthen the rule of law, create a strong, politically active civil society, and combat corruption around the world. Our democracy efforts have paid dividends: never before in human history have more nations embraced democracy, and more than fifty have made a transition to democracy in the past fifteen years.

But many fledgling democracies are vulnerable to military takeover, corruption, organized crime, civil strife and economic chaos. We will respond to this need with a new initiative to integrate existing democracy programs and new approaches in conflict prevention, including addressing the economic causes of conflict.

I intend to target $110 million of Development Assistance for the Global Development Alliance. There are many exciting opportunities for strong public-private partnerships using DA funds, and this investment indicates my commitment to seeking new partners and leveraging private funding for our development programs.

CHILD SURVIVAL AND DISEASE ACCOUNT

We have requested $1.011 billion for the Child Survival and Disease Program Fund (CSD) for fiscal year 2002, an increase of $50 million over fiscal year 2001

appropriations. This amount includes a transfer of $110 million to the United Nations Children's Fund (UNICEF).

The CSD funds cover programs that address child survival and maternal health, HIV/AIDS, other infectious diseases such as malaria and tuberculosis, reducing the spread of antimicrobial resistance, and improving basic education. Experts say that these programs save more than three million lives a year, and have helped drop infant mortality rates in the developing world to their lowest levels ever.

Of this request, $901 million falls under Global Health. This request meets the Administration's commitment to increase funding to support prevention and care programs that combat the HIV/AIDS pandemic. The funding target of HIV/AIDS programs in fiscal year 2002 is $369 million from all accounts, including $329 million from CSD. We will use these funds to expand primary prevention efforts and reduce the risk of mother-to-child transmission, improve community and home-based care, and increase support for those suffering from the AIDS virus. We will also target resources to help the growing crisis of AIDS orphans.

The remaining $110 million in CSD is for basic education, which comes under the Economic Growth and Agriculture pillar. We have also targeted $12.6 million from the Development Assistance to bring the total request for basic education to $122.6 million. Basic education plays a critically important role in protecting both the health and the future of children in developing countries. We want children to go to school and receive a quality education, not to work for pennies wages in lousy conditions. Toward that goal, USAID's basic education programs work to strengthen education and teacher training programs throughout the developing world, with particular focus on Africa.

USAID will set aside $25 million in CSD for our fourth pillar, the Global Development Alliance. The Agency has developed successful public-private alliances in the past to address important health needs. I mentioned GAVI earlier; another example is USAID's and Rotary International's successful public-private partnership to eradicate polio—a partnership that led to polio vaccinations for literally hundreds of millions of children. We will use this funding to form and bolster such public-private alliances that allow us to tackle critical health, nutrition and education needs more effectively than ever.

REGIONAL REQUESTS

Africa

Reflecting our priority to promote stability and integrate sub-Saharan Africa into the global economy, the Administration is requesting a total of $1.055 billion in fiscal year 2002 for this region.

This amount includes $434 million from Development Assistance, $356 million from the Child Survival and Diseases Program Fund, and $105.5 million of ESF. Also, we intend to program $160 million of Public Law 480 Title II resources for developmental food programs in Africa.

As Americans, we are not content to sit idly by while people suffer from starvation, disease, and tyranny. We want to try to solve those problems, and we want people to be able to build their own societies and take advantage of economic opportunities. USAID's work to address health challenges and promote broad-based economic and social development in Africa goes to the heart of American values. And by encouraging participation in the global trading system, addressing the HIV/AIDS epidemic, and building stability by setting the foundations of democratic governance, we also support U.S. national interests in Africa.

There has been significant progress in Africa. Countries that only ten years ago were ruled by dictators are today democracies, such as Nigeria and Mozambique. The growth rate in sub-Saharan Africa has averaged 4.9 percent over the past five years, the highest in two decades. Unfortunately, a combination of poverty, infectious diseases, conflict, complex emergencies and natural disasters have tarnished the promise of progress in sub-Saharan Africa. Nearly half of sub-Saharan Africa is at risk of violent conflict and instability. Recognizing the importance of conflict prevention to our entire development mission, we will integrate conflict analysis into the Agency's strategic planning process for this region.

USAID's challenges in Africa span all three of our program pillars, and we will use our new program focus to meet these challenges in a targeted, coordinated, and effective manner. Of the total request for Africa, $401.4 million would fund activities in Economic Growth and Agriculture, $376 million would fund activities in Global Health, and $277.75 million would fund activities in Conflict Prevention and Developmental Relief.

In addition, we will use the Global Development Alliance to build stronger public-private partnerships that will leverage much-needed financial and human resources

for our development goals, particularly in key sectors of agriculture and basic education.

Asia and the Near East

In fiscal year 2002, the Administration intends to request $2.34 billion from all accounts for the Asia and Near East region. This amount includes $205.5 million in Development Assistance, $112.1 million from the CSD account, and $1.9 billion in ESF. In addition, the Administration requests $140 million in Public Law 480 Title II resources for the region.

The Asia and Near East region (ANE) encompasses East Asia, South Asia, and the Middle East/North Africa. The stability and growth of this very large and diverse region is essential to U.S. national security and economic interests. The United States trades more with this region than any other; after Europe, the ANE region is the second most important market for U.S. goods and services. The challenges in this region are equally diverse: addressing humanitarian needs, supporting conflict prevention and democratic transition, promoting sustainable economic growth, and tackling HIV/AIDS and mother-child health.

USAID's programs in this region support economic and political reform and transparency in East Asia; promote more equitable economic growth and reduced poverty in South Asia; seek to improve the supply and efficient allocation of water resources, and expand employment opportunities in the Middle East; combat the spread of HIV/AIDS, and promote clean and efficient energy use. In so doing, we not only help the people of this region, but also improve business climate and opportunities for U.S. businesses. I also want to give USAID's Asia and Near East staff credit for leading the attack in this region on two reprehensible practices: the trafficking of women and girls, and abusive child labor. This Administration will continue to support those efforts.

With this request, we intend to provide $1.76 billion for programs under Economic Growth and Agriculture; $267 million under Global Health; and $310 million under Conflict Prevention and Developmental Relief. We will use the Global Development Alliance to create new partnerships here, building on the success of the U.S.-Asia Environmental Partnership, which has a great record of matching U.S. businesses with environmental and energy efficiency opportunities in the region.

One management challenge USAID must resolve is the increasing amount of work in "non-presence" countries—countries with USAID programs but without a USAID mission. USAID already supports programs in Pakistan, Vietnam, Burma, and 15 other non-presence countries in the region; we must identify new ways to maximize the efficiency of our personnel and management resources throughout this region.

The ESF funds are primarily used to support economic growth initiatives in the Middle East, including $720 million for Israel, $655 million for Egypt, $150 million for Jordan, and $75 million for the West Bank and Gaza. ESF will also fund bilateral programs in Cambodia and Mongolia.

The Public Law 480 Title II funds will help improve child survival and nutrition in India and Bangladesh.

Latin America and the Caribbean

Because the countries assisted by USAID in Latin America and the Caribbean (LAC) are our neighbors, their economic, social, and political development have an extremely important impact on our own security and well-being. Americans benefit directly when the economies of developing LAC countries expand and their markets open. Since 1990, the number of U.S. jobs supported by exports to the region has increased by 2.3 million. But when nations in this region face political instability and failing economies, the United States sees the consequences directly through increased illegal immigration and illegal narcotics. None of us should ignore the cross-border spread of communicable diseases such as TB and HIV/AIDS. Finally, environmental degradation and pollution can affect U.S. border states directly and also aggravate regional instability and migration, as well as increase the risk of death and destruction from disasters in the region.

To fund USAID's programs in this region, the Administration requests a total of $878.6 million from all accounts. The request includes $207.3 million in Development Assistance, $100.2 million from CSD, $177.5 million from ESF, and $108.1 million of Public Law 480 Title II funds. USAID's total funding incorporates $292.5 million from the International Narcotics Control account, included in the State Department's budget request

We intend to allocate $398 million of total funds for Economic Growth and Agriculture, $153 million for Global Health, and $327.5 million for Conflict Prevention and Developmental Relief.

USAID's programs in the Western Hemisphere support U.S. national interests. We will continue to work to prevent conflict by encouraging democracy and good governance throughout the region. We will continue to work to increase economic opportunity and reduce poverty, through microenterprise programs, improving access to quality education and training, and encouraging better management of the environment. Equally critically, the United States must ensure that post-hurricane and post-earthquake reconstruction in Central America not only replaces what was destroyed, but builds back better in ways that lay the foundation for sustainable growth.

Let me briefly discuss the Andean Regional Initiative. The President and Secretary Powell recognized that the United States must adopt a regional strategy to assist Colombia and the neighboring democracies to confront narco-terrorism and the associated threats to their societies. In fiscal year 2002, the Andean Regional Initiative will provide $494 million from DA, CSD, ESF, International Narcotics Control, and Public Law 480 Title II accounts for non-enforcement related activities in Bolivia, Brazil, Peru, Ecuador, Colombia, Panama, and Venezuela. We will use these funds in a regional framework to intensify Alternative Development programs that move farmers from coca to licit crops, and for democracy programs that improve local governance and the administration of justice.

Europe and Eurasia

The stability and security of Europe and Eurasia directly impacts fundamental U.S. security and economic interests. USAID's challenge is to help nations in this region continue their transformation from authoritarian, centrally planned and oppressive societies into participatory democracies with strong market economies. Our work in this region shows both the incredible risks and rewards of foreign assistance as a tool of U.S. foreign policy. On one hand, USAID assistance last year provided crucial support to democratic elections in Croatia and Serbia, bringing a decade of political misrule and Serbian expansionism to an end. On the other, current ethnic clashes in Macedonia remind us how fragile stability and democracy are in the region.

The Administration's total fiscal year 2002 funding request for USAID programs in the region is $1.46 billion. The request includes $610 million for the Assistance for Eastern Europe and the Baltic States (AEEB) account; $808 million for the Assistance for the Independent States of the Former Soviet Union (FSA) account; $39.6 million from ESF; and $6.5 million from the CSD account.

The Global Development Alliance will play an extremely important role in this region. The partnerships the Agency already has developed, such as with the American International Health Alliance, have brought additional knowledge and resources to these countries. Ultimately, these private-public partnerships help sustain progress when USAID's role inevitably starts to decline. USAID will use GDA funding to aggressively seek out new ways to engage potential partners in the delivery of foreign assistance to the people of this region.

This request includes $145 million in AEEB funds for Montenegro and Serbia. This request allows the United States to continue its important efforts to prevent conflict, reform the economy, and build the institutions that underpin a market-oriented, democratic society. Our work in Montenegro will encourage the rule of law and democratic processes as Montenegrins decide whether to remain part of Yugoslavia or become independent.

USAID's request of $39.6 million in ESF funds for this regions includes $19.6 million for the International Fund for Ireland, $5 million for Irish visas, and $15.0 million for Cyprus.

Economic Growth and Agriculture will receive $700.4 million to foster the emergence of competitive, market-oriented economies in which people, not governments, control economic resources. Conflict Prevention and Developmental Relief will receive $688.1 million in support of programs in this pillar, covering a continuum of assistance from humanitarian relief, to easing the transition from disaster to development, to promoting peaceful and accountable government by promoting democratic processes and freedom of information. In recognition of increasing health risks in the region, Global Health will receive $75.6 million to improve primary health care and fight the spread of infectious diseases including HIV/AIDS and tuberculosis.

The new Administration is undertaking a series of foreign policy reviews, of which Russia will be the first. This review may result in changes to the U.S. assistance program over the near future.

DEVELOPMENT CREDIT

Another important tool in USAID's development arsenal is the Development Credit Program. When appropriate, the Agency can use credit in the form of direct loans or loan guarantees to support true risk-sharing ventures with private firms. That credit authority gives USAID the ability to mobilize substantial private capital for development purposes.

This program consolidates former credit programs: Urban and Environment Credit Program, the Micro and Small Enterprise Development Program, and the Development Credit Authority. By consolidating various credit initiatives under the Development Credit Program, the Agency ensures that all credit activities will use the same strict rules regarding accountability and risk-sharing. The Agency has officially instituted a clear policy that the consolidated credit program will not engage in sovereign risk activity.

For fiscal year 2002, the Administration is requesting transfer authority of up to $25 million from other USAID program accounts (DA, CSD, ESF, SEED, FSA) for the Development Credit Program. We also requested $7.5 million for administrative costs of the expanded program. This request for $25 million in transfer authority for the Development Credit Program could mobilize $250 million or more of local private capital for projects that support our development goals in countries where we work.

INTERNATIONAL DISASTER ASSISTANCE

The fiscal year 2000 request for International Disaster Assistance is $200 million, an increase of $35 million over the fiscal year 2001 appropriated level (not including supplemental appropriations). This request is to fund the work of USAID's Office of Foreign Disaster Assistance (OFDA) to support emergency relief and rehabilitation programs in response to natural and manmade disasters, and other emergencies that displace large numbers of people.

Our ability to respond rapidly to emergencies is known and respected worldwide, and USAID staff work in close collaboration with U.S. and international agencies and private organizations. I take some pride in having been a part of building that respect during my previous life here. These programs are first and foremost to meet the critical needs of vulnerable people in emergency situations. But that is not enough—we also use our Disaster Assistance funds to help countries adopt disaster prevention and mitigation measures so the next calamity cause less damage. Right now the Agency is in the process of preparing for the upcoming hurricane season, working with the Fairfax County and Miami-Dade County Search and Rescue Teams and prepositioning emergency disaster kits at Homestead Air Force Base in Florida.

Demands on disaster assistance resources have increased for a number of years. In particular, complex emergencies—involving civil conflicts and often complicated by natural disasters—account for the lion's share of International Disaster Assistance Funds, more than 70 percent. These emergencies can require long-term relief assistance for those displaced or devastated by the conflicts.

All International Disaster Assistance funds fall into the pillar of Conflict Prevention and Developmental Relief. I intend to use $25 million of these funds for implementation through the Global Development Alliance. For example, we will use the GDA to develop new partnerships with faith-based organizations already providing relief to disaster victims around the world.

TRANSITION INITIATIVES

For the Transition Initiatives (TI) account, we have requested $50 million, the same as appropriated this fiscal year. These funds, which fall under the Conflict Prevention and Developmental Relief pillar, support the work of the Office of Transition Initiatives (OTI).

I have already spoken at length about the emergence of conflict as a defining trend of this new century, and the importance of conflict prevention to both our development and humanitarian goals and to U.S. national interests. OTI supports conflict prevention by assisting countries making the transition from complex emergency to economic and political stability. OTI provides fast, flexible, short-term, high-impact assistance designed to strengthen peace, reconciliation, and reconstruction efforts.

ESF FUNDS

The Economic Support Fund (ESF) account advances the economic and political foreign policy interests of the United States. ESF funding can be used, for example,

to finance balance of payments and economic stabilization programs, often in a multilateral context.

For fiscal year 2001, USAID is requesting $2.29 billion in ESF funds. As detailed in other parts of my testimony, this funding will be used to support the Middle East peace process and several initiatives Latin America, Asia and Africa. Of this amount, $1.75 billion will fall under Economic Growth and Agriculture, $115 million under Global Health, and $328 million under Conflict Prevention and Developmental Relief.

OPERATING EXPENSES

For fiscal year 2002, USAID requests $549 million in Operating Expenses (OE) compared to this year's post-rescission OE level of $532 million. However, factoring in other OE funding sources, such as local currency trust funds, the total OE budget—at $613 million—is just $1 million more than the current year budget, an increase of less than 1.5 percent.

These funds cover the costs of salaries, benefits, and other administrative costs of Washington and overseas operations associated with management of USAID's $7.7 billion worldwide programs.

The Secretary has spoken of three priorities for the Department of State's operating funds: hiring staff, modernizing information systems and improving facilities security. These are the same priorities for USAID's OE account. First, the request will permit the Agency to continue its efforts to restore its direct-hire staff, which has been reduced to unacceptably low levels through the same combination of attrition and previous administrative cost-cutting efforts affecting many other federal agencies. It is absolutely essential that the Agency have sufficient funds to recruit, train and deploy the additional staff needed to assure adequate stewardship of its program responsibilities.

Second, the OE request includes the funds needed to continue modernizing USAID's information technology and financial management capabilities. The request will permit the Agency upgrade its telecommunication capacity and continue modernization of its accounting and procurement systems.

And third, the request includes funds to upgrade the security of vulnerable overseas posts which are not collocated with embassies. It is critical that we have funds to assure the security of our Foreign Service personnel abroad. Additionally, $50 million has been included in the Department's budget request to improve USAID facilities security in countries where our missions are located on embassy grounds.

In order to have the funds to cover these priorities while also meeting projected federal pay increases and high inflation rates overseas, I will have to identify ways to cut costs and increase productivity both at headquarters and in our Missions overseas. This I plan to do. I understand the budget pressures you face, but you should know that this OE request is critical to USAID's operations—and is the bare minimum I need for the staff and technology to successfully carry out transformation of the Agency.

INSPECTOR GENERAL

The Administration requests $32 million for fiscal year 2002, an increase of more than $5 million over fiscal year 2001. The Office of the Inspector General (OIG) plays an important role in helping USAID implement its strategies effectively, and in protecting the integrity of the Agency. This request covers operations, including the salaries, expenses, and support costs, for the work of the to conduct audits and investigations relating to the programs and operations of USAID around the world, plus the foundations assigned to the OIG for review. In fiscal year 2001, the OIG's funds included $3.8 million of no-year funds that the OIG had identified and reported to OMB and the Congress. These funds will be depleted during fiscal year 2002.

CONCLUSION

With this budget request, we have taken the first steps toward the transformation this Agency must embrace in order to respond to fundamental changes in foreign policy and foreign assistance. Our new approaches will enable us to coordinate our programs and leverage substantial private resources to achieve our development and foreign policy goals. The result will be a world that is safer, more prosperous, and more free than ever. I appreciate the President's and the Secretary's confidence in me to begin this process, and I ask for your support as well.

SUMMARY OF USAID FISCAL YEAR 2002 BUDGET

For fiscal year 2002, the President is requesting appropriations of $7,716,500,000 in discretionary funds for USAID-administered programs, including those jointly administered with the State Department. This compares to the fiscal year 2001 level of $7,587,278,000 when $223.825 million in supplemental funding is excluded.

The fiscal year 2002 USAID budget is presented in a new, simplified way, which aggregates funding for the various appropriations accounts into the four pillars on which USAID's programs are focused. The Global Development Alliance GDA) is the over-arching, process pillar (and will receive "seed" funding in fiscal year 2002) which is supported by three program pillars.

The following "cross-walk" relates this new configuration of pillars to the current program appropriations account structure managed by USAID (excludes USAID OE and other admin. accounts).

FISCAL YEAR 2002 USAID BUDGET REQUEST

[In millions of dollars]

	CSD	DA	IDA	TI	PL 480 II	ESF	AEEB	FSA	Total
Economic Growth and Agriculture	110.3	817.8	.....	.....	.....	1,754.5	269.2	431.2	3,383.0
Global Health	900.7	375.5	.....	.....	.....	114.6	13.5	55.6	1,459.9
Conflict Prevention and Developmental Relief	.....	131.7	200.0	50.0	835.0	328.3	327.2	321.3	2,193.5
State Department Initiatives	.....	.....	.....	.....	.....	91.6	.....	.....	91.6
Total USAID	1,011.0	1,325.0	200.0	50.0	835.0	2,289.0	610.0	808.0	7,128.0
Of which: Global Development Alliance	25.0	110.0	25.0	.....	.....	.....	.....	.....	160.0

Note.—The fiscal year 2002 USAID request includes funding for the Child Survival and Disease Programs Fund (CSD), Development Assistance (DA), the Economic Support Fund (ESF), Assistance for Eastern Europe and the Baltics (AEEB), and Assistance for the Independent States of the former Soviet Union (FSA), as well as funding for International Disaster Assistance (IDA), Transition Initiatives (TI), Development Credit programs, and administrative expenses. Public Law 480 (Food for Peace), is administered by USAID but formally requested by the U.S. Department of Agriculture.

The following table provides budget account details.

USAID BUDGET

[In thousands of dollars]

	Fiscal year	
	2001 appropriation	2002 request
Foreign Operations Subcommittee		
USAID—Directly Managed:		
Child Survival and Disease Programs Fund (CSD)	960,881	1,011,000
[includes transfer to UNICEF]	[110,000]	[110,000]
Development Assistance (DA)	1,302,129	1,325,000
[Incl. transfers to Int.Am.Fdn/Afr.Dev.Fdn]	[27,938]	[28,150]
Subtotal—DA/CSD	2,263,010	2,336,000
International Disaster Assistance	299,340	200,000
Transition Initiatives	49,890	50,000
Credit Programs—Subsidy:		
Development Credit Programs [by transfer]	[4,989]	[25,000]
Development Credit Programs by appropriation	1,497	.....
Other Credit Programs [by transfer]	.....	.....
Other Credit Programs by appropriation	1,497	.....
Administrative Expenses:		
USAID Operating Expenses (OE)	531,827	549,000
Development Credit Programs—Admin. Expenses	3,991	7,500
Other Credit Programs—Admin. Expenses	499	.....

USAID BUDGET—Continued

[In thousands of dollars]

	Fiscal year	
	2001 appropriation	2002 request
Inspector General Operating Expenses	26,941	32,000
Foreign Service Disability & Retirement [mandatory]	[44,489]	[44,880]
Subtotal—USAID Direct	3,178,492	3,174,500
USAID Jointly Manages with State Department: [1]		
Economic Support Fund & International Fund for Ireland	2,314,896	2,289,000
Central America/Caribbean Disaster Recovery Fund	.....	.....
Assistance to the Independent States (FSA)	808,218	808,000
Assistance for Eastern Europe and the Baltics (AEEB)	674,338	610,000
Plan Colombia request [USAID managed portion]	[90,000]	.....
Andean Counter Drug Initiative [USAID portion]	.....	[292,500]
Foreign Operations Subtotal	6,975,944	6,881,500
Agriculture Subcommittee		
Public Law 480 Food For Peace Title II	835,159	835,000
USAID Total	7,811,103	7,716,500

[1] Some funds are transferred and managed by othe agencies; levels shown reflect the full appropriation.

Note.—Fiscal year 2001 includes enacted supplementals, which included $135 million of International Disaster Assistance funds for Southern Africa floods; $76 million of Assistance for Eastern Europe and the Baltics funding; and $13 million in USAID Operating Expenses to provide administrative support in Kosovo. Fiscal year 2001 levels reflect a rescission from all accounts of .022 percent.

Senator MCCONNELL. Let me apologize again for the interruption we are about to have. We have three votes, so it is good that cell phones are now common and a lot of your staff is here. Hopefully you can do something useful. I am not sure it makes sense for us to slip back to the hearing in between votes, that would be so disjointed.

What we will do is catch the first vote at the end, and then the second vote, and the third vote at the beginning, and I will start back over here. Hopefully my colleagues will be able to come back as well.

The hearing is in recess for the moment.

[A brief recess was taken.]

Senator MCCONNELL. Again, I apologize for the delay. I would like to focus, if I could Mr. Natsios, on the Middle East. I do not have to tell you that over the course of the last 3 or 4 months, the previous Israeli administration offered essentially everything to the PLO. They offered them control of the neighborhoods in East Jerusalem; they offered them a capital in East Jerusalem; they offered them 96 percent of the West Bank, and joint control of the holy places in Jerusalem, and 100 percent of Gaza.

That was met, as we now know, with a refusal, and I have asked a number of Israeli politicians over the last few months: was there anything else that could have been offered? No one has been able to think of anything.

There was a fascinating article in the Washington Post yesterday, which I suspect you saw, which questioned whether Arafat really has any control over the violence. The Israelis have always argued that he does and therefore, should be responsible for the behavior of the Palestinians. Others say that he does not.

Regardless of whether he does or does not have control, I have often felt that foreign assistance is not an entitlement. If you live in this country and you are 65 years old, you get Social Security. But if you are a country and you have been a long-time recipient of U.S. foreign assistance, should you get assistance no matter how you act?

I am told the number one hit selling song in Egypt these days is entitled "I Hate Israel." The state owned news service is spouting antisemitic rhetoric like nothing we have seen in years. By any objective standards, the Egyptians, at least in the last few years, have not been very constructive players in the Middle East even though they still have a nominal peace treaty with the Israelis.

I am curious as to whether you think, the budget request for Egypt, the West Bank, and Gaza Strip should continue as business as usual?

Mr. NATSIOS. Let me first say, Senator, that there are certain issues where there is a heavy foreign policy focus, and this particular question you have asked is probably one of the most sensitive ones the Secretary is dealing with. And so for me to make comments that could affect his conversations with the Israelis, Palestinians and Egyptians would be a little dangerous for me, given that I have only just been sworn in.

Senator MCCONNELL. It could end up being a short tenure.

Mr. NATSIOS. It could be a very short tenure, the shortest in USAID history. And having been a former military officer and having a former four star general and Chairman of the Joint Chiefs as Secretary of State, there is a sense of hierarchy, and I report to him.

But let me make a couple of comments on the general proposition without specifying a specific country.

Senator MCCONNELL. I would be satisfied with that, just a general proposition of whether foreign assistance is completely unrelated to behavior.

Mr. NATSIOS. The first thing I would say is that there are different categories of foreign assistance. If, for example, we are in a country where there is an extremely oppressive government, or predatory government, not just authoritative, predatory, and we oppose the government overtly, our foreign policy is very clearly against that government, but we are providing assistance to human rights organizations that are monitoring atrocities that might be committed that might be ongoing in the society, or sometimes we provide assistance to people who have been running an election, different parties. That kind of assistance I am not sure is wise to shut off, because it is the one thing in the society that exists that is allowing us to counter the tyranny of the government.

So I think the first thing that I would say is that you need to look at what the assistance is.

Senator MCCONNELL. What if it is military assistance?

Mr. NATSIOS. Oh, military assistance for me, you shut it down, from my perspective. In fact, I would shut down economic assistance and certain other kinds of direct development assistance, except things like child survival, HIV/AIDS.

Senator MCCONNELL. I agree with that. So military assistance in your view, could well be conditioned on behavior?

Mr. NATSIOS. That is my personal opinion but needless to say, I do not control——

Senator MCCONNELL. I understand that, and I am not trying to trick you. I understand that you are not going to answer that question and if I were in your seat, I would not either. But, I am interested in your general view about whether "once a recipient always a recipient" makes sense with respect to our foreign assistance.

Mr. NATSIOS. I think that it is a dangerous idea to attach to our foreign assistance programs a notion of entitlement. It is not just in terms of foreign policy but from a developmental point of view, the idea is for us to leave the country eventually when the country becomes more prosperous; you do not want to be there forever. If a country gets drawn into the dependency syndrome that takes place in some countries, because they think we are going to subsidize everything forever, it is not healthy to the society. So I think there has to be a psychology to this where the countries in which we work know that under certain circumstances we will withdraw. I think entitlement is a bad idea as a general proposition.

Senator MCCONNELL. Looking at Bolivia, for the last 16 years USAID has been involved in alternate development activities to stem the growth of coca. The programs have largely been successful. In the last 4 years, 18,000 families received assistance on alternate crop development, 3,000 kilometers of roads and 110 bridges were built, and 15 health posts and one hospital were chartered.

Colombia's alternate development needs never were part of the Andean Initiative. Can we realistically expect alternative development activities to take root in Colombia given the continuation of civil strife in the coca growing regions?

Mr. NATSIOS. Mr. Chairman, this was perhaps the first briefing I asked for when I arrived at USAID because this affects profoundly the program in Colombia and our direct and immediate national interests, and is a clear foreign policy issue before the U.S. Congress.

I have to say, when I went to see Senator McCain to introduce my successor, a brigadier general retired to run the big D, he kept focusing on Plan Colombia and I kept trying to introduce my successor to him. And he simply told me I could go down and explain. So when I go to USAID, I said Senator McCain likes the program. I am not quoting anything he has not said publicly, and I would like to know about this program, because I want to know whether the program is successful. Is it for public relation purposes you are saying it is successful, or is it truly a good use of money.

The director of the program is one of our most able foreign service officers, George Wachtenheim, who is a very experienced foreign service officer and is known for getting things done and getting them done right. The briefing I had from him and several other people familiar with the program is not only are we showing signs

of success fairly quickly, but that it looks like we can expand the program along the lines we had looked at.

Senator MCCONNELL. They cannot operate in the areas controlled by the insurgents though, can they?

Mr. NATSIOS. No, but we are operating in a lot of areas that are close by, and it does not take a lot of encouragement for many of these farmers to switch over to licit crops. And I cannot remember the figure; I think we are up to 7,000 farmers that we have enlisted in this program since December. We give them seeds and tools, and help them with inputs to facilitate their moving into the normal market system for agricultural programs.

Senator MCCONNELL. What are we doing about human rights? Funding for Plan Colombia has always been very controversial.

Mr. NATSIOS. It has been, and that is a certain issue for me because I am very much interested in the human rights issue, given the atrocities that I have seen committed over the last 12 years in different countries.

The first thing is, we are funding what are called houses of justice. The normal legal system in Colombia is not something that poor people have access to, so there is a sense of alienation between people in some of the rural areas, particularly in the areas in which the drug organization exists, and the judicial system. I don't remember the exact number of these houses of justice that exist, but they are up and running now and they are apparently working quite successfully.

They are basically what we would call a lower court in the United States. They are more accessible by people. People go in and bring their disputes and get them resolved in an honest way.

We are also funding human rights organizations that are looking at these issues within Colombia. Part of our program is in the human rights and justice area, for the very reason that you mentioned.

Senator MCCONNELL. Did you have something to add there?

Mr. NATSIOS. Fifteen of the 30 planned casas de justicia are operating today, and they are processing about 150 cases a day—free of charge. We have strengthened the public defenders offices in 10 of Colombia's 31 state capitals.

Senator MCCONNELL. Let me shift to a different part of the world. I have had a longstanding interest in the situation in Burma, which is one of the most outrageous regimes in the world. I want you to know that I am not going to support any program inside Burma due to the lack of the transparency and accountability of the junta. I do not know if you have any plans for programs inside Burma. Are you planning on doing any programs in Burma? This would be futile under the current situation.

Mr. NATSIOS. I do not believe we have any plans for any program nor do we have any running in Burma now, though I should say, the HIV/AIDS epidemic is spreading across Southeast Asia now, and I do not think it respects national boundaries, but we do not have any programs.

Senator MCCONNELL. Well, as bad as it has been in Thailand, you would expect it to end up in Burma.

Mr. NATSIOS. Exactly.

Senator MCCONNELL. That is really a horrible situation. The previous Secretary of State appeared before the Senate, and she admitted, too, that it is simply impossible to get concerted action from the ASEAN nations because of Burma. It is a source of ongoing frustration. I am beginning to wonder if it will ever change. If it does, that will probably be a place where USAID is going to be needed.

In Cambodia, speaking of disappointments, a coup d'etat in 1997 was followed by flawed elections in 1998. Corruption and human rights abuses have continued by a government essentially in power since the 1980s.

My question is, under your pillar of conflict prevention, will democracy building programs in Cambodia be a priority?

Mr. NATSIOS. We have democracy and governance programs right now in Cambodia, and they are focused on human rights in the development of civil society to promote the level of NGOs. We do run only one program in cooperation with the government and that is the HIV/AIDS program; everything else is run through NGOs. I know World Vision, the NGO that I was an executive with for 5 years, has a very large Cambodia program, and I visited it along with seeing the other NGO programs there. Many of them are quite good, in the child survival area in particular, because there are also a lot of mine victims, I am sure you have know.

Senator MCCONNELL. I have seen them, I have been there.

Mr. NATSIOS. It is grim.

Senator MCCONNELL. Very depressing.

Mr. NATSIOS. Very depressing. And so, there are prosthetics programs now. But in terms of working with the government, I would not support any programs beyond the HIV/AIDS program in terms of working with the government itself.

I was one of the members of the team in, I think it was 1999, that monitored the Cambodian elections. I was asked by one of the groups, International Republican Institute, that monitored those elections—1998, excuse me, thank you.

I did not have the same view as the public relations view of how those elections were run myself, but that was just my opinion from my experience there.

Senator MCCONNELL. Well, continuing to span the world, Macedonia has certainly been back in the news lately. The Macedonian Government has called for a state of war against the NLA, the Albanian National Liberation Army. Ethnic Albanians in Macedonia, which as you know are about a third to a quarter, of the population, do have some legitimate grievances with regard to equal representation within the government. Obviously, a state of war will only exacerbate tensions between ethnic Albanians and Macedonians and will likely result in even greater civilian casualties.

I wonder if you have been on the job long enough to have an assessment of the situation and what proactive steps the Agency may be facing to address the concerns inside Albania of the ethnic Albanians?

Mr. NATSIOS. I met with the president of Macedonia last week.

Senator MCCONNELL. I did, too.

Mr. NATSIOS. I had a very good conversation with him, and I emphasized in my conversation with him how pleased we were at the

restraint in the initial phases of this conflict that the Macedonian military showed in the villages, because we are in those villages. There was a relatively minimal amount of damage in that phase.

I told him that it was in the interests of the United States as well as stability in the Balkans for a more judicious approach for dealing with the insurgency, that there had to be some review of the provisions of the constitution which the Albanian minority's leadership believes needs to be addressed, need to be changed.

Of course, all of this was something we did in concert with the State Department because they delivered exactly the same message. There is an USAID effort to rebuild the housing that was destroyed in those villages up near the Kosovar border, and we are putting that on a fast track because there is hope that this could come out the right way if it is handled well.

The more extreme the reaction, the more likely we will destabilize a society that was moving along in the right direction, slowly, perhaps not as fast as the Albanian minority would like to, but they were trying to do the right thing. And the fact that they have a functioning democracy, it seems to me, has helped a lot in containing this.

We hope that they will continue to show restraint, because if they do not, then we are going to have an uglier situation.

Senator MCCONNELL. I have not been entirely happy with the way the Macedonians have treated the Albanians over the last few years. In the press over here it always seems like the Albanians are the problem but I think it has frequently been the opposite.

Next door in Montenegro, there were press reports that we had been using foreign assistance as leverage prior to the recent Montenegran elections to discourage those forces there who were seeking independence. Is there any truth to that?

Mr. NATSIOS. I am not aware of that. We have our acting assistant administrator that tells me we are not doing that.

Senator MCCONNELL. Are you proposing to withholding assistance to Montenegro?

Mr. NATSIOS. I was unaware that we were withholding assistance. Are we? Oh, the election. Yes. As you know, there were elections recently.

Senator MCCONNELL. That's what I was talking about.

Mr. NATSIOS. I am sorry. The election results were not definitive, it was a very close election, much to my surprise personally. I had expected it would be much more decisive than it was. And there is a review going on now. Pending that review I won't be able to make a comment, and we will see what the State Department decides.

Senator MCCONNELL. Is there any connection between assistance to Montenegro and cooperation of the current Yugoslav regime in turning over Slobodan Milosevic to the Hague?

Mr. NATSIOS. My understanding is, and again, I have only been on the job a couple of weeks, is that the U.S. Government continues to strongly press the Serbian Government for accountability of the atrocities that took place during the Bosnian civil war. To what degree our aid is involved in those discussions, I have to tell you, Senator, at this point I can't tell you, I don't know.

Senator MCCONNELL. I have to offer an amendment on the floor, and what I am going to do is pass the gavel to Senator Leahy for his questions, and then to Senator Bennett, who I am sure may have some thoughts as well.

I have a few more questions I am going to submit in writing. I thank you very much for being here today.

Mr. NATSIOS. Thank you, Mr. Chairman.

Senator MCCONNELL. I look forward to you having a successful tenure.

Senator LEAHY. Thank you, Mr. Chairman. I understand that we will keep the record open today so if others have questions, they can submit.

The discussion on Colombia was unfortunately interrupted because of these votes this morning. I know Senator Bennett has other duties too, but I do want to ask a couple of questions.

Colombia has actually signed up about 11,000 families for alternative development programs, because they have agreed to destroy their coca crops. But the aid they are supposed to get, which is to be $900 a family, will not begin until June, so they have to take us on faith, I guess.

I have not seen the monies for protecting human rights delivered very quickly. You have the problem of prosecuting human rights crimes for some, particularly within the military, because they go to military courts and maybe one sacrificial lamb is tossed out, but everybody else, nothing happens to them. It is only if they are prosecuted in civilian courts that you have any chance at justice.

Now you have the expansion of support for the paramilitaries by some within the Army, and it makes violations of humans rights worse, so I continue to have a great deal of concern about Plan Colombia.

In many ways I think that our whole approach is somewhat like Moses commanding the tide to stop coming in, and the tide is attracted by us, and if we would stop spending so much money on drugs, we could stop all these drugs from Colombia, stop all these drugs from Peru, but with the demand, it will come from somewhere.

I think we have been remarkably ineffective in some of our programs here in the United States and unwilling to fund education and treatment programs for our young people, and this does not come under USAID, I understand, but my belief is we need to get them away from the drug scene.

And the billions we spend down there, I am afraid that some of this may end up being like the old cold war. If we had someone with a terrible human rights record or a dictatorship or whatever, they would say I am anticommunist, we would say oh, here, how much money can we give you. And today if they say they are antidrugs, it is almost the same way—we will close our eyes to the human rights violations.

I have a lot of respect for President Pastrana in Colombia, but I am not too impressed with our programs other than sending a lot of military money and closing a blind eye to the paramilitaries.

The President's budget is $5 million above the 2001 level for Development Assistance, which is, when you count inflation, really a cut. And yet, this is the heart and soul of AID's programs. Since

the early 1990s there have been cuts in all these development activities—agriculture, family planning, and so on.

Senator McConnell and I have fought to stop the cuts, and the budget is no longer decreasing the way it was in the mid-1990s, but looking ahead, what do you see as AID's number one, two, and three funding objectives?

Mr. NATSIOS. Are you talking about generally or in Colombia?

Senator LEAHY. Generally.

Mr. NATSIOS. Well, the three focuses that I mentioned in my testimony are the areas that I would like to put emphasis on in future years, in 2003 and 2004. This budget obviously was done primarily by the last administration. We made some amendments to it, but I have to say, we did not make any huge amendments. It is just a little too early to do that, given how new I am and the administration is.

But the budget was not cut for 2002, and I think given the other Federal problems, no cutting is a good sign. Colin Powell and the President, are both strong supporters of these kinds of programs. And I think what counts is what you actually propose, and given what happens to some of the other departments, I think their actions show that.

In terms of my own personal priorities and the areas that I advocate on in the future, in the health area, the HIV/AIDS epidemic is destroying whole societies as I said in my statement, and we need to get a hold of that before the whole continent is crippled permanently.

The second item in the health area that I mentioned, I will repeat it, is in the micronutrient area, because we know we can make a lot of progress for modest investment in children's health over a long period of time with a micronutrient strategy. And so, I would like to put more money in that area.

This is in the larger scheme of things and future years.

The second area that I have a deep interest in is in agriculture and when I say agriculture, I don't just mean growing crops. Agriforestry is part of agriculture. The development of world markets is part of agriculture; you have to move your surpluses around. If you don't have rural roads, you cannot move your surpluses, so there is no incentive for the peasants to grow more food.

There is a lot of research that has been done that is not getting out into the field among the subsistence farmers who tend to be very poor, there is poor nutrition. We find that if you increase the family's income, you can do that through agriculture, it affects everything else. The kids get better fed, they are better clothed, they get private medical care that they would not have gotten otherwise. They get to pay their school fees so they can go to school. So, a livelihood strategy in the rural areas of agriculture makes great sense to me and I would like to put a lot of emphasis on that.

But, there are other areas of investment in agriculture, in tree farming. Through the biodiversity programs we have discovered the new uses of newly discovered species that have very large markets. And what we need to do is convert some of these discoveries into sustainable programming where we don't have whole forests cut down because the trees are valuable.

There is a lot of research that has been done through the CGIAR, the Consultative Group for International Agriculture Research. The agriforestry program in Kenya is one of the best of the 17 institutes they run on agriculture around the world, and they have done a lot of work in this area that I would like to use in our programs and expand.

The third area is in conflict prevention. The NGO community has been experimenting for a decade or more, some of them like the Mennonites and the Quakers have been involved in this for a century. But a lot of the operational NGOs have been trying techniques at calming down very provocative situations that could explode in various areas of the world, and some of them have been very successful.

This is not a very expensive area, but if we could prevent one or two wars by a modest investment, I think it is worth doing that.

Senator LEAHY. I have heard that USAID is planning to sharply cut funding for renewable energy and clean energy technology. I am not sure I understand why. There is a lot of opportunity to invest in infrastructure and energy technology in developing countries that benefits everybody, it benefits them, it benefits the environment, it benefits our country. Why would we cut that?

You talk about planting forests and so on, yet in some places there is desertification because everybody cuts down what trees there are, and it is hard to tell them, you know, in 10 years we will have this forest and they say my kids are going to freeze to death tonight, I have to cut down the wood. Why would AID cut back on funding for renewable energy and energy technology?

Mr. NATSIOS. If you look at the budget, Senator, there are a number of accounts where there appears to be a reduction. What there in fact was is we moved money into a reserve fund. Actually we are not moving the money, the money is still in those accounts, but it has been reserved for what we call Global Development Alliance, which I actually wanted the Secretary of State to announce later this week, which he will do. What it is is an attempt to use USAID's financial resources, technical expertise and field missions, and leverage private sector money from the capital markets, from NGOs with private funding, from some of these new high-tech foundations that have been formed, and from our universities and colleges, and try to create an alliance using that $160 million as leverage in some of those areas.

Now, we cannot tell you which deals are going to be put together, which alliances are going to succeed, but our idea here is to multiply the amount of money——

Senator LEAHY. Can you give us some indication of how much will go into renewable energy and clean energy sources?

Mr. NATSIOS. We made cuts in a number of the activities, including that account.

Senator LEAHY. I understand, but do we know, if it is all leveraged and we get the private sector to help in carrying out our responsibilities, do we end up having more going into renewable energy and things that may help these people in these countries or not?

Mr. NATSIOS. I can't tell you which agreements are going to make it; we have not negotiated them yet. We are going to try in

each of the sectors, but I cannot assure you that someone is going to contribute money in precisely the areas that we are spending money on now. We are going to look at those areas, Senator.

Senator LEAHY. The reason I ask, we could direct a certain amount of policy, the government, you, Congress, the President and so on, but Senator McConnell and I have been carrying on the battle, sometimes it is very unpopular doing it, on foreign aid. It is very easy for people when they talk about foreign aid to say I do not hold a passport, I will never leave the country while I am in the Congress, I don't want to give money to foreigners, what have they ever done for us, and that sort of thing.

We now spend in actual dollars far far less as a percentage of our overall budget or even our gross domestic product, we spend far far less than a lot of countries who do not have the international responsibilities that we do. We spend a lot less than the countries that do not begin to have as much to gain by these expenditures as we do.

You spoke of conflict resolution. We sometimes will spend tens of millions, even hundreds of millions in a massive effort to get people out of an area after the fact, but if we spent a higher percentage of that before the fact, we might prevent the conflict to begin with. I am not suggesting we would solve the world's problems by any means, but we seem to have an almost isolationist attitude when it comes to this when there is so much we could accomplish.

Global health, you know, ebola plague or any disease like that is only an airplane trip away from us, and it is like pulling teeth sometimes to get money to work to eradicate this. Look at AIDS, threatening in Africa to wipe out the economic gains of the past quarter century. There are millions of refugees, half a dozen wars raging, 2 to 3 million people die in the Congo, mostly from disease and starvation, and nobody seems to notice. We have immense needs there, but it takes leaders who are not corrupt and are willing to work with civil society, and if we are going to have some kind of a Marshall Plan for Africa, there are not too many of those leaders around.

We spend in foreign aid pennies per capita in Africa, and in some much more developed nations, we spent hundreds, even thousands per capita. I am just wondering if we have our priorities right.

If you had a billion dollars extra for Africa, which would mean instead of going and spending 5, 6, 7, 8 cents per capita, whatever it is, you bring it all the way up to 14 cents or a dollar. A lot of the developed countries we send aid to, would consider that insulting.

Suppose you could do it, where would you spend it first?

Mr. NATSIOS. In Africa. Well, Africa has different development problems than most other areas of the world.

Senator LEAHY. True.

Mr. NATSIOS. And we don't have as many success stories there as we do in other areas of the world. So, I think we would have to invest our resources in those countries which have shown some local leadership in making some progress, in Ghana for example, in Senegal, in Botswana. In Mozambique, probably the best success story in Africa that we see right now is Mozambique. When I vis-

ited Mozambique 12 years ago, it was the basket case of Africa, probably on a par with Sudan.

Senator LEAHY. This was when?

Mr. NATSIOS. This was 12 years ago in the middle of the civil war which killed 2 or 3 million people.

Senator LEAHY. In fact, we began the Leahy War Victims Fund in Mozambique.

Mr. NATSIOS. We appreciate that.

Senator LEAHY. Because I felt, and Melissa Wells, our ambassador at the time felt, and the president of the country felt that it was a wonderful way to get something done, even though we faced—probably you also remember that our State Department and others said, well, we will do a little project there, a few thousand dollars, and we can split it up with all these other countries. And I said no, why not do it right? And it worked.

Mr. NATSIOS. Well, there was a combination of several factors that led to the current state of affairs in Mozambique, which has moved to a market economy; they have about six cabinet ministers who were educated in the west and who are undertaking a major reform of the Mozambican regulatory structure to encourage more investment.

There has been a huge success in agriculture. Up in the middle part of the country, there are four provinces that are very rich in agricultural lands, and those were devastated by the war, and they are now producing surpluses that were being exported until recently into Malawi and Zambia.

There has been expansion of the cashew industry, food processing is beginning. The floods unfortunately were quite devastating, as you know, but they have made a lot of progress, and they did it because there was local leadership, there was some people willing to take some risks, and there was a willingness on the side of both sides in the civil war to peacefully resolve issues in the future.

And I have to say this. One of the things I am interested in is seeing if we cannot use some of the religious groups around the world that specialize in mediation to try to help us in this area. And the peace talks in Mozambique, this is not well known in the United States, were in fact negotiated by a Catholic lay order from Rome called the Order of D'Argenio, and that is a group of Catholic lay people, men and women, who do this sort of work. They do it in the Balkans, but they started the peace talks in Mozambique, and they were the ones that facilitated them as a disinterested third party. And it helped enormously in ending the civil war, bringing peace to the country.

There are lots of groups like that around that we need to encourage. The USAID is funding, for example, the Henry Durant Center, which is connected to the ICRC in Geneva, and they are doing some very important conflict resolution interventions in some very unstable areas of the world right now.

So there is outside help, but also local initiative and support, willingness to negotiate.

Senator LEAHY. We could do a lot more by going to countries, even countries where we may disagree with their government at the time, and having exchange programs, student programs, and

we will get some people over here that may be anti-American, but will also see how democracy works, and those may be the people 15 or 20 years ago that are sitting down doing conflict resolution today. Thank you.

Mr. NATSIOS. If I could just add one comment on that, Senator, when I was with World Vision, I would go into civil war areas and see who worked with the NGOs, from the local population; I don't mean the westerners. And it was very interesting, because the wages were so low in these countries and there are so few jobs, the truck drivers for most of the NGOs, for example, had master's degrees, everybody has a college degree. So one of the effects of the NGO program, this is not why they exist, but this is one of the good unintended consequences is they keep hundreds of people on their staff to do relief work in the emergency that maintains the middle class in the country.

There are thousands, tens of thousands of people who stayed in Liberia and Surinam and the Congo who worked for NGOs, who were people from the country educated in the United States primarily, who were able to keep life and limb together for their families by taking this NGO job to do some important immediate work, but that serves the basis for the middle class to help rebuild the society after the war is over.

Senator LEAHY. Thank you.

Senator BENNETT. Mr. Natsios, may I start by saying I am impressed with your patience and your knowledge and your performance here today, and I think the country is well served by your willingness to accept this assignment.

Mr. NATSIOS. Thank you, Senator.

Senator BENNETT. Indeed, your enthusiasm and your actual proselytizing for this particular assignment strikes me as maybe a demonstration of some mental dysfunction on your part.

Nonetheless, it is salutatory and well received.

Let us talk a little bit about the health situation in Russia. You have listed your three priorities and I have noted them, and I frankly applaud you on your choice. I think health first, then agriculture and then conflict prevention, that is a good way to stack the priorities.

Let us talk about the health delivery situation in Russia. The last time I had any kind of analysis of the circumstance in Russia I was told HIV/AIDS was in epidemic status, as was tuberculosis. Can you comment on that?

Mr. NATSIOS. I had a visit to my office when I was the director of the Office of Foreign Disaster Assistance before the Soviet Union collapsed by a professor at Georgetown University, Murray Fishbein as I recall his name, who wrote at the time the preeminent work on Soviet health systems, and he was in some quarters ridiculed because people said no, it could not possibly be this bad. I do not recall the exact statistics, but it was a striking number, for example, of hospitals that do not have running water, they do not have hot water, they have outhouses for toilet facilities, in hospitals.

I recall studies that I read of the number of times that the typical Soviet child would be immunized, 20 or 30 times a year they would get shot with various kind of medical interventions. I am

sorry, I cannot remember the different kinds of diseases that children were being immunized against, but there were no standards in the factories where the serum was being produced for the children, or for the adults for that matter, and so they did not know what kind of dosage they were getting.

If you go through the Soviet health system, it more resembles the poorest of the developing world in some areas than it does a western society, which some people at one time thought the Soviet Union was. They have made some progress in some areas in the last 10 years, but the average life expectancy for Russian males has deteriorated in the last 10 years, which is almost unbelievable when you think about it.

So it is very serious. We have a very heavy focus in our portfolio, our ongoing health and social services program in Russia is about $125 million and there is a heavy health focus on it. We do have an HIV/AIDS prevention program that has been started there.

I know World Vision, once again just to give you an example of an NGO program that worked very well, had a modest grant from USAID about 8 or 9 years ago to develop a curriculum to train nurses, because the argument within World Vision was, if you really want to influence the way in which the health care system works, retrain the nurses. And most of the nurses had high school degrees; they were more like orderlies are in this country. They did not have a nursing profession as we would understand it. So we developed a textbook in Russian and created nursing federations, nursing associations in each of the republics, through which the text was used and curriculum was developed for courses to improve the quality of nursing or to create nursing education programs. That has improved the quality of nursing care in hospitals across Russia, a small program but it had a big impact.

Senator BENNETT. Well, that triggers a report to you of the comment that was made in the conference that I attended, where the circumstances of the Russian health situation was laid out in absolutely stark terms, and they made the same comment you did about the falling life expectancy, and said that Russia's population will shrink from 140 million to something like 80 million within the next 40 years, that having a new child in Russia is an economic disaster for the parents, and therefore, the birth rate is very very low, abortion is rampant throughout the country, in an effort to make sure they do not have a new child.

The comment made by the experts that appeared before us, members of both the House and Senate was that at least in the last 8 years or so, America's financial involvement with Russia had been counterproductive. The experts, and these were not politically chosen, these were out of academia, said that the American State Department and the IMF both had to bear some of the responsibility for the deterioration in Russia because of the way the money was distributed and the way it exacerbated some of the problems. And even the Russian central president said don't give us any more money, which was a very interesting thing for an appropriator like myself to be told.

They said, the thing we need most is NGO involvement of the kind that you have just described. I had not intended to go through this, but you just described World Vision as an NGO, and they said

that makes more difference than large sums of money funneled through the government that end up leaking into a variety of little buckets and other places, and does not get where it needs to go.

Given your background and your experience with an NGO, this is not the kind of question that deserves standard administration response, but just something for you to think about. Maybe you ought to try to funnel AID's activities into places like Russia in more of an NGO sort of delivery system than the traditional government delivery system, and think in whole new terms in that particular paradigm.

Let me switch countries on you but stay in the same mode. I was visiting with Youssef Boutros Ghali, who is the Economics Minister in Egypt, and I said to him, what do you need the most. And he said people. Trained people. And then in a statement that is probably a little bit of hyperbole he said, if I had 10 trained people I could trust, I could fire the other 50,000 who work for me.

And then he told me this story, which is in the same vein. He said, I have asked AID for scholarship money to help me get these 10 people. He himself holds a Ph.D. in economics from MIT. He said, they won't give it to me, they say you will just pick your nephew or your political supporters and send them to America as political patronage on our nickel, and we are not going to do that. So he said you pick them, he said I will not pick, you go out into the universities and pick the best and the brightest that you think would be most responsive to an education in the United States. And I am sure he would like to be consulted so that he at least had some input, but he said, I will get out of the decision-making process, but this is what I need more than anything else out of USAID. And there was a sense of yeah, well, we could do that, but inevitably there is a bureaucratic reason why it never happens.

I got the same thing in Russia, some folks saying what we need most is people who understand how the world really works in countries where it works. They only understand how it works here in a country that it does not work.

Without getting into a long debate, let me just plant a seed in your head about the USAID and the way the money is used, rather than just the traditional kind of government to government sort of situation.

Mr. NATSIOS. Well, about two thirds, Senator, of our total grants and contracts last year were committed to non-profit organizations. These include, among others, American NGOs, American colleges and universities and indigenous NGOs, locally-based NGOs. Some countries like Indonesia have thousands of local NGOs that are very very good. So 65 percent of our funding does not go through governments, it goes through universities, colleges, research stations, local NGOs, international NGOs, cooperatives. The Land of Lakes, for example, is a cooperative electric, or rural electric cooperative trade association in New England, and they do a lot of work in developing countries developing electrical cooperatives, and they are very successful in some countries. So we do that now.

In terms of scholarships, USAID has been educating people for decades, ten of thousands of people in the developing world have degrees from American universities with USAID scholarships, so that is a good program. One of the problems, however, I have to

tell you, as soon as a lot of people get their degrees, they leave, they come here.

I don't know if you know this, Senator, but the best educated immigrant group to the United States right now are Africans. They have the highest number of Ph.D.'s of any immigrant group into the United States, and most of those Ph.D.'s were obtained at U.S. institutions and many with USAID scholarships.

Now, it is nice to get degrees, but I have to tell you, it is not helping Africa very much if they come over here. So that is one of the problems.

One of the things that we do though, right now, which is very successful, I had the minister of agriculture visiting me yesterday from Georgia, the country of Georgia, not the state.

Senator BENNETT. Stalin's Georgia.

Mr. NATSIOS. Stalin's Georgia, exactly, the only place where they have not pulled down Stalin's statute because he is still remembered there, not because they agreed with him but because he was from the country. In any case, the minister was pleading with me to keep on a USAID advisor in agriculture.

I think he is an agricultural economist, he is an American, but he has been on his staff for 4 months, he said I need him on the next 2 years to help me. They are restructuring their agricultural system and he said this man is honest. When we hire our technical people in the United States, obviously we are careful who we hire, but these people tend to be very idealistic, but also very practical. This guy has worked in the developing world before, he knows what the challenges are. He has become one of the most important advisors to this minister of agriculture. He does not go in and leave, he lives in the country. He is going to bring his family over and live there for a couple of years.

So one way in which we answer the question that you were asked is, we do do the scholarships, we still do that, but there has been a problem with it. Once they are educated, they don't want to go back, or they go back and then the emigrate.

But we send these advisors in there. We have a couple dozen advisors in Indonesia right now trying to help the government think through before it is too late, the economic reforms that are necessary to make that country's economy recover, which it has not yet, from the economic collapse of a few years ago.

We have found in a number of countries that these advisors have made a profound difference by living in the country and working in the ministries, but we pay the—we choose the person, we pay the person, they are still our employee, but they work in the ministry itself on a daily basis.

Senator BENNETT. We can have this conversation later on and I think undoubtedly we will, because there are a number of roads that you have opened up that I would like to go down, but I would also like the adjourn the hearing and I am sure you would too.

So let me just ask you one last question. How do you view the role of GasProm in Russia's economic situation?

Mr. NATSIOS. I have to tell you, I am not an expert in the area. I should not speak about this. I am not sure of what I am going to say, and so I would rather not comment.

Senator BENNETT. Okay.

Mr. NATSIOS. I can send you a response in writing if you wish, Senator.

Senator BENNETT. I think that would be useful. And again, I appreciate your willingness for government service and your willingness to testify, and the breath of fresh air you bring to this whole activity. And on behalf of Youssef Boutros' colleagues, take a look at more scholarships for Egypt, and maybe we do something like the service academies do, we will give you a free education at West Point, Colorado Springs or Annapolis, but you owe us at least four years, and maybe when AID gives a scholarship to somebody from Egypt it is with the understanding that you may really like it up in Cambridge, but you are going to have to go back to Cairo for at least four years before you apply for a job.

Thank you very much.

Mr. NATSIOS. Thank you, Senator.

ADDITIONAL COMMITTEE QUESTIONS

Senator BENNETT. Thank you very much. There will be some additional questions which will be submitted for your response in the record.

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

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

EARMARKS

Question. In your testimony two week ago before the Foreign Relations Committee, you said that Congressional earmarks make "it very difficult for USAID to get its work done, show any creativity, or customize USAID programs in the field to the local situation."

I don't know how familiar you are with other appropriations bills but some are nothing but earmarks. Every dollar is earmarked. USAID's budget is actually relatively free of earmarks.

What earmarks there are have various explanations. Some, like aid to Israel and Cyprus, are there for political reasons. And these earmarks reflect the Administration's budget request. Other earmarks are there because the Congress has tried every other way to convince UAID to do something without success. Let me give you an example:

Three years ago, USAID spent about $2 million on tuberculosis programs worldwide. When I tried to convince USAID that was not a serious response to tuberculosis, all I got were excuses. Today USAID is spending $60 million on tuberculosis, because Congress felt it should be a priority.

Having said that, Senator McConnell and I, and our colleagues in the House, try hard to discourage earmarks, and we succeed most of the time. I would like to see fewer earmarks, but USAID also needs to recognize that sometimes members of Congress have strong views about how to spend the funds we appropriate.

What earmarks are you most concerned about?

Answer. Senator Leahy, I first want to clarify that when I used the term earmarks I was generically using it to mean both earmarks and directives. I agree that the number of earmarks is not that great and that you and Senator McConnell, as well as members in the House, have been successful in limiting earmarks, but the number of directives has grown over the years. I also agree that there are times such as the example you used with TB, when the Congress has had to use its influence through earmarks and or directives to direct USAID towards a correct program path. However, that does not mean that Secretary Powell or I agree that every directive is the best way in which USAID funds can be used. Secretary Powell in his testimony before the Congress has indicated his strong concerns about the increasing number of directives that are being imposed on the foreign assistance accounts.

In fiscal year 2001 there was a total of 247 directives and earmarks against USAID managed accounts from the House and Senate Appropriations Committees. While not all of those included funding levels many did, and I believe that this is not always the best use of our funds or the direction in which our programs should

go. At the same time, we are always aware that if directives are not followed they can easily become earmarks the following year, and for that reason we try to be as responsive as possible.

For many of the directives there are very good reasons for our opposition. For some the institutions/organizations in question have not responded to our requests for additional information or even submitted a proposal after being asked to do so. For others core funding has already been provided with the understanding that the organizations in question are already self-sustaining and additional funds are to come from sources other than USAID. In other examples funding may be redundant in that other organizations may have already been selected or involved or the work in question has been completed. For others we are being asked to implement a program where there is no USAID presence or management capacity to monitor or assess the progress and success of the activity.

For the non-DA accounts we have an additional problem in that we are not able to unilaterally determine that funding directives which affect those accounts can be met without consultation and agreement with the State Department.

Other examples are the funding floors imposed on us for our Africa and Latin America programs. Secretary Powell and I have made it clear that we believe assistance to the Africa region is of the up-most importance, but having a floor greatly reduces our flexibility in programming needed resources. I don't believe that our request for Africa in the current "Budget Justification" justifies a need for continuation of that floor nor does it for the Latin America region.

One area of particular concern is the practice of targeting funds to specific universities. There are 75 directives targeted to specific universities and institutions of which 59 are against the Development Assistance and Child Survival and Diseases program accounts and the balance against the ESF, SEED and FSA accounts. In some cases USAID is already funding some of them so there is no issue. However, I strongly believe that the competitive process will most always result in a more successful and stronger program. There are 20 of these directives that we have identified as not meeting the requirements we deem necessary for funding.

I ask that the Congress give us the flexibility to make choices and provide some relief from the increasing number of directives being imposed on our programs and accounts. If you or others in Congress have concerns I assure you they will be listened to and addressed in a positive way. Where we have differences we will work with you to iron those out where possible.

MICROBICIDES

Question. Both the House and Senate strongly support efforts to develop microbicides—a technology that aims to prevent HIV infection. They are particularly important for women, whose risk of HIV infection is high and whose control over other prevention options is low. This year, in response to pressure from Congress, USAID plans to spend $12 million for microbicides development—another example of where Congress had to earmark funds to get results. I am confident that we will include at least that much in fiscal year 2002. I want to be sure USAID coordinates its microbicides activities with other federal agencies like National Institutes of Health and Centers for Disease Control.

Can you tell me what USAID has identified as its best use of resources in this area?

Answer. USAID has supported research to develop microbicides for more than five years with annual funding levels of about $2 million. In fiscal year 2001, USAID intends to commit about $12 million for this purpose. Promising microbicidal products have been identified as a result of research undertaken to date with USAID funding. Fiscal year 2001 funds will be used to accelerate the completion of laboratory evaluation of these microbicidal products, initiate clinical testing to evaluate safety, effectiveness, and acceptability, and undertake a variety of support activities to ensure widespread availability and proper utilization once they are available for use. The support activities include the development of tools to predict the likelihood that a lead microbicidal candidate will result in a safe and effective product; strategies to minimize risky behaviors that may accompany the availability of a microbicide; and infrastructure and capacity strengthening to increase the number of countries, institutions, and communities that can perform microbicide trials.

USAID coordinates its microbicide research and development efforts with other U.S. government agencies, NIH's Office of AIDS Research and CDC; private foundations such as Gates and Rockefeller; and non-governmental organizations to maximize the level and impact of resources as well as minimize duplication of effort.

INFECTIOUS DISEASES

Question. Four years ago, USAID launched its "Infectious Disease Initiative," which since then has provided an additional quarter billion dollars in four priority areas: surveillance, anti-drug resistance, tuberculosis and malaria. This initiative has been, on the whole, a success. But it is only a start. The threats to Americans, and to people everywhere, from infectious diseases, requires a far more aggressive response.

As we consider substantially increasing our support for HIV/AIDS programs, it seems to me that much the same case can be made for much larger investments to combat other infectious diseases. Do you agree?

Answer. There is no question that the areas addressed by USAID's Infectious Disease Initiative are of critical and growing importance. The tuberculosis epidemic grows in concert with the HIV/AIDS pandemic and claims the lives of nearly 2 million people each year. Growing prevalence of drug resistant strains of tuberculosis, malaria and a host of other diseases (such as pneumonia and diarrhea) are not only deadly and often incurable killers in the developing world but also threaten the United States. The surveillance information we and our partners at the country and international levels rely on to make decisions and target resources is generally of very poor quality and needs to be dramatically improved.

Confronting the spread of infectious diseases must take into account broader efforts such as our work in child and maternal health. Our maternal child health activities are helping to establish sustainable, functional health systems that will not only respond to the HIV/AIDS, TB and malaria epidemics, but also help save the millions of children and women whose lives are threatened each year from preventable diseases.

USAID combats a myriad of problems in the health and other related sectors such as economic growth and education which impact on the spread of diseases. Our funding is limited. As a result, we cannot tackle all of the priorities with the preferred level of resources. Therefore, USAID will more aggressively identify and pursue partnerships with other donors, non-governmental organizations, foundations, and the private sector to mobilize more funding for countering the spread of infectious diseases.

FAMILY PLANNING

Question. Each year, we fight over the Mexico City policy, or the "global gag rule", as it has become known—a policy that would be unconstitutional in our own country. But separate and apart from that, USAID funds voluntary family planning programs in dozens of countries. Unfortunately, funding for these activities has not kept up with the need. This year, USAID will spend $425 million on family planning. That is $25 million less than it did in fiscal year 1995, the last year I chaired this subcommittee. For fiscal year 2002, the President has requested level funding. This is shortsighted. Making family planning services available is key to children's health, to women's health, to safeguarding the environment, to economic development, and above all, to reducing poverty.

Where do you put family planning on your list of priorities?

Answer. Family planning is one of a number of key health priorities for this Administration. USAID is allocating $425 million this year for family planning activities. This level is $40 million higher than appropriated levels in recent years. In the President's 2002 budget, this level has been maintained.

USAID recognizes the importance of family planning and reproductive health. However, we also acknowledge that efforts to improve economic growth, basic education particularly for girls, and other health areas have a large impact on family planning practices. Thus, USAID balances a number of critical priorities with its limited overall funding levels.

For that reason, I am pressing USAID staff to aggressively identify and pursue partnerships with other donors, non-governmental organizations, foundations and the private sector to mobilize more funding for tackling critical development issues like family planning.

CLEAN ENERGY TECHNOLOGY

Question. I think this Administration is being extremely shortsighted in its approach to energy in this country, not to mention globally. Anyone can see that we waste huge amounts of energy, yet [Vice President] Cheney denigrates conservation. We know from our own experience that nothing is more key to economic development than the availability of energy—cleaner energy. I have heard that USAID plans to sharply cut funding for renewable energy and clean energy technology.

With so many opportunities to invest in infrastructure and energy technology in developing countries—which benefits U.S. companies, U.S. jobs, and the environment, why cut these programs? How much is USAID spending in fiscal year 2001, and what is USAID's fiscal year 2002 budget request, for the development of U.S. clean energy technologies, and for the use of clean energy technologies in developing countries? What is the fiscal year 2001 budget for the Office of Energy and Environmental Technology, and what is the request for fiscal year 2002? I am told half would cut it. This office has strong, bipartisan support in Congress, and no decision like that should be made without first consulting with us.

Answer. We agree that there are many opportunities to invest in infrastructure and energy technology in developing countries. However, the overall USAID budget is squeezed by earmarks, directives and Administration priorities, thus not all critical initiatives can receive the preferred level of funding.

As a result, USAID's budget for energy, in general, and clean energy, in particular, is extremely limited. The Agency will spend in the neighborhood of $30 million for clean energy from development assistance resources in fiscal year 2001. Our funds are used for two primary purposes: (1) research and development to identify low-cost, efficient and environmentally sound energy innovations for the developing world; and (2) technical assistance and training to leverage the resources of international financial institutions and to improve the policy and regulatory environment for U.S. private sector investment.

We cannot yet specify a target for fiscal year 2002. The budget for the Global Bureau's Office of Energy and Environmental Technology (G/ENV/EET) is $16 million in fiscal year 2001; our fiscal year 2002 request for G/ENV/EET is about $13 million.

BIODIVERSITY

Question. One area that has suffered in recent years is funding for programs to protect biodiversity. With the world's population set to exceed nine billion by the middle of this century, and the number of automobiles skyrocketing, the pressures on the environment in developing countries are enormous. You can see this simply by traveling to Mexico today, a country that is literally littered with garbage, where protected areas are being destroyed, and where cities are becoming unlivable. This is the reality in many developing countries.

What do you see as USAID's role in addressing these environmental problems? Where does it fit on your list of priorities? Do you agree that we should spend more on these programs in fiscal year 2002?

For fiscal year 1995, the last year I chaired this subcommittee, USAID spent $106 million to protect biodiversity. In fiscal year 2001 we will spend about $100 million. So in real terms we are spending less than we used to. Do you agree that we should spend more on these programs in fiscal year 2002?

Answer. USAID promotes a holistic approach to addressing global environmental problems. Our programs promote the wise and sustainable use of the world's natural resources, clean energy technology and use of renewable energy resources, clean water and sustainable use of global water sources.

Biodiversity conservation plays an important part in ensuring the continued use and providing opportunities for new uses of the world's ecosystems, including the maintenance of locally important watersheds. In this context, biodiversity conservation remains a high priority for USAID. The Agency is working collaboratively with its NGO partners, local governments, and local peoples to conserve biodiversity while improving the economic opportunities in rural areas. We will aggressively pursue partnerships with other donors, non-governmental organizations, foundations, universities and the private sector to leverage more funding to protect biodiversity. In this way, we view ourselves as an entity implementing solutions to biodiversity issues on a limited scale, while also being a catalyst for focused efforts to tackle the larger issues on a global scale.

Although USAID would like to spend more to support biodiversity conservation programs in fiscal year 2002, other budgetary demands will make that unlikely. We do not yet have figures for biodiversity spending in fiscal year 2002. However, anticipated cuts in the overall environment budget will constrain spending on biodiversity programs. Through our current programs, our NGO partners are using USAID funds to leverage new and additional funding sources. We will identify and pursue additional leverage opportunities through our public and private partnerships that shall generate substantially more resources for these programs.

CONFLICT PREVENTION

Question. I like your idea of doing more in conflict prevention. It does not need to cost a lot, but it can make a real difference. There are experienced negotiators whose skills are under utilized, who can propose creative solutions to diffuse tensions. Give me an example of what you have in mind?

Answer. USAID will be exploring and possibly strengthening the role that international and indigenous NGOs, Foundations and other public and private sector organizations can play in contributing to the transformation of conflict to non-violent outcomes and peacebuilding. These grassroot level efforts (e.g. the Lileer reconciliation, along with the Wunlit reconciliation of 1999 in Sudan that helped in reducing tensions and conflict in Equatoria in Sudan) can be critical serving as catalysts for calming ethnic tensions. Locally initiated efforts at conflict resolution, when combined with parallel efforts in HIV/AIDS prevention programs, provide sound interventions with people level impact. USAID supports the African Centre for the Constructive Resolution of Disputes (ACCORD) in diffusing tensions on the ground through conflict training programs.

Question. One thing that has strong congressional support are programs that bring together teenage youth from conflict zones, like the Middle East, Cyprus, the Balkans. There has even been talk of Kashmir and Central Africa. Would you include this type of thing?

Answer. These important programs for adolescent girls and boys can have lasting impact at reducing the potential for future violent conflict. They need to be developed and incorporated into an integrated approach for peacebuilding and reconciliation that provides educational and employment opportunities and democratic values to support a new generation of youth with hope, not despair. Child soldiers, AIDS orphans, and victims of human trafficking lucky enough to survive, need opportunities to meet other youth in a safe way that allows for sharing of personal experiences.

PROCUREMENT, PERSONNEL, INFORMATION MANAGEMENT SYSTEMS

Question. I cannot agree with you more about the need to fix USAID's dysfunctional procurement, personnel and information management systems. You can have programs that look great on paper, but if it takes half a year to negotiate contracts, or to procure the necessary goods or services, or if you can't get quick and accurate information about what you are doing, you won't get good results. Can you describe what a reformed procurement system at USAID would look like it?

Answer. It is very difficult to describe a reformed procurement system at USAID because what one group calls "reform" another group calls "trouble." Let me give you an example. Many inside USAID argue for streamlining the procurement process, so we can award contracts faster, and the rules give us some flexibility to do that. We could reduce the time for advertising new procurements, or the time for preparing proposals. But that just gives contractors who have previously worked with USAID an additional advantage. The smaller firms that have such a hard time competing against the big contractors won't have a chance if they have even less time. I want to broaden the base of firms we use overseas, not reduce it.

Nonetheless, I'm sure there are ways we can streamline our internal procurement process that would not put any organization at a disadvantage. We will soon ask a procurement expert to come inside USAID, review the way we conduct a sampling of procurement actions, and get some practical recommendations about steps we can cut or eliminate. We will also look for ways to improve procurement planning. If the procurement staff can be involved earlier in the process, issues can be addressed and the procurement action can begin at an earlier stage in activity development. This will help minimize delays in getting activities started.

GLOBAL DEVELOPMENT ALLIANCE

Question. You have proposed a "Global Development Alliance", which would set aside some amount of USAID resources from various accounts to leverage funds from private foundations and corporations, to be targeted at specific foreign aid goals.

How can we be sure that if you withhold $*x* from, say environmental programs, that at least that much, when combined with private funds, will end up being provided for environmental programs? Or could that $*x* end up being used for something completely different, say democracy programs? If so, I think that would pose a problem for us. I see no reason why private funds could not be leveraged in support of the wide range of USAID activities, but I would not want to see funds intended for the environment, or some other activity, end up being used for something

else. I think withholding funds to leverage private resources is fine, if it really does result in more resources for the purpose the appropriated funds were intended. Can you comment on this?

Answer. Funding for the Global Development Alliance is intended as an incentive to encourage public-private alliances, which will leverage additional resources and new ideas to tackle critical development problems. This is a new initiative for fiscal year 2002, and one of USAID's four pillars.

The funding requested for the Global Development Alliance for fiscal year 2002 comes from three accounts; Development Assistance ($110 million), Child Survival and Diseases Program ($25 million), and International Disaster Assistance ($25 million). Funds were not withheld from any particular sector, but rather taken off the top of these accounts. All resources that USAID programs for the Global Development Alliance will be used for activities consistent with the purposes of the accounts to which these resources were appropriated.

It is our hope that all sectors will be able to benefit from an increase in total funding as alliances are formed with private companies, foundations and other groups. Until the alliances are actually developed and submitted for funding, it is impossible to know which sectors will receive what level of funding. It is also quite possible, and we believe desirable, that some alliances may work across sectors.

UNIVERSIY DIRECTIVES

Question. Each year, we receive more and more requests from Members of Congress to direct USAID to fund universities in the United States, to support their international studies, research, and exchange programs. I think these institutions have a lot to offer whether in agriculture research and marketing, natural resource conservation, telemedicine—the list is as limitless as a university professor's imagination. But I am also concerned about the process by which these proposals are funded. We can recommend that USAID consider these proposals, but I want to be sure that funding decisions are ultimately made on the merits, not on the basis of political pressure. Do you have an opinion on this?

Answer. We prefer that U.S. colleges and universities channel their proposals through competitive procurement mechanisms rather than through legislative directives that require USAID to sign contracts and agreements with specific organizations to perform specific work in a sector. USAID considers the U.S. higher education community to be a national resource and a significant contributor to our programs. As a result, we have a variety of competitive programs and activities designed specifically for U.S. colleges and universities.

Our competitive higher education partnership programs are open to all U.S. colleges and universities on an annual basis. Programs undergo a peer review process that recommends funding based on the technical merits of the proposal. These grant programs apply the knowledge, research, service, and technical expertise of U.S. colleges and universities, in partnership with developing country institutions of higher education, to national and regional development challenges.

In addition to hundreds of other new competitive procurements each year in almost all development sectors for which U.S. higher education institutions can compete, we will be exploring additional ways to fashion relationships through the Global Development Alliance. We hope not only to build partnerships, but also to leverage more resources to confront critical development problems.

BLIND CHILDREN

Question. We provided $1.2 million for programs for blind children in fiscal year 2001. This is a program we have funded for several years. It is my understanding that there is about that much funding in the pipeline that remains unspent. In other words, we are about a year behind in obligating these funds.

It seems to me that it should not be difficult to make good use of these funds, for surgery that can cure some types of blindness and for other types of assistance for blind children. If there are questions about what activities the funds should be used for, I am sure we can answer them. Would you look into this and be sure that these funds are used for their intended purpose, or come back to me and explain why they can't be?

Answer. Yes, the fiscal year 2000 funds were not obligated during fiscal year 2000. However, these funds are being added to fiscal year 2001 (for a total of $2.197 million) and will be obligated during fiscal year 2001.

The funds have been used for surgeries for blind children, as well as to train eye care specialists in target countries, to provide corrective services, and to support advocacy for integration of eye care services into national health systems. A new five-year program will address two of the major causes of childhood blindness, congenital

cataract and significant refractive error, by developing a multi-country, integrated and comprehensive approach to tackle the blindness problem in Bangladesh, Mexico, Morocco, Nigeria and South Africa. Activities include increasing community awareness of preventable eye disease; training health workers; integrating Primary Eye Care into existing primary health care structures; and establishing centers of excellence for the provision of childhood cataract surgery and follow-up care, and for low vision and rehabilitation services.

DISASTER ASSISTANCE

Question. Disaster Assistance has strong support in Congress and among the American public—this is what people think of when they think of foreign aid. In your written testimony, you noted that "demands on disaster assistance resources have increased for a number of years." However, the budget for the Office of Foreign Disaster Assistance (OFDA) has not kept pace over time. Currently, the Disaster Assistance account is being called on to meet competing needs in Afghanistan, El Salvador, India, Sudan, and many other needy places. As the former head of OFDA, do you agree that funding for Disaster Assistance is inadequate?

Answer. USAID's Office of Foreign Disaster Assistance (OFDA) generally obligates more than its annual New Obligating Authority. Additional needs have been covered through the recovery of prior years obligations, supplemental funding from Congress and by exercising the 492(b) authority. Over the last five years, OFDA has responded to an average of 68 disasters annually. Most of the IDA account is spent on complex emergencies involving political turmoil and civil strife that threaten the stability of a region, such as is the case in Sudan. We have projected our funding requirements based on the current activities and I believe the funding level to be adequate.

BHR/OFDA—NOA ANALYSIS AND OBLIGATIONS FOR FISCAL YEARS 1996–2000

Fiscal year	Total obligations	New obligating authority (NOA)	Number of declared disasters
2000	$229,507,615	$152,706,257	74
1999	292,664,529	160,000,000	64
1998	186,358,181	160,000,000	86
1997	174,670,844	165,000,000	51
1996	156,605,467	155,951,000	65

EAST TIMOR

Question. I am sure you are aware of the destruction that took place in East Timor after the referendum in 1999. As East Timor now moves toward full independence, its need for international assistance remains great. From everything I hear, USAID's Office of Transition Initiatives has been doing a superb job there. What kind of U.S. support for East Timor—in terms of funding levels and priorities—do you envision after a formal declaration of independence?

Answer. East Timor must take several steps to achieve full independence. Elections for East Timor's Constituent Assembly are scheduled for August 2001 (although they may be delayed). Following these elections, the new assembly will draft a constitution, with public participation through the formulation and functioning of Constitutional Commissions. The East Timorese people will elect their new president in early 2002. The formal declaration of independence will occur when the new president is installed. Given the complexity of these steps, full independence probably will not be achieved until June 2002 or later.

USAID will maintain programmatic flexibility within this extremely fluid political and social environment. We have developed a strategy based on a funding scenario of $25 million economic support fund (ESF) annually in fiscal years 2001–2003 (a total of $75 million).

In fiscal year 2001, USAID anticipates using approximately $5 million ESF for pre- and post-election activities. This includes assisting indigenous non-governmental organizations with election support; constitution and legislative drafting; citizen participation in local governance; rule of law; and media development. Our post-election priorities are to provide technical assistance and training to strengthen the new independent electoral commission in organizing and conducting future elections.

USAID's ongoing economic development work spans both pre- and post-election periods. Approximately $4 million ESF will be used to accelerate economic revitalization by continuing to develop East Timor's main export commodity (coffee).

The Office of Transition Initiatives will continue to work with USAID/Jakarta on community-level rehabilitation through its small grants program. We anticipate that approximately $9.5 million will be spent on community stabilization, assistance to independent media outlets, and support for the reintegration of ex-combatants.

QUESTION SUBMITTED BY SENATOR RICHARD J. DURBIN

GLOBAL DEVELOPMENT ALLIANCE

Question. You have suggested a $160 million fund for public-private partnerships. While I welcome the flexibility that such a fund could offer USAID, I'd like you to outline where these funds are coming from in your budget to make up the $160 million fund? How will you be sure that the goals of the programs from which these funds are taken, such as renewable energy, biodiversity and other environmental projects, are met under the Global Development Alliance?

Answer. Funding for the Global Development Alliance is intended as an incentive to encourage public-private alliances, which will leverage additional resources and new ideas to tackle critical development problems. This is a new initiative for fiscal year 2002, and one of USAID's four pillars.

The funding requested for the Global Development Alliance for fiscal year 2002 comes from three accounts; Development Assistance ($110 million), Child Survival and Diseases Program ($25 million), and International Disaster Assistance ($25 million). Funds were not withheld from any particular sector, but rather taken off the top, since this is a new funding request.

It is our hope that all sectors will be able to benefit from an increase in total funding as alliances are formed with private companies, foundations and other groups. Until the alliances are actually developed and submitted for funding, it is impossible to know which sectors will receive what level of funding. It is also quite possible, and we believe desirable, that some alliances may work across sectors.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

TUBERCULOSIS

Question. Tuberculosis is an ancient disease, but due in part to apathy, it has made a dangerous comeback in recent years. Tuberculosis is highly infectious and spreads through the air from one person to another. Among infectious diseases, TB remains the second leading killer in the world (after AIDS), killing nearly 2 million people around the world each year. Tuberculosis rates are substantially higher for minorities in the United States. Native Americans, for example, have an incidence five times greater than that of Caucasians. Tuberculosis also has a sinister interaction with the HIV/AIDS epidemic-people co-infected with HIV and TB are up to 800 times more likely to develop active TB than people without HIV.

Tuberculosis is the leading killer of people with AIDS and accounts for one third of all deaths in Sub-Saharan Africa. Due to its infectious nature, an important way to control TB here at home is to control it abroad. Congress has expanded investment for international tuberculosis control in recent years—in 2001 this Subcommittee provided $60 million for international TB control, up from a level of virtually zero in 1997.

What are your views of the extent of the TB problem overseas? How will USAID address this growing problem in the coming years?

Answer. The tuberculosis problem overseas continues to grow every day and is of increasing concern to USAID. Ninety-five percent of all TB cases and ninety-eight percent of the 2 million annual TB deaths occur in developing countries. Tuberculosis threatens the poorest and most marginalized members of a society and undermines economic development. As you accurately noted, TB is growing in concert with the HIV/AIDS pandemic. Because of this and because TB is highly contagious, the disease is clearly a threat not only to the developing world but to the United States as well.

USAID is making a significant contribution to the global effort to prevent and control tuberculosis, leading to a reduction in the morbidity and mortality associated with the disease. USAID will work to build capacity in countries most affected to address tuberculosis; expand implementation of proven, cost-effective interventions for preventing the transmission of tuberculosis; and help strengthen policy commit-

ment and surveillance. We also will help ensure an adequate supply of drugs by assisting countries to obtain reliable access to TB drugs through improved drug management and procurement practices. In addition, USAID will continue to invest in developing new tools to prevent, diagnose and treat tuberculosis, and invest in training an expanded cadre of TB experts. Finally, we are contributing significantly to the international Stop TB partnership, as well as fostering partnerships with other donors, non-governmental organizations, foundations and the private sector to mobilize more funding and attention to combating the spread of TB and other infectious diseases.

CORRUPTION IN THE ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE (OSCE) REGION

Question. As Chairman of the Commission of Security and Co-Operation in Europe (OSCE), the Helsinki Commission, I am particularly concerned over the growing problem of corruption in the 55-nation OSCE region. I have worked to raise corruption-related issues within the OSCE framework, as there are obvious implications in the security, economic and human dimensions that impact U.S. interests in the region.

What projects are currently being supported by USAID in the OSCE participating States to help promote transparency and the developments of related non-governmental organizations (NGOs)?

Answer. USAID recognized the growing problem of corruption in the region back in 1997, when, together with the OECD, we inaugurated an Anti-Corruption Network for Transition States, including both Central European and the former Soviet Union. That network brings together host-country government officials, non-governmental organizations, foreign donors and anti-corruption practitioners and specialists in yearly meetings to promote best practices, such as procurement reform and aggressive freedom-of-information laws to protect journalists who report on corruption. We also launched an English-Russian anti-corruption website, www.nobribes.org, to detail many of these approaches and connect users in ways that truly facilitated information-sharing and open dialogue.

In the countries of southeast Europe represented in the Stability Pact, USAID has pressed for non-governmental organization (NGO) participation and leadership in the transparency effort. We fund the Southeast Europe Legal Defense Initiative, an anti-corruption program not led by any foreign donor or development organization, but by Coalition 2000, an anti-corruption NGO in Bulgaria, to help other anti-corruption NGOs across eight countries to develop their own ability to monitor and fight corruption in their countries.

In addition to these regional approaches, USAID also emphasizes bilateral efforts to combat corruption. In Slovakia, for example, before USAID's bilateral program ended, the entire program was devoted to the promotion of transparency and the fight against corruption. We worked very closely with the Government of Slovakia to publicize a detailed corruption strategy and ensure NGO participation in it. In Bulgaria, we continue to work with NGOs and the Government to promote accountability within the judiciary and customs, and we work closely with our colleagues from the Department of Justice in that effort. Our Croatia mission is moving cautiously forward with a program emphasizing transparency in the continued privatization process, participation by NGOs and labor unions in economic reform efforts, and civil society involvement in these questions at all levels.

Throughout the region, USAID coordinates closely with anti-corruption programs implemented by other U.S. government agencies, such as the Departments of Justice, State, and the Treasury. USAID will continue to work with the OSCE, the World Bank, the OECD Development Assistance Committee and other regional development and security organizations in the region to aggressively promote transparency as a fundamental part of development work.

Question. Given the implications for democracy, human rights and the rule of law, is USAID placing greater emphasis on activities that can help stem corruption in these countries?

Answer. This year, USAID's Europe & Eurasia Bureau released an Anti-Corruption Strategic Framework, disseminating it widely through the U.S. government, to anti-corruption practitioners and others. At the heart of that strategy is a focus on our capacity to promote transparency and information-sharing. In countries where consolidating authoritarian regimes appear to be returning, we believe that a renewed focus on human rights and freedom for journalists and critics remains the most important contribution we can make to stemming the tide. In other countries whose overall direction is uncertain, we believe an approach combining "good governance" technical assistance and aggressive promotion of information-sharing is an

effective tool to help reform-oriented groups within those countries consolidate their gains and prevent backsliding or erosion. In countries with clear commitments to democracy and the rule of law, we are attempting to make transparency the core of our economic and democratic assistance programs.

We have examined the record of other countries that have mounted successful campaigns against corruption and noted the importance of these kind of practices, together with aggressive law enforcement technical assistance that our colleagues from Justice, State, Treasury and elsewhere are providing. All are necessary parts of a comprehensive package that new transition states can use to make inroads against corrupt practices.

Question. Last week I chaired a Commission hearing on developments in Ukraine. I am particularly interested in USAID's ongoing activities in that country where corruption remains a major stumbling block to progress. Could you please provide your views in this area?

Answer. Corruption is the misuse of public power for private profit. Not many would disagree that corruption in Ukraine today is systemic. However, it should be remembered that corruption was also systemic during the Soviet era. This partly explains the lack, or the lesser amount, of stigma associated with corrupt acts in Ukraine.

Nevertheless, action is necessary because corruption has grown to such an extent that it now may constitute a threat to the state. Corruption promotes the unequal distribution of wealth, undermines public confidence in government, and discredits the concepts of the free market and rule of law.

Obviously, enforcement strategies will remain a component of any anti-corruption program. But, their limited effectiveness to date strongly suggests the need to supplement them with initiatives to prevent corruption from arising. This so-called "prevention" strategy focuses on reducing the incentives and opportunities that lead to corruption. Unlike enforcement strategies that attack corruption directly, prevention strategies often do so indirectly by pursuing policies that have as one of their concomitant consequences a reduction in the incentives and opportunities for corruption.

Since corruption in Ukraine affects many of the areas in which USAID is providing assistance, most, if not all, USAID assistance programs inevitably address corruption. The major focus of many of these programs has been to reduce opportunities for corruption by promoting reforms that increase transparency and accountability. Examples of anti-corruption activities in the current USAID portfolio include:

—Regulatory reform to assist the Government of Ukraine (GOU) bring about a meaningful reduction in the overwhelming regulatory burden faced by enterprises in Ukraine, especially small- and medium-sized businesses whose survival and development are stifled by over-regulation.

—Banking sector reform to foster more transparency by training Ukrainian bankers in western banking practices, training GOU bank regulators in on-site inspection, to elevate regulators' standards and professional knowledge, and to promote conversion of commercial banks to international accounting standards.

—Enterprise accounting to reform the accounting system based on international accounting standards.

—Enterprise development to provide entrepreneurs across Ukraine with access to existing laws, policies, and regulations governing their activities and to work with multiple branches and levels of the GOU to support deregulation of commercial activities and reduce the number of licenses, monitoring procedures, and other obstacles to efficient business development.

—Independent media to provide special seminars and training exchanges, some in conjunction with the World Bank, in investigative reporting for reform-oriented journalists.

—Justice sector reform to encourage courts to adopt more transparent procedures, including blind assignment of cases.

—Legal reform to facilitate drafting of a new Ethics Code for government officials and legislation to cover the rights and obligations of administrative bodies, their relationship to other governmental organizations and the public.

—Fiscal reform to encourage sounder budget and tax policies, better government financial management practices, greater transparency in city budgets and strategic plans, higher professional standards, and decentralization.

—Local self-government development to help Ukrainian cities establish transparent procedures in budgeting, municipal land use and competitive contracting for public works.

BELARUS

Question. What is the current level of USAID assistance to Belarus?

Answer. USAID's budget for fiscal year 2001 is $4 million. Including USAID, the overall U.S. Government assistance budget for Belarus is approximately $13 million. Approximately 80 percent of the USAID budget support democratic initiatives. The United States is the largest bilateral donor of foreign assistance to Belarus.

Question. Are there plans to increase the level of assistance to devote to development of non-governmental organizations and the independent media in Belarus?

Anwer. Both USAID and State Department assistance is already largely focused on development of non-governmental organizations (NGOs) and the independent media. Should additional pre-election requirements be identified, we will look at how we might accommodate them.

Question. What programs are already in place to promote democracy, especially in the run-up to presidential elections expected later this year?

Answer. USAID's activities in the current year include political process support, civil society and NGO strengthening, support for rule of law and legal defense, assistance to independent media and technical assistance to private enterprises, which are an important constituency for democratization.

Question. According to the Spring issue of the Belarusian Review, Lukashenka has issued a decree banning the use of foreign aid for pro-democracy activities. Is USAID aware of this development and are your funded organizations doing pro-democracy work in Belarus now in jeopardy?

Anwer. USAID is aware of President Lukashenka's Decree 8, which forbids "gratuitous foreign assistance," particularly related to election assistance. However, the Ministry of Foreign Affairs has assured the U.S. Embassy that USAID grantees and contractors are exempt from Decree 8, which explicitly excludes those programs covered under international agreements approved by the Government of Belarus, such as our Bilateral Agreement. At the request of our grantees and contractors, USAID provided a sentence to be added to all their documents citing coverage under the Bilateral Agreement.

Yet, despite these assurances, USAID grantees and contractors have been contacted by the Ministry of Foreign Affairs and Belarusian KGB with repeated requests for details of their programs. And, on several occasions, USAID's grantees and contractors have been harassed by telephone, by being followed, and by being photographed.

The Government of Belarus continues its attack on the Organization for Security and Cooperation in Europe (OSCE) and its efforts to train election monitors for the presidential election, which have been scheduled for early September 2001.

INTERNATIONAL CRIME

Question. The Federal Government considers international crime—a composite of many separate types of criminal activities, such as drug trafficking, money laundering, and public corruption—as a growing threat to the national security interest of the United States, designated as such by Presidential Decision Directive (PDD) 42 of October 1995. PDD–42 called for a sustained and focused federal effort to combat international crime. In 1998, the International Crime Control Strategy outlined the 8 goals and 30 implementing objectives of the federal response and identified a number of specific initiatives to achieve these goals and objectives. In addition, the strategy called for conducting assessments to gauge the threat posed by various types of international crime and implementing a performance measurement system to assess the effectiveness of the strategy's initiatives. Two threat assessments were subsequently conducted in 1999 and 2000; there was no action to establish an overall performance measurement system.

What programs is USAID funding to support the Administration of Justice and Rule of Law? In which countries are these programs? Is USAID funding any specific initiatives to help address international crime? If so, how are these initiatives coordinated with other federal agencies also working in the international crime area?

Answer. USAID's administration of justice and rule of law programs are part of our overall objective of strengthening democracy and good governance. Programs generally follow one of four basic approaches:

—improving the legal framework;

—improving justice sector institution performance;

—increasing access to justice; and

—generating popular demand for justice sector reform.

Within these broad parameters, specific country programs vary significantly. Attached (on the following page) is a chart that illustrates USAID justice sector assistance programs by country and region.

In general, USAID does not directly engage in activities to stop international criminals due to statutory restrictions and institutional capabilities. Our justice sector and other programs are focused on the long-term impact of strengthening host-country justice systems. A capable and fair judicial sector that is able to withstand significant corruption will have a key role in derailing international crime. Nevertheless, we do undertake efforts, which impact on international criminals' ability to operate. These include crop substitution in narcotic growing areas, anti-corruption measures in governmental institutions, and building awareness in the government and non-governmental community to stem the trafficking of people. We also directly provide resources to USG agencies such as the Departments of Justice and State, which work in partnership with law enforcement officials implementing measures to counteract international crime.

The National Security Council is responsible for inter-agency coordination of international crime-related actions. All USAID-funded and implemented justice sector assistance programs emphasize coordination with other federal agencies. Joint assessments, funding transfers (when appropriate), and regular consultations with relevant agencies are among the prominent coordination modalities with other federal agencies. We have agreements in place with the Department of Justice and the Federal Judiciary for coordination on training of police, prosecutors, court administrators and judges. USAID routinely works on these issues with various State Department offices, including the Bureau for Democracy, Human Rights and Labor, the Bureau for International Narcotics and Law Enforcement, the Office of International War Crimes Issues, as well as regional bureaus.

USAID JUSTICE SECTOR ASSISTANCE PROGRAMS

Asia/Near East	Africa	Europe/Eurasia	LAC
Bangladesh	Angola	Albania	Bolivia
Cambodia	Burundi	Armenia	Colombia
East Timor	Congo	Azerbaijan	Dom. Rep.
Egypt	Ethiopia	Belarus	Ecuador
Indonesia	Madagascar	Bosnia	El Salvador
Mongolia	Malawi	Bulgaria	Guatemala
Morocco	Mozambique	Croatia	Haiti
Nepal	Nigeria	Georgia	Honduras
Oman	Rwanda	Kazakhstan	Mexico
West Bank	Sierra Leone	Kyrgyztan	Nicaragua
	South Africa	Kosovo	Panama
	Tanzania	Macedonia	Paraguay
	Uganda	Moldova	Peru
		Montenegro	Venezuela
		Romania	
		Russia	
		Serbia	
		Slovakia	
		Ukraine	

SUBCOMMITTEE RECESS

Senator BENNETT. Thank you very much, that concludes the hearing. The subcommittee will stand in recess until 9:30 a.m., Tuesday, May 15, when we will meet in room SD–124 to hear from the Secretary of State, Hon. Colin Powell.

[Whereupon, at 12:27 p.m., Tuesday, May 8, the subcommittee was recessed, to reconvene at 9:30 a.m., Tuesday, May 15.]

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR FISCAL YEAR 2002

TUESDAY, MAY 15, 2001

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

The subcommittee met at 9:30 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Mitch McConnell (chairman) presiding.

Present: Senators McConnell, Stevens, Specter, Bennett, Campbell, Leahy, Mikulski, Durbin, Johnson, and Landrieu.

DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

STATEMENT OF HON. COLIN POWELL, SECRETARY OF STATE

OPENING STATEMENT OF SENATOR MITCH MC CONNELL

Senator MCCONNELL. Good morning, Mr. Secretary. Welcome to the subcommittee. It has been our custom for the chairman and ranking member to make brief opening statements, then we will go to you for your statement. We appreciate very much your being here. Welcome back to the front lines of U.S. foreign policy. We had Andy Natsios here last week. He's a very impressive fellow, I might add, and we are looking forward to learning his reform plans for USAID. I know you have already wrestled with some of the earmarks, sanctions, and certifications requirements contained in last year's foreign operations bill. As someone who inserted a number of those, I can assure you they will not all go away, but we do not want to complicate your life and do want you to be a big success.

Some of those earmarks reflected a lack of confidence by some of us in the previous administration. Some of it, frankly, I think was necessary and helpful to the previous administration. In the last 8 years I think we saw a crisis of confidence in Washington that was fueled by a number of missteps and mistakes across the globe. Your success in your new job will be measured in part by a decrease in some of these earmarks and mandates that we have a tendency to put in these bills.

Your foreign policy mettle has already been tested by our confrontation with China over the EP–3 incident, the escalation of ethnic tensions in the Balkans, and continued violence in the Middle East against one of America's most important allies.

While there have been successes and setbacks, our country's commitment to principles, constancy of purpose, and credibility, will ensure that U.S. national security interests are advanced and protected. There is a demand for American leadership in the world, whether it is seeking justice for war crimes in Serbia or maintaining sanctions against the oppressive military regime in Burma. I want to offer a few comments on the President's $15.2 billion request for foreign operations.

While I have concerns with the 25-percent decrease in funding for the Export-Import Bank, I am pleased that the overall amount is a slight increase over the fiscal 2001 level. There will be some fine-tuning on our part, in line with the subcommittee's budget allocation and policy interest, as is our prerogative.

Among other issues, I anticipate discussion and debate over the $731 million Andean counterdrug initiative, and the $369 million request for HIV/AIDS programs. You should know that I do not view U.S. foreign assistance as an entitlement, and will be reviewing more closely country-specific aid packages under the economic support fund and other accounts.

For example, what justification could be offered this year for the $75 million request for the West Bank and Gaza Strip, when no end to the violence seems to be in sight? Yasser Arafat walked away from the best deal the Palestinians will likely ever see. I am not sure there is anything more the Israelis could have offered than they did late last year. In Egypt, Government-sponsored newspapers praise Adolph Hitler and incite violence against Jews in Israel. I am wondering if this kind of behavior warrants a request of $2 billion.

Let me close with a brief comment about the struggle for democracy in Asia. In the past, the State Department has been all talk and little action on this issue. I have had to battle for increased support and attention to Burma, Cambodia, East Timor, and Indonesia.

PREPARED STATEMENT

I hope that at some point during this hearing you will affirm America's commitment to the cause of freedom in this region, particularly in Burma and Cambodia. As President Ronald Reagan stated in his speech before the British Parliament back in the early 1980s: We must be staunch in our conviction that freedom is not the sole prerogative of a lucky few, but the inalienable and universal right of all human beings.

Again, Mr. Secretary, thank you for being here, and I will now defer to my colleague, Senator Leahy.

[The statement follows:]

PREPARED STATEMENT OF SENATOR MITCH MCCONNELL

Mr. Secretary, welcome back to the front lines of U.S. foreign policy. You and Andy Natsios, who appeared before this Subcommittee last week, have my support and encouragement for bringing about much needed change at State and the U.S. Agency for International Development.

I know that you have already wrestled with the many earmarks, sanctions, and certification requirements contained in last year's foreign operations bill. More than anything, this is evidence of the little faith that the U.S. Congress had in the previous Administration's foreign policy skills and priorities. The past eight years saw

a crisis of confidence in Washington that was fueled by missteps and mistakes across the globe. Your success in your new job will be measured, in part, by a decrease in Congressionally mandated actions.

Your foreign policy mettle has already been tested by our confrontation with China over the EP–3 incident, the escalation of ethnic tensions in the Balkans, and continued violence in the Middle East against one of America's most important allies. While there have been successes and setbacks, our country's commitment to principles, constancy of purpose, and credibility will ensure that U.S. national security interests are advanced and protected. There is a demand for American leadership in the world, whether seeking justice for war crimes in Serbia or maintaining sanctions against the oppressive military regime in Burma.

I want to offer a few comments on the President's $15.2 billion request for foreign operations. While I have concerns with the 25 percent decrease in funding for the Export-Import Bank, I am pleased that the overall amount is a slight increase over the fiscal year 2001 level. There will be some fine tuning on our part in line with the Subcommittee's budget allocation and policy interests, as is our prerogative. Among other issues, I anticipate discussion and debate over the $731 million Andean Counterdrug Initiative, and the $369 million request for HIV/AIDS programs.

You should know that I do not view U.S. foreign assistance as an entitlement, and will be reviewing more closely country-specific aid packages under the Economic Support Fund and other accounts. For example, what justification can you offer for the $75 million request for the West Bank and Gaza Strip when no end to the violence is in sight? Yasser Arafat walked away from the best deal the Palestinians will likely ever see; what more can Israel offer? In Egypt, government-sponsored newspapers praise Adolph Hitler and incite violence against Jews and Israel. Is this kind of relationship worth the request of $2 billion?

Let me close with a brief comment about the struggle for democracy in Asia. In the past, the State Department has been all talk and little action on this issue. I have had to battle for increased support and attention to Burma, Cambodia, East Timor, and Indonesia. I hope that at some point during this hearing, you will affirm America's commitment to the cause of freedom in this region, particularly in Burma and Cambodia. As President Ronald Reagan stated in his speech before the British Parliament in June 1982, "We must be staunch in our conviction that freedom is not the sole prerogative of a lucky few, but the inalienable and universal right of all human beings."

OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Thank you, Mr. Chairman, and Mr. Secretary, it is always good to see you. I have said before publicly that I believe your appointment was one of the President's best and most important decisions so far, for our country, but also for the State Department, and I think that was shown by the very effective way you handled the situation with China when they held prisoner our reconnaissance aircraft crew.

The public statements you have made for a more aggressive response to AIDS when you and I were at the White House last Friday, as you know, I have complimented you for that, and I do here publicly.

I believe it is a critical time for our country. The peace and prosperity which many had hoped for after the cold war has not materialized in a lot of parts of the world, including parts of our country.

The world today is increasingly divided between the extreme rich and the extreme poor, a situation that triggers vicious civil wars. These wars are also fueled by religious and ethnic hatred, when both sides kill in the name of their Creator, making everybody wonder just who has got that direct line to heaven as people die on both sides.

Even the American people—we are blessed with wealth and opportunities beyond what most people could dream of, certainly far more than your parents or my parents could dream of—seem un-

sure of the role our country should play in the world. President Bush promised to act more humbly around the world, but we are increasingly accused by our friends and allies, as well as our detractors, of arrogance and bullying.

The recent vote in the U.N. Human Rights Commission did not occur in a vacuum. It reflected deep resentment built up over years that we impose standards on the rest of the world that we do not always live up to ourselves. I hope we can get back on the commission. Withholding our U.N. dues may make us feel good, especially when we see a number of human rights violators who went on that commission. We see countries noted best for their pomposity and arrogance, like the French, a country that ignored the slaughter of children and others in their own former colonies, advising us on human rights, but withholding our dues, of course, could just make a bad situation even worse. We look forward to your advice on that.

It is early, but I do not get the sense of how the administration plans to project American power and leadership in a way that builds better relations with our allies as well as our adversaries.

This is nothing new. During the early years of the Clinton administration, our foreign policy lurched from crisis to crisis. An administration that believed very much in looking first and foremost at the economy, we had been through a number of recessions, it seemed like foreign policy was often a last-minute thought, and Congress did not help. We cut funding for foreign policy. We tied up billions of dollars over a dispute about family planning as populations exploded around the world.

Charting a steady course in our foreign policy—one that reflects both the interests and the responsibilities of the wealthiest, most powerful Nation, is increasingly difficult in today's world. We ought to reaffirm the principles that guide us and adhere to them, whether it is in Colombia, the Middle East, or the Balkans, and when we set goals we should provide the resources to achieve them.

Year after year, we sell ourselves and future generations short by underfunding foreign policy. No one questions the importance of military power, but security today has a lot less to do with military power than it did a quarter of a century ago. Certainly, if we can get countries to become more democratic, then we are better off, but that means you have to have a long-term vision, one that goes on from administration to administration, and it has to be backed by well-funded foreign assistance programs and effective diplomacy as well as military power, and we cannot cut any of those.

I cannot think of anyone better suited to define our role in the world and to strengthen our policies and to carry out our policies to strengthen our security, broadly defined, than you, Mr. Secretary. You have the vision, common sense, and the firmness that are required. At the time you were appointed, we spoke very shortly after that. I did not know whether to offer you congratulations or condolences, and it took at least a week or so before I even broached the subject with Mrs. Powell, but I am glad you are there.

PREPARED STATEMENT

It is not an easy job, but there are a lot of us up here in both parties who would like us to have a strong, consistent foreign pol-

icy, and one where we can anticipate and stop crises before they happen. We will work with you.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Mr. Secretary, it is good to see you. I think your appointment was one of the President's best and most important decisions so far, both for our country and for the State Department.

This has already been shown by the effective way the Administration handled the crisis with China over the detention of our reconnaissance aircraft crew, the public statements you have made for a more aggressive response to AIDS, and your work on other issues.

This is a critical time for our country. The peace and prosperity which many hoped for after the cold war has not materialized. The world today is increasingly divided between the extreme rich and the extreme poor, and torn by vicious civil wars fueled by religious and ethnic hatred.

Even the American people, blessed with wealth and opportunities beyond what most people could dream of, seem unsure of the role our country should play in the world.

Despite President Bush's campaign promise to act more humbly, we are increasingly accused by our friends and allies, as well as our detractors, of arrogance and bullying.

The recent vote in the U.N. Human Rights Commission did not occur in a vacuum. It reflected a deep resentment, built up over years, that we impose standards on the rest of the world that we do not always live up to ourselves. We need to get back on the Commission, but withholding our U.N. dues is the precisely the wrong way.

It is early, but I have no sense that this Administration has a clear sense of how to project American power and leadership in a way that builds better relations with our allies as well as our adversaries.

This is nothing new. During the early years of the Clinton administration our foreign policy lurched from crisis to crisis. No thanks to Congress, I might add, which cut funding for foreign policy and tied up billions of dollars over abortion.

Charting a steady course in foreign policy that reflects both the interests and responsibilities of the wealthiest, most powerful nation, is increasingly difficult in today's world. We need to reaffirm the principles that guide us, and do a better job of adhering to them, whether in Colombia, the Middle East or the Balkans.

When we set goals, we should provide the resources to achieve them. Year after year we sell ourselves—and future generations—short, by under-funding foreign policy.

No one questions the importance of military power. But security today has a lot less to do with military power than it did a quarter century ago.

It requires a long-term vision backed by well-funded foreign assistance programs, effective diplomacy, as well as military power. We cannot afford to cut corners on any of these.

But again, it is early, and I cannot think of anyone better suited to define our role in the world, and to carry out policies to strengthen our security—broadly defined—than you Mr. Secretary. You have the vision, the common sense, the humility, and the firmness that are required.

Thank you for agreeing to take on this responsibility.

Senator MCCONNELL. Thank you, Senator Leahy.

SUMMARY STATEMENT OF HON. COLIN POWELL

Mr. Secretary, we are looking forward to hearing from you. We will put your full statement in the record, and go right ahead.

Secretary POWELL. Thank you very much, Mr. Chairman, for your warm welcome, and I thank you for your opening statement, and Senator Leahy, I thank you for your opening remarks, and I look forward to hearing from the other members of the committee during the question and answer period. I want to let you know, Mr.

Chairman and members of the committee, that I do look forward to working with the committee in the months ahead.

I think it is an important part of my responsibilities to work closely with the Congress and all the various committees. This will be my eighth hearing in the 3-plus months that I have been Secretary of State, among other duties that I perform, but I view this kind of interchange with the Congress just as important as any other duty that I have, and so I appreciate your welcome, and I look forward to working with you in the future.

Before getting into a shortened version of my prepared testimony, perhaps I will just touch briefly on some of the points, Mr. Chairman, you raised, and Senator Leahy raised.

With respect to earmarks, directives, and restrictions. I understand the reality of such things, and I thank you for the opportunity to be graded on the basis of the declining number of earmarks and directives that you will find it necessary to impose upon me and the administration in the months and years ahead.

I hope we can work together closely so that we can satisfy the concerns and needs of the Congress, and accommodate the imperatives of the Congress in a way that is faithful to what the Congress wishes to see happen but also gives the administration, gives the President the necessary flexibility, and his team the necessary flexibility to react to changing events without being overly constrained by provisions of law, earmarks, and restrictions.

I look forward to having that relationship with you, Mr. Chairman, and the members of the committee, and other committees, towards that end, so that we do what is in the best interests of the Nation, as determined by the President and the Congress, in the name of the people, but do it in a way that gives the President maximum flexibility to conduct foreign policy.

On the Eximbank, yes, there has been a decrease, but we think it is a reasonable decrease in light of the policy changes that accompany that decrease, and those policy changes include encouraging companies that have access to capital markets to go to the private capital markets rather than coming to the Government, and for those who do come to the Government, taking on a slightly higher level of risk as part of their business activity, thereby allowing us to reduce that account, and make it less of a drain against the American taxpayers. We will be looking at this very, very carefully to make sure that we have not done anything that is disruptive to the activities of the bank, or undercut the foreign policy goals that we have for the bank.

With respect to the Andean Initiative and the counterdrug initiative within it, I think it is logical and comprehensive follow-on to Plan Colombia, where we are expanding our efforts throughout the whole region, and I will have a little bit to say about that in my statement, but I think we can make a case that this is a worthwhile investment in our overall drug strategy but also in our overall development strategy, not just going after drugs in those regions as sources of drugs that come to the United States, but also helping improve the lives of those people, help their democracy become stabilized, fight off the corrosive effect of narcotrafficking on their democracies, so in the programs we are going to be requesting and the money we are requesting for those programs in this fiscal

year budget, you will see us talk about democracy building activities, alternative crops, things of that nature, as well as the more standard kinds of drug interdiction activities.

Similarly, I will say a little bit more about AIDS in a moment, but it is a crisis not only in sub-Saharan Africa, it is a crisis in Russia about to happen, and it is a crisis in other parts of the world. It is not just a health care crisis, it is a destroyer of culture, a destroyer of families, a destroyer of economies, and it is something that we have to get a lot of attention to, and as Senator Leahy noted, the President has taken us to a new level of commitment to this war by participating in the global trust fund that is being created, and by committing $200 million to the global trust fund on top of the very significant contribution that the United States makes towards the war on HIV/AIDS already.

Mr. Chairman, on your concern, with respect to the use of foreign assistance funds for the West Bank, Gaza, and Egypt, I think we have to look at these carefully. I think we have to be a responsible partner for the parties in the region at this time of high stress, at this time of high violence, in order to get them back to a situation we can pursue a negotiating track. I am sure we can talk about that more in the course of questions and answers, but I take your points with respect to those two particular accounts, the West Bank, Gaza, and then Egypt.

With regard to Burma, Cambodia, East Timor, and Indonesia. Chairman McConnell, I can assure you that the administration, President Bush, me, and all the members of the administration, are committed to human rights everywhere throughout the world, as universal rights belonging to every child of God, whether that child is in the United States, or in Burma. You will see us aggressively pursue our human rights agenda at every opportunity.

Some people suggest that one of the reasons we ran into some trouble on the Human Rights Committee vote was because we were too aggressive, and frankly, when we had the Geneva meetings a few weeks ago we were very aggressive. I was calling foreign ministers and presidents, the President was calling presidents, Dr. Rice was involved in it, we were pushing for the resolutions we thought were important, and we may have made a few people mad at us by the aggressive manner in which we pursue human rights issues.

We probably made some more people mad at us when we released our human rights report that call things the way those things are around the world. If that is what made people mad, well, they are going to stay mad, because we are going to continue to point out human rights abuses. We are going to continue to work on this issue. I also believe that we will get back on that commission, if that is what we choose to do next year, and I think that is what we should do next year; subject to the President's final approval.

I would encourage the Congress to be cautious with respect to punishing the United Nations for this particular problem. We lost a vote. It was a democratic vote. We do not like the outcome. We may not like the fact that people trade votes. Nevertheless, we lost the vote. We should take our hit and now look to build on the future, and not take actions which are punitive or suggest that you

are not going to get the money we owe you unless you guarantee that we will win the next vote. We should win the next vote on our merit, and the case will make our next vote. Not because we are holding a financial hammer over the heads of the members of that committee that did not vote for us this time.

So I think it is important for us to keep that loss in perspective, and recognize that we still have observer status on the commission, that we will be able to help others introduce resolutions. We will not be able to vote for that 1 year that we are out, but we will still be able to communicate in a very, very powerful, clear voice, our concerns about human rights. Nothing associated with that vote should suggest to anybody that the United States or the Bush administration is going to hold back in speaking about human rights.

With respect to Senator Leahy's comments about whether our foreign policy is well thought out, whether we say we are going to be humbled but act arrogantly, I think, over time, Senator Leahy, you will see that we do have a foreign policy that is well thought out, that begins here in the Western Hemisphere. The Summit of the Americas a few weeks ago was very, very successful, with a powerful commitment to democracy.

We are working with our allies in Europe. We are working with nations that used to be enemies. My Russian colleague, Igor Ivanov, will be here this Friday for a full day's worth of discussions on every issue affecting our two nations, and so you will find us reach out increasingly.

The President will be going to EU's summit meeting in Brussels, a summit meeting with his NATO allies, or ministerial, or presidential Chief of State meetings in June, and then we have G–8 coming up in July, and you will see us increasingly engaged in Europe.

Once we get this incident of the airplane completely behind us, you will see us engage with China, and we still have strong allies in Japan and South Korea. We will be building on those alliances, and I think you will see, over time, emerge a foreign policy that is humble, not arrogant; that reflects the best values of the American people; and that reflects our position in the world as a powerful Nation that has to use that power, not be afraid to use it, but in using it, use it with humility, and use it to pursue well-thought-out policies and well-thought-out concepts of where we need to be going on the world stage. I hope we will be able to persuade you of that.

For my brief opening statement, and I will summarize it very quickly, I would just like to mention to members of the committee that while, by law, I am the principal foreign policy advisor to the President, I am also, if not stated directly in the law, I am the leader and manager of the Department of State, the CEO, the Chief Operating Officer, the person who is responsible for motivating a superb workforce and taking care of them, making sure they have what they need to do their job well.

As both the chairman and Senator Leahy mentioned, it is our obligation, once we have set goals for those diplomats of ours, to achieve, we have got to give them the resources they need to do the job, and this budget request that I am up here defending as the CEO of the State Department, I think does a good job of moving

us in that direction. It represents an increase over the previous year budget. Of the overall $23.9 billion in the President's fiscal year budget request for the State Department, $15.2 billion is for foreign operations, about 2 percent more than last year, with some puts and takes in that number.

Let me give you a few highlights of the budget, and then go directly to your questions. You have already heard, as you indicated, Mr. Chairman, from USAID Administrator Andy Natsios, I think we are very, very fortunate in getting a man of his qualifications to lead USAID. He comes in with lots of new ideas, he knows the organization, he is going to challenge it, he is going to take it up to a new level, he is going to bring in some new ideas, and the idea that he discussed with you on global development alliances I think is an example of the kind of creative thinking that you will see coming out of USAID.

USAID will be more closely aligned with the State Department than it has been in the past. I view myself as the owner of USAID, even though it is an independent agency. But the law says it is my responsibility to give them direction, give them policy direction and supervise them, and I can assure you I do that.

Mr. Natsios is at my 8:30 staff meeting every single morning with every other principal leader in the Department of State. He is part of my team, and I am going to do everything I can to make sure that USAID is successful and that it uses the money given to it by the American people in the most effective way possible, and especially through this global development alliance idea that Mr. Natsios has discussed with you, to leverage some of the resources that USAID has to bring in other agencies, other activities, NGO's, the private sector, and figure out clever ways and creative ways to leverage up our Federal dollars into maximizing the opportunity to bring in private dollars and other means of investing in the development work that we will be doing all around the world. So I am very, very proud to say this about USAID, and also say that I think we have got a real winner in Mr. Natsios.

We talked briefly—I touched briefly on the Andean Regional Initiative. Let me just say that in the over $800 million for this initiative, about half is for Colombia, half is for the other nations in the region. About half is for drug interdiction, the other half is for those other activities I mentioned of crop substitution, democracy-building, investment in the infrastructure, giving these populations the wherewithal to resist—resist the corruption and the corrosiveness that comes with the presence of narcotraffickers in the region, not just in Colombia, but throughout the whole region.

Obviously, the ultimate solution to this problem is demand reduction. The ultimate solution to this problem is prevention and rehabilitation of people who have been drug-users through treatment, and the new czar, the new director of this program, Mr. Walters, has made a commitment, and the President has made a commitment to focus on demand reduction as well as supply reduction and interdiction efforts. But I think to keep going with the programs that we have now, I would ask the Congress to fully support the request that we have made for the Andean Regional Initiative.

As you also know, $369 million is in our budget for HIV/AIDS. When you add what other Government agencies are doing, that

number with respect to HIV/AIDS quickly goes over $500 million and, of course, Secretary Thompson has a lot more money in his budget at HHS on research, looking for a cure, encouraging drug companies to move everything that is done at the National Institutes of Health through medicare and other programs, so that billions more, really, are involved in treating, preventing, and fighting AIDS.

A lot more needs to be done. The $200-million program that the President seeded last week with Kofi Annan has to grow. Other nations have to get involved, nonprofit organizations, private citizens have to get involved. That fund needs a lot more money, and the President has committed to doing more for that fund, and I think that the administration should be congratulated for helping pull the fund together and for seeding it with that initial $200 million.

As you may also have noted from that announcement, Secretary Tommy Thompson and I now cochair a task force on HIV/AIDS for the President, working closely with Mr. Scott Everts, the new AIDS policy director in the White House.

There are many other items in the budget that could be highlighted, Mr. Chairman, but they are known to you; they are available to you in my prepared testimony, my longer testimony, so what I think I will do at this point is essentially close these few opening remarks and turn it over to questions, with one final observation, and that is, I cannot tell you how proud I am to be the Secretary of State, and for the opportunity to lead these wonderful men and women, members of the professional Foreign Service, members of the Civil Service, our Foreign Service nationals around the world.

They are doing a great job for America on our first line of offense; carrying our values, carrying our moral model, our moral inspiration out to the world, and we have to make sure they are protected in good embassy buildings, we have to make sure they are well-compensated, well-rewarded, that their families are taken care of, and that is my obligation to them, and I will be fighting for what I believe they need to do their jobs for the American people with all of my energy and with all of my strength, just as I used to do when I was wearing a different kind of uniform.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF COLIN L. POWELL

Mr. Chairman, members of the subcommittee, I am pleased to appear before you for the first time as Secretary of State, and to testify in support of the President's International Affairs Budget for fiscal year 2002.

This Budget represents a needed increase in the Department's dollars for the upcoming fiscal year, and we are pleased with that. This is a good start.

It is the first fiscal step in our efforts to align the conduct of America's foreign relations with the dictates of the 21st Century.

As Secretary of State I wear two hats—one as CEO of the Department, the other as the President's principal foreign policy advisor.

Since the primary interest of this subcommittee is in my role as foreign policy advisor to the President, I will wear that hat for this testimony.

Of the $23.9 billion in the President's fiscal year 2002 budget request (a 5 percent increase over this year) there is $15.2 billion for foreign operations—or about 2 percent more than this year.

Let me give you some of the highlights of that part of the budget request and let me begin with a significant change we are making in the way the U.S. Agency for International Development carries out its business.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

The President's fiscal year 2002 budget marks the beginning of a new strategic orientation for USAID. At the center of this strategic orientation is a new way of doing business to ensure that USAID's long-term development assistance and humanitarian/disaster relief programs better respond to U.S. national interests.

Increasing levels of conflict, degraded economic performance, and widespread disease are causing regional instabilities, complex humanitarian emergencies and, in some cases, chaos. These conditions threaten the achievement of USAID's development objectives and broader U.S. foreign policy goals. The new Administration intends to address these particular conditions by concentrating USAID resources and capabilities for a more effective method of delivery.

To improve USAID's effectiveness, several important changes are outlined in the budget:

—Reorientation of USAID programs to focus on "Four Pillars" each of which supports achievement of USAID's objectives;
—As the first pillar, introduction of the "Global Development Alliance" as USAID's new model for doing business;
—The simplification, integration and reorientation of current programs and their alignment with three new program pillars: Economic Growth and Agriculture; Global Health; and Conflict Prevention and Developmental Relief;
—Adjusting the Agency's budget priorities to target increased funding for agriculture, HIV/AIDS, basic education, and conflict prevention and resolution;
—Directing senior management attention to the sweeping overhaul of the Agency's management, procurement, and operating systems.

THE GLOBAL DEVELOPMENT ALLIANCE PILLAR

The Global Development Alliance (GDA) is USAID's business model for the 21st Century and is applicable to all USAID programs. As USAID's first pillar, the GDA is based on the Agency's recognition of significant changes in the economic development assistance environment. No longer are governments, international organizations and multilateral development banks the only assistance donors; nor is Official Development Assistance the only source of funding for international economic development. Rather, over the past 20 years a growing number of new actors have arrived on the scene: NGOs, Private Voluntary Organizations (PVOs), foundations, corporations, the higher education community and even individuals are now providing development assistance. As a result, the U.S. Government is not the only, or perhaps even the largest, source of American funding and human resources being applied to the development challenge.

The GDA will be a fundamental reorientation in how USAID sees itself in the context of international development assistance, in how it relates to its traditional partners and in how it seeks out and develops alliances with new partners. USAID will use its resources and expertise to assist strategic partners in their investment decisions and will stimulate new investments by bringing new actors and ideas to the overseas development arena. USAID will look for opportunities where relatively small amounts of risk or start-up capital can prudently be invested to generate much larger benefits in the achievement of overall objectives. USAID will increasingly fill the role of a strategic alliance investor, a role akin to that of a venture capital partner, in the resolution of serious development issues. Unlike a venture capital fund, however, the Agency will not try to establish equity positions or seek early exits from the activities in which it invests. Sustained improvement over the long haul will remain a prime objective. Of course, the Agency will continue to deploy resources where private funding is not available and for activities where the governmental role is clear and pre-eminent to stimulate institutional and policy change.

In order to launch the GDA, a special unit will be established to expand outreach into the private, for-profit and not-for-profit sectors. To stimulate movement towards the Global Development Alliance in its early years, USAID has identified $160 million in the fiscal year 2002 request to be used to initiate the new business model and to help fund alliances by Washington bureaus and/or field missions, with a view toward fully integrating GDA concept into the three program pillars not later than fiscal year 2004. GDA is not expected to become a separate funding account.

The funds for initiating the GDA are proposed from the following appropriations accounts: $110 million in Development Assistance (DA); $25 million in the Child

Survival and Disease Program Fund (CS/D); and $25 million in International Disaster Assistance (IDA). Uses will be consistent with the authorized intentions of these accounts.

PROGRAM PILLARS

The three program pillars are part of the justification for the proposed overall program level of $3.4 billion for USAID's directly-managed programs, including food aid and excluding USAID's administrative expense accounts and programs jointly managed with the State Department. Details on the three program pillars follow.

The Economic Growth and Agriculture Pillar ($928 million)

Assistance provided under this pillar will work to create economies that are viable over the long term. Special emphasis will be directed at integrating growth, agriculture and environmental objectives and concerns in a manner such that "market forces" play an increasingly important role in our strategic approach and in determining a program's long-term viability. Activities funded will assist: the productive sectors, especially agriculture; the environment and energy sectors; human capacity development (including basic education); micro-enterprises; and improvement of the business, trade, and investment climate. The interrelationship and interdependence of economic growth, environmental sustainability and the development of a country's human capital will be highlighted in this pillar.

—The request for fiscal year 2002 is $928 million compared to an equivalent figure of $871 million in fiscal year 2001 (both including $28 million for the African and Inter-American Development Foundations).

—Given the importance of agriculture and basic education (especially for girls and women) in most recipient countries, USAID plans to increase its emphasis in these sectors.

The Global Health Pillar ($1.276 billion)

Under this pillar, USAID will group its programs related to maternal and child health, nutrition, family planning and many of the related transnational issues confronting the world, such as HIV/AIDS and other infectious diseases. This budget includes a major initiative to combat HIV/AIDS and other infectious diseases—mainly malaria and tuberculosis—which have significant public health impact. Child survival interventions target the major childhood killers, including vaccine-preventable diseases (e.g., polio), diarrheal disease, malnutrition, acute respiratory infections, and malaria. USAID programs continue an aggressive effort to eliminate vitamin A and other micronutrient deficiencies. Maternal health activities aim to reduce maternal deaths and adverse outcomes as a result of pregnancy and childbirth. In family planning, USAID programs seek to promote family health and allow couples to achieve their desired family size. For HIV/AIDS and infectious diseases, USAID will aggressively promote public/private partnerships and provide technical leadership for programs at the national and grass-roots levels.

The Global Health programs are funded from the CS/D account with the exception of family planning, which is currently financed from DA funds and other accounts. The fiscal year 2002 request for Global Health, $1.276 billion, compares to an equivalent figure of $1.259 billion in fiscal year 2001 (both include $110 million in transfers to UNICEF).

—The Global Health request for HIV/AIDS funding has increased from $299 million in fiscal year 2001 to $329 million to address more effectively this major public health issue. The total amount available for HIV/AIDS from all appropriated accounts, including ESF, is expected to be $369 million.

—The remaining $947 million is proposed for child survival and other global health activities. These funds would support efforts to improve maternal and child health and nutrition; reduce infant and child mortality; support programs that promote family health, and allow couples to achieve their desired family size. The total amount available for family planning is $425 million, from all appropriated accounts.

The Conflict Prevention and Developmental Relief Pillar ($1.217 billion)

Given the rising number of collapsed states and internal conflicts in the post-cold war period, some of which have become focal points of U.S. foreign policy, USAID will undertake a major new conflict prevention, management, and resolution initiative. This initiative will integrate the existing portfolio of USAID democracy programs with new approaches to anticipating crisis, conflict analysis, comprehensive assessment, and will provide new methodologies to assist conflicting parties resolve their issues peacefully. This initiative will also address on-going efforts to bridge

and integrate foreign policy and foreign assistance in a way that accommodates both short-term operational and longer-term structural prevention needs.

USAID continues to stand at the forefront of agencies around the world in its ability to respond to man-made and natural disasters. The budget request will enable USAID to maintain this capability (unique within the United States) to provide needed help rapidly when international emergencies occur.

—The request for fiscal year 2002 is $1.217 billion compared to an equivalent figure of $1.181 billion in fiscal year 2001 (both include Public Law 480 Title II at $835 million).

—International Disaster Assistance funding increases from $165 million (excludes the fiscal year 2001 $135 million supplemental) to $200 million in recognition of the increased demands generated by complex emergencies and natural disasters.

—The request includes Transition Initiative funding of $50 million to meet challenges in conflict-prone countries and those making the recovery from crisis.

—Democracy and Local Governance funding continues at $132 million.

USAID Budget Accounts

While the three program pillars embodied in USAID's new strategic orientation are a valuable way to focus, manage, and report on activities, they do not correspond neatly to the five program accounts for which the agency is currently responsible.

The three program pillars discussed above will be funded by the following five program accounts: Child Survival and Disease Programs Fund; Development Assistance; International Disaster Assistance; Transition Initiatives; and the Development Credit Program, which is funded mainly through transfers from the other accounts. In addition, USAID administers Public Law 480 Title II Food for Peace programs.

Child Survival and Disease Programs Fund (CSD)

The fiscal year 2002 request is $1.011 billion, compared to an equivalent figure of $961 million in fiscal year 2001 (both include $110 million for UNICEF).

This account includes funding for infectious diseases at $110 million; HIV/AIDS at $329 million; basic education at $110 million (with an additional $13 million from DA); and $454 million for child survival and other health activities.

Development Assistance (DA)

The Administration's fiscal year 2002 request is $1.325 billion, compared to an equivalent figure of $1.302 billion in fiscal year 2001 (both years include $28 million for the Inter-American and African Development Foundations).

This account includes funding for agriculture at about $210 million; micro-enterprise and improvement in business trade and investment climate activities at $284 million; environment at $251 million; human capacity development (non-basic education) at $52 million and basic education at $13 million; and family planning at $425 million, funded from DA and other appropriation accounts.

International Disaster Assistance (IDA)

The fiscal year 2002 request of $200 million supports emergency relief and transitional activities provided in response to natural and manmade disasters and other emergencies often accompanied by the displacement of large numbers of people.

Transition Initiatives (TI)

The fiscal year 2002 request of $50 million supports programs administered by USAID's Office of Transition Initiatives. This office addresses the opportunities and challenges facing conflict-prone countries and those making the transition from the initial crisis stage of a complex emergency to a more stable political and economic situation.

Development Credit Program (DCP)

For fiscal year 2002, the Administration is requesting transfer authority of up to $25 million from USAID program accounts for the newly consolidated Development Credit Authority. This brings together various separate Agency credit programs under one credit umbrella.

The change will allow USAID to use credit as a flexible development tool for a wide range of development purposes and will increase the flow of funds to urban credit and micro and small enterprise development programs.

In addition, $7.5 million is requested for administrative costs for the consolidated authority. It is envisioned that all future agency credit activities will be carried out under the reforms embodied in DCP regulations and the Federal Credit Reform Act of 1992. This program augments grant assistance by mobilizing private capital in

developing countries for sustainable development projects. DCP is not intended for sovereign risk activities.

USAID's Operating Expenses

The fiscal year 2002 request of $549 million will provide resources needed to maintain current staffing levels associated with USAID's presence in key developing countries, continue to build the Agency's information technology and financial management capabilities, and strengthen staff capabilities through training.

These funds cover the salaries, benefits, and other administrative costs associated with USAID programs worldwide, including those managed by USAID and financed through Development Assistance, the Child Survival and Disease Programs Fund, the Economic Support Fund, the Support for East European Democracy Act, the Freedom Support Act, and Public Law 480 Title II Food for Peace programs.

The request includes $7.5 million for facility security where USAID is not co-located with embassies. There is also a request of $50 million for co-located USAID facilities included in the State Department's Embassy Security, Construction, and Maintenance request.

Let me move now to other bilateral economic assistance and discuss the Economic Support Fund (ESF), Assistance for East Europe and the Baltic States (SEED), and the FREEDOM Support Act.

Economic Support Fund (ESF) (including International Fund for Ireland)

The fiscal year 2002 ESF request of $2.289 billion supports the economic and political foreign policy interests of the United States. Highlights of the fiscal year 2002 request include:

Near East.—$1.682 billion to continue restructuring assistance levels in the Middle East and promote regional stability and a comprehensive peace between Israel and her neighbors. Funding includes $720 million for Israel, $655 million for Egypt, $150 million for Jordan, and $75 million for the West Bank and Gaza. In addition, the fiscal year 2002 request provides funding for the Iraqi opposition and for programs that support U.S. efforts to strengthen regional cooperation, promote democracy and civil society, and encourage economic growth and integration through increased trade and market-oriented reforms.

Europe.—$39.6 million, including $15 million for Cyprus and $19.6 million for the International Fund for Ireland, as well as $5 million for the third and final year of a program to bring youths from Northern Ireland and designated disadvantaged areas to the United States as outlined in the Irish Peace Process Cultural and Training Program Act of 1998.

Western Hemisphere.—$170.5 million, including $54.5 million for democratic institution building and economic growth programs in Peru, Ecuador, Bolivia, Venezuela, and Panama under an Andean regional initiative; $21 million for earthquake assistance in El Salvador; $5 million for Cuban democracy programs; $11 million for Eastern Caribbean stabilization; $35 million for humanitarian NGOs in Haiti; $10 million for reform in Mexico; $10 million for Administration of Justice throughout the region; $15 million to support the Ecuador/Peru border and Guatemala peace processes; and $9 million for other regional democracy-building programs.

Africa.—$105.5 million, including $25 million to assist Nigeria in rebuilding its democratic institutions; $20 million to support countries in transition, especially those countries emerging from conflict; $15 million to support the Education for Development and Democracy in Africa program, with an emphasis on girls' education; $15 million for regional initiatives, including democracy programs; $10 million for the Africa Great Lakes Initiative designed to build credible and impartial civilian and military justice systems in the region; $9 million for Sierra Leone to help fund a special court and rebuild infrastructure; $2.5 million for Ethiopia/Eritrea to assist in efforts to recover from the war; $2 million to strengthen civil society and lay the foundation for political institutions, democratic reform, and good government in Angola; and other programs designed to foster African integration into the global economy, enhance the safety and reliability of air transport on the continent, and support conflict management and prevention.

East Asia.—$169.75 million, including $50 million to support democratic and economic strengthening in Indonesia; $25 million for East Timor's transition to independence; $25 million for humanitarian, justice, and democracy programs in Cambodia; $15 million for anti-corruption and peace-promoting programs in the Philippines; $14 million for South Pacific Fisheries Treaty commitments; $12 million for democracy and free market support in Mongolia; $5 million for Rule of Law programs in China; and other programs that support democracy promotion, regional environmental initiatives, regional women's issues, and economic technical assistance.

South Asia.—$30 million, including $7 million to fund programs in India to promote judicial reform and rule of law and address the growing problem of trafficking and forced labor of women and children; $7 million in Pakistan to help restore democratic institutions and build civil society; $3 million each in Bangladesh, Sri Lanka, and Nepal to help combat child labor and violence against women and promote democracy and judicial reform, human rights commissions, and civil society participation in local and national government; and $7 million to fund programs to promote regional energy cooperation and use of clean energy technologies, help eliminate cross-border trafficking in women and children, and fund projects promoting cross-border confidence-building measures between the civil societies of India and Pakistan and among elements of societies struggling with strife in Afghanistan, Nepal, and Sri Lanka.

Oceans, Environmental, and Science Initiative.—$4 million for environmental diplomacy activities. These funds will be used for targeted activities in support of ongoing international negotiations on global environmental issues including climate change; biodiversity; the production, use, and trade of hazardous chemicals; and numerous bilateral and regional fisheries and oceans negotiations. Funds will also be used to support regional cooperation efforts and respond to emerging environmental crises and priorities.

Human Rights and Democracy Funds.—$13.5 million to respond to emergencies to prevent or forestall further human rights abuses; to exploit unanticipated opportunities to promote democracy; to help establish institutions that serve human rights and democracy efforts, especially those that address concerns raised in the Human Rights Reports; and to support multilateral initiatives that respond to human rights or democratization opportunities.

Innovative Partnerships to Eliminate Sweatshops.—$5 million to continue funding for NGOs, labor unions, and corporate groups to support the promotion of core labor standards, model business principles, and monitoring of labor conditions. The program is targeted at eliminating sweatshop conditions in overseas factories that produce or sell consumer goods for the American market.

Policy Initiatives.—$69 million designated for policy initiatives of the new Administration.

Assistance for East Europe and the Baltic States (SEED)

The Support for East European Democracy (SEED) Act is the foundation for U.S. assistance to Eastern Europe and the Baltic States. SEED is a transitional program designed to assist those countries through their difficult passage to democracy and a market economy. The fiscal year 2002 SEED request is $610 million.

For fiscal year 2002, the SEED request includes $145 million for the Federal Republic of Yugoslavia. These funds will be used in both the Republics of Serbia and Montenegro to support economic reform and promote democracy and civil society by assisting judicial reform, independent media, NGOs, and local government. In Southern Serbia, continued support is needed for community development projects designed to reduce ethnic tensions.

The request for Kosovo is $120 million. These funds will further implementation of UNSC 1244 by supporting security (including the U.S. contingent to UNMIK police), democratization, and respect for human rights and rule of law. The United States is completing its emergency assistance programs and is now focusing on longer-term development goals such as building transparent economic and political institutions and a strong private sector.

The increase for Macedonia to $45 million will help the government move more rapidly in bringing the benefits of democracy to all of the country's citizens. Funds will target efforts to decentralize the government and allow a broader range of Macedonians to play a direct role in building their society. Economic programs will promote a strengthened private sector to extend prosperity to the wider populace. Finally, additional resources will support ongoing programs that promote inter-ethnic harmony and strengthen the fabric of civil society.

Funding for the Bosnia-Herzegovina program is $65 million, down from $100 million in fiscal year 2000 and $79.8 million in fiscal year 2001. This decrease reflects progress on the political commitments under the Dayton Peace Accords and the fact that Bosnians are taking on a greater role in managing their own affairs. The remaining reconstruction effort will focus on encouraging returns of dispersed minorities, which have increased in recent years.

Eight of the 15 original SEED countries have graduated, and USAID missions there have been closed. Regional funding, at reduced levels, continues for Northern Tier countries to help ensure the success of their transitions and to meet limited special or emergency needs.

In Southeast Europe, SEED-funded regional programs help build stability by fostering cooperation among neighboring countries in key areas such as good governance and anti-corruption, the fight against organized crime and smuggling, and developing cross-border solutions for energy, transportation, and pollution.

Assistance for the Independent States of the Former Soviet Union (FREEDOM Support Act, or FSA)

The fiscal year 2002 request for the FREEDOM Support Act (FSA) for the New Independent States (NIS) totals $808 million.

This request sets aside funding in the regional account to support a settlement of the Nagorno-Karabakh conflict. These funds will enable the United States to contribute to post-settlement reconstruction in Azerbaijan and Armenia as part of a coordinated international donor effort.

This budget directs a larger share of funds than last year towards promoting change at the grassroots of NIS societies, by supporting exchanges that bring NIS citizens—including large numbers of young people—to the United States for first-hand exposure to our system; strengthening NGOs; increasing Internet access; and aiding pro-reform regional and local governments. With freedom of the press under threat in most countries of the region, emphasis will be placed on programs that support the independence and viability of the media. Support will also be continued for law enforcement cooperation to combat organized crime and corruption.

Several of the NIS are now experiencing economic growth for the first time. To help sustain this growth, FSA programs will support small and medium-sized private businesses through training, exchanges, and greater access to credit. Technical assistance to central governments will be limited, focusing on those countries that show the greatest commitment to economic reform. In Russia, Kazakhstan, and Ukraine, funds will support initiatives designed to facilitate growth in pro-reform regions. Programs will also support U.S. investment and trade throughout the NIS.

FSA programs will address some of the most serious socio-economic problems in the NIS, particularly in the fields of health, nuclear safety, and the environment. Health programs will include hospital partnerships and efforts to combat infectious diseases and improve maternal health. Resources devoted to humanitarian assistance will help mitigate the suffering caused by poverty, natural disasters, and regional conflicts.

The potential proliferation of weapons of mass destruction (WMD) remains a significant threat in the NIS. To address this threat, the request funds several programs aimed at channeling WMD expertise in the direction of civilian research and development of new technologies.

The FSA-funded Export Control and Border Security Program will continue to strengthen the ability of NIS countries to prevent illegal cross-border movements of narcotics, arms, and WMD materials. This program also enhances regional stability by helping several countries in the region better maintain their territorial integrity in the face of terrorist threats and border zone conflicts. FSA funds will also facilitate the removal of Russian troops and military equipment from Moldova and Georgia.

Debt Restructuring

Let me turn briefly to a program that had broad congressional bipartisan support last year, debt restructuring:

—For fiscal year 2002, the Administration is requesting $224 million for the Heavily Indebted Poor Countries (HIPC) Trust Fund to provide multilateral debt relief. This fund helps regional multilateral development banks, such as the African Development Bank and Inter-American Development Bank, meet their costs of HIPC debt reduction.

—In 1999, the United States committed to a $600 million contribution to the HIPC Trust Fund. In fiscal year 2001, $360 million was appropriated for this purpose. The fiscal year 2002 request of $224 million, combined with $16 million in previously appropriated but unexpended debt account balances, will fulfill the U.S. commitment in full and leverage participation from others.

—For fiscal year 2002, the Administration is not requesting any funding to provide bilateral debt relief under the Tropical Forest Conservation Act of 1998 (TFCA). However, the request does include authority to transfer up to $13 million from USAID's Development Assistance account for debt relief under this program. The Administration may also use carryover funds from the Debt Restructuring account for TFCA implementation.

International Narcotics Control and Law Enforcement (INCLE)

Mr. Chairman, we are profoundly concerned about the recent shootdown of a civilian aircraft by the Peruvian Air Force and the tragic deaths of an innocent woman

and her child, as well as the injury of another civilian and the destruction of private property. A full investigation is underway. We will work with the countries in the area to do all that we can to prevent any such tragedy in the future. Meanwhile, however, our counter narcotics effort will remain robust:

—The fiscal year 2002 request includes $217 million for base programs of the Bureau of International Narcotics and Law Enforcement (INL).

—The request provides $162 million to support counter-narcotics programs outside of the Andean region. These INL programs will grow 30 percent worldwide. They include regional programs for Latin America, Asia, and the Middle East; participation in the U.N. Drug Control Program and other international organizations' counter-narcotics efforts; and increased support for drug awareness and demand reduction.

—The request also provides $55 million for programs to counter transnational crime, including trafficking in women and children—an increase of 22 percent. These programs include establishing a center to counter international migrant smuggling/trafficking in persons; continuing support of a Civilian Police Contingent for deployment as part of international relief efforts in post-conflict situations; an African regional anti-crime program, focused particularly on Nigeria and South Africa; and support to five International Law Enforcement Academies.

Andean Counterdrug Initiative (ACI)

As part of an overall Andean regional initiative, the fiscal year 2002 request includes $731 million for ACI, a multi-year counterdrug assistance effort designed to sustain and expand programs funded by the Plan Colombia emergency supplemental. ACI differs from Plan Colombia in several respects. ACI triples—to 45 percent—the share of counter-narcotics assistance going to countries other than Colombia. ACI increases to 40 percent the amount of INCLE funding going to social and economic programs, exclusive of other economic assistance accounts. Finally, ACI funding will be augmented from other accounts to support reforms directed toward strengthening democracy and economic growth.

Fiscal year 2002 funding for ACI includes Colombia, Peru, Bolivia, Ecuador, Brazil, Venezuela, and Panama.

Combined with Plan Colombia, ACI will make a significant, immediate impact on the flow of narcotics out of the Andes. The Administration's performance goals specifically include: (1) achieving a 30 percent reduction in Colombian coca production between CY 2000 and the end of CY 2002; and (2) eliminating all illicit coca production in Bolivia by the end of CY 2002.

ACI will support Colombia's push into the former coca-growing sanctuaries in Putumayo by backing joint operations between the Amy's new, air mobile counter-narcotics (CN) brigade and the Colombian National Police's anti-narcotics unit (DIRAN). It will also support alternative development and assistance to internally displaced persons, maritime and aerial interdiction, the Colombian National Police's aerial eradication program with additional spray aircraft, and human rights and judicial reform in Colombia.

Additional support for the Andean regional initiative is being provided through Economic Support Funds and Foreign Military Financing. Development Assistance and Child Survival and Diseases accounts will also support this initiative.

Migration and Refugee Assistance (MRA)

Mr. Chairman, the fiscal year 2002 request for MRA is $715 million, as follows:

—The request includes $509 million for Overseas Assistance. This amount will support the protection of refugees and conflict victims, the provision of basic needs to sustain their life and health, and the resolution of refugee problems through durable solutions. It will also provide funding for the focused "Up to Standards" initiative targeted on health and health-related problems that appear to have the greatest impact on refugee mortality/morbidity rates.

—The fiscal year 2002 request for Refugee Admissions is $130 million. This $20 million increase over the fiscal year 2001 level reflects a grant increase in the Reception and Placement program and the fact that $14.7 million appropriated in fiscal year 2000 was available for Admissions in fiscal year 2001.

—The request for refugees to Israel is $60 million—the same amount appropriated in fiscal year 2002, prior to the rescission.

—The request for Administrative Expenses is $16 million—an increase of $1.5 million from the fiscal year 2001 level. This level will support the full-year salaries and operating costs associated with a staff of 110 positions. The increase includes funds to cover full-year support costs of several refugee coordinator positions to be established at the end of fiscal year 2001.

In addition to the MRA funding request, we are asking for $15 million to replenish the U.S. Emergency Refugee and Migration Assistance Fund. This request will preserve the President's ability to respond to unforeseen and urgent refugee and migration needs worldwide.

Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR)

The fiscal year 2002 NADR request includes a total of $332 million, broken out as follows:

—$14 million for the Nonproliferation and Disarmament Fund (NDF), a contingency rapid-reaction fund which can meet unanticipated challenges and disperse funds quickly in support of urgent nonproliferation objectives.

—$17 million for Export Control Assistance designed to provide training and equipment to establish or enhance export control systems. Funds support programs in Russia and the NIS, Central and Eastern Europe, and key transit states worldwide.

—$37 million for the Science Centers to prevent former Soviet weapons experts in Russia, Ukraine, and the other NIS countries from emigrating to proliferant states by financing civilian research. It has redirected tens of thousands of NIS WMD/missile scientists to peaceful pursuits and remains a key component of U.S. nonproliferation policy.

—$49 million for voluntary contributions to the International Atomic Energy Agency (IAEA) to support effective implementation of strengthened nuclear safeguards measures and growth in the area of nuclear inspections. The $2 million increase will fund safeguards technology development relevant to verifying North Korea's initial nuclear inventory.

—$20 million for the Comprehensive Nuclear Test Ban Treaty (CTBT) Preparatory Commission to pay the U.S. share of costs for the ongoing work of the Provisional Technical Secretariat, including development and implementation of the international monitoring system (IMS) to detect nuclear explosions.

—$95 million for the U.S. contribution to the Korean Peninsula Energy Development Organization (KEDO) for administrative costs and heavy fuel oil (HFO) purchases in fiscal year 2002. KEDO is responsible for implementing elements of the Agreed Framework between the United States and the Democratic People's Republic of Korea (DPRK) by financing and constructing light water reactors in North Korea and by providing annual shipments of heavy fuel oil to the DPRK until completion of the first light water reactor. The requested increase reflects a near doubling of the price of HFO on world markets.

—$38 million for the Anti-Terrorism Assistance (ATA) program to meet the widening and continuing terrorist threat. Funds will support ongoing core ATA programs, develop new courses (including a new cyberterrorism course), increase training to select Balkan and Central Asian states, and initiate an energy security-related training program in the Caspian region. The request also includes $2 million to continue the Weapons of Mass Destruction (WMD) Preparedness Program, which is designed to help foreign government officials and "first responders" manage terrorist incidents involving weapons of mass destruction. Funds will support policy workshops with senior host government officials and "first responder" training for hazardous material personnel, paramedics, and other security personnel who would be on the front lines dealing with an actual incident.

—$4 million for the Terrorist Interdiction Program to support the third year of a multi-pronged border security program designed to assist selected vulnerable countries in stopping terrorists from crossing their borders or using their territory as transit points or staging areas for attacks. Funds will support installation of an integrated personal identification database system and associated training for about five countries in East Asia, Africa, Europe, and the Middle East. A small amount of funds will also help upgrade INTERPOL's communications system to complement the database network.

—$16 million contribution toward the incremental cost of holding in the Netherlands the trial for the 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland.

—$40 million for the Humanitarian Demining program, which supports a wide range of humanitarian mine action initiatives in nearly 40 countries around the globe. The program's emphasis is on mine clearance, surveys, and mine awareness, although some funds are provided for training and special projects that indirectly benefit mine-affected nations.

—$2 million to support the second year of the Small Arms Destruction initiative, which is designed to eliminate stockpiles of excess small arms and light weap-

ons left over from Cold War and post-Cold War conflicts, particularly in Eastern Europe, Central Asia, Latin America, and Sub-Saharan Africa.

Military Assistance

Mr. Chairman, the Military Assistance portion of the President's budget request includes IMET, FMF and PKO, as follows:

International Military Education and Training (IMET)

The Administration is requesting $65 million for IMET in fiscal year 2002.

IMET encourages mutually beneficial relations and increased understanding between the United States and foreign militaries to help create a more stable and secure world community. Through more frequent and wide-ranging contacts, IMET promotes a shared set of values and a common approach to conflict resolution.

The increase over the fiscal year 2001 level will allow additional personnel to enroll in courses offered on professional military education; military operations, with such subjects as tactics, strategy, and logistics; and technical training, such as aircraft maintenance. Approximately 2,000 courses are available for over 9,000 students at 150 military schools and installations.

In addition, special courses—known as Expanded IMET (E-IMET)—are designed to promote greater respect for and understanding of the principle of civilian control of the military, democratic values, and military justice systems that protect internationally recognized human rights.

Foreign Military Financing (FMF)

The Administration is requesting $3.674 billion for FMF in fiscal year 2002, including:

—$3.4 billion for Israel, Egypt, and Jordan military assistance programs.

—$39 million to support NATO's newest members—Poland, Hungary, and the Czech Republic—and $97.5 million to strengthen cooperation with Partnership for Peace (PfP) partners in Central Europe, the Baltics, and the New Independent States. Requested funds will help support new and ongoing programs to help meet Membership Action Plan goals and objectives and enhance interoperability with NATO.

—$22 million for the East Asia and Pacific region. The majority of these funds will support a multi-year FMF program for the armed forces of the Philippines to sustain crucial military capabilities while promoting clear and positive action to correct significant budgetary and logistical deficiencies. Other funds for this region include continued funding to provide Mongolia robust communications equipment to help respond to security threats along its border and $1 million to help support a new East Timor Defense Force.

—$18 million for countries in the Western Hemisphere to help support the capabilities of militaries engaged in drug interdiction, search and rescue, and antismuggling operations, and help sustain small professional forces essential to regional peace and security. Funds will also aid in increasing the capabilities of key countries that participate in worldwide peacekeeping operations such as Chile, Argentina, Bolivia, and Uruguay, and provide assistance to help Andean and Central American countries counter the "spill-over" security problems caused by the effective implementation of Plan Colombia.

—$19 million for the Africa region. These funds will aid in the reform and modernization efforts of the Nigerian military, enhancing its role in Nigeria's transition to democracy and supporting participation in U.N. peacekeeping operations. Funds will also support South African airlift capabilities and military reform efforts. The Africa Regional Stability account consolidates regional African requirements that will permit greater flexibility to respond to developing situations in countries such as Ethiopia and Eritrea and selectively support militaries that are willing to support humanitarian and peacekeeping operations.

—$8 million for the Enhanced International Peacekeeping Initiative to provide assistance to key countries to improve their peacekeeping capabilities with an emphasis on peacekeeping doctrine and education, training, and communications systems. This program will create a bigger pool of potential peacekeepers, thereby reducing dependence on U.S. forces.

—$10 million designated for Policy Initiatives of the new Administration.

—$35 million for Department of Defense (DOD) costs for the successful administration of global grant military assistance programs. The $2.2 million increase above the fiscal year 2001 level is needed to cover costs in support of security assistance offices overseas.

Peacekeeping Operations (PKO)

The Administration is requesting $150 million for PKO in fiscal year 2002.

PKO funds are designed to advance international support for voluntary multinational efforts in conflict resolution, including support for international missions in response to crises around the world. These funds promote involvement of regional organizations and help leverage support for multinational efforts where no formal cost-sharing mechanisms exist. The budget includes:

—$20 million for the African Crisis Response Initiative, which represents final funding for this multi-year program.

—$54.6 million for Organization for Security and Cooperation in Europe (OSCE) peacekeeping activities in the Balkans and OSCE preventive diplomacy missions elsewhere in Europe and the NIS.

—$16.4 million to continue the Administration's commitment to the Multinational Force and Observers (MFO) in the Sinai.

—$8 million to continue support for U.S. Civilian Police (CIVPOL) assigned to the U.N. Transitional Administration in East Timor (UNTAET) mission.

—$51 million for Africa Regional Peacekeeping Operations, an account that consolidates numerous peacekeeping needs on the African continent. These include assisting the Economic Community of West African States (ECOWAS) and other African countries that are committed to providing peacekeeping troops in support of the United Nations Mission in Sierra Leone (UNAMSIL) and supporting the Joint Military Commission's (JMC) efforts in maintaining the peace in the Democratic Republic of the Congo and the Organization of African Unity's (OAU) efforts in support of military observers in Ethiopia and Eritrea.

Multilateral Development Banks (MDBs) and International Organizations and Programs (IO&P)

Mr. Chairman, the President is seeking the following funding for the multilateral development banks (MDBs):

—The fiscal year 2002 request provides $1.210 billion for scheduled annual U.S. commitments to MDBs. The banks lend to and invest in developing economies and private sector enterprises in countries where risks are too high for private financing alone and where leverage is needed to spur private financing.

—Bank policies and lending programs reflect U.S. priorities in promoting growth and poverty reduction in developing countries. These include financial sector reforms, anti-corruption measures, core labor standards practices, private sector development, and environmental management.

—The Global Environment Facility provides grants and arranges financing for projects that address environmental management problems with global implications in developing countries.

—MDBs support U.S. foreign policy initiatives in Eastern Europe and the former Soviet Union, Latin America, Asia, Africa, and the Middle East.

—At the end of fiscal year 1997, U.S. arrears to the MDBs totaled $862 million. But by the end of fiscal year 1999, arrears were reduced to $335.3 million. Fiscal year 2000 and fiscal year 2001 appropriations resulted in overall arrears increasing to their current level of $498.6 million. Since the Administration is not requesting any funding for arrears in fiscal year 2002, it is important that the regular commitment request be fully funded in order to avoid any further increases in arrears.

And the following funding for IO&P:

—The fiscal year 2002 request of $186 million provides U.S. voluntary contributions to international organizations and programs to help address global challenges through international cooperation.

—The total includes funding for the U.N. Development Program that coordinates U.N. development assistance to build countries' indigenous capacities to achieve sustainable development ($87.1 million); the U.N. Population Fund that provides critical population assistance to developing countries and countries with economies in transition ($25 million); and the World Trade Organization ($1 million), supporting technical assistance and capacity building related to the world trading system.

—The request also includes $25 million for a contribution to the Montreal Protocol Multilateral Fund that helps developing countries use substitutes for ozone layer-depleting substances; $10.75 for the U.N. Environment Program (UNEP Fund/UNEP-related); and other contributions to international conservation programs addressing issues such as international forest loss and biological diversity.

—Funds will be also be used to promote democracy and provide humanitarian assistance worldwide. Specifically, they will provide U.S. contributions to U.N. voluntary funds for torture victims and human rights; to the Organization of American States (OAS), supporting development assistance and efforts to

strengthen democracy in the hemisphere; and to the World Food Program ($5.4 million).

And now, Mr. Chairman, let me turn to export financing:

Export-Import Bank

The Administration is requesting $633 million for Export-Import Bank's loan and guarantee programs and $65 million for the bank's operations in fiscal year 2002.

These funds will assist American businesses in sustaining U.S. jobs by increasing exports, thus stimulating economic growth and job creation in the United States.

The fiscal year 2002 request proposes a 25 percent decrease in the bank's program resources, in part to reflect lower estimates of international lending risk. Within this level, Export-Import Bank will continue to serve exporters facing subsidized competition, as well as small and medium-sized enterprises.

The increase for administrative expenses will, among other things, enable the bank to modernize its computer infrastructure to provide better service to the exporting community.

Overseas Private Investment Corporation (OPIC)

In fiscal year 2002, OPIC-generated revenue from its private sector users and other sources will allow OPIC to make a contribution of approximately $251 million in net negative budget authority to the International Affairs budget.

The Administration is requesting the authority for OPIC to spend $38.6 million for administrative expenses. In keeping with OPIC's mandate to operate on a self-sustaining basis, this funding will come from OPIC user fees and earned income.

The Administration is not requesting credit funding for OPIC in fiscal year 2002. OPIC anticipates that sufficient unobligated amounts from the corporation's fiscal year 2001 appropriation of two-year funds will remain available to support new direct loans and loan guarantees in fiscal year 2002.

In fiscal year 2002, OPIC will continue to support the Administration's priorities for investment in such areas as Southeast Europe, Sub-Saharan Africa, Central America, the Caribbean, the Middle East, and the Caspian region. OPIC will continue also to emphasize activities and products that increase participation in its programs by American small businesses.

Since 1971, OPIC has supported $138 billion worth of investments, generating over $63 billion in U.S. exports and creating or supporting nearly 250,000 American jobs.

Trade and Development Agency (TDA)

TDA assists in the creation of jobs for Americans by helping U.S. companies pursue overseas business opportunities. Through the funding of feasibility studies, orientation visits, specialized training grants, business workshops, and various forms of technical assistance, TDA helps American businesses compete for infrastructure and industrial projects in emerging markets.

The fiscal year 2002 budget request of $50 million will enable TDA to continue to strengthen its core regional programs and help U.S. firms compete against heavily subsidized foreign competition. In particular, TDA has witnessed impressive growth in demand for its Asian, Eastern European, and African programs. While meeting this increased demand, TDA's fiscal year 2002 program priorities include expanding its High Tech Initiative in the areas of financial services technologies and emergency management.

Every dollar TDA invests is associated with $40 in U.S. exports, estimated to total close to $17 billion since the agency was established in 1980.

And finally, Mr. Chairman, the fiscal year 2002 budget request provides $275 million to permit the Peace Corps to continue its role as the leading international service organization engaged in grass-roots development. The increase of $10.6 million will enable the Peace Corps to continue support of its approximately 7,000 volunteers. This money will permit enhanced security measures for overseas staff and volunteers and will allow completion of information technology initiatives in support of volunteers.

There are of course more details to the President's fiscal year 2002 budget request for international affairs. I invite the members' attention to an excellent Department of State pamphlet entitled "Summary and Highlights: International Affairs Function 150—Fiscal Year 2002."

Senator MCCONNELL. Thank you, Mr. Secretary. The only exception the subcommittee makes to the opening statement rule is when the chairman of the full committee shows up. I do not know

if Senator Stevens would have any observations. I would call on him before we go to the questions, which will be 5-minute rounds.

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much, Mr. Chairman. I do appreciate the courtesy, because we do have three separate meetings this morning that I want to attend.

Mr. Secretary, I am pleased to see you. I cannot tell you how proud we are you have agreed to be where you are. We look forward to working with you, and we hear you about the process of support, and I am sure that we all, knowing you as well as we do, we will rely upon your judgment and upon your guidance, and we look forward to working with you, and I have no questions this morning. It is good to be with you, Mr. Secretary.

Senator MCCONNELL. Thank you, Chairman Stevens.

Mr. Secretary, in recent years in hearings with the Secretary of State I have not asked questions about the Middle East, because it seemed it was getting adequate attention and things seemed to be moving in the right direction. As we all know, toward the end of last year it was a very exasperating experience in which the previous Israeli administration offered everything there was to offer to the PLO, only to find that offer rebuffed, followd by a resumption of the violence that we saw a number of years back that continues up to this morning.

We have accommodated the wishes of administrations of both parties with regard to financial assistance to that region for a long time, going back at least to the Camp David Accords. We have treated assistance to Israel and Egypt almost as an entitlement, with few questions asked, because we had a longstanding relationship with both those countries, particularly Israel.

We, after the Oslo Accords, began an aid arrangement with the PLO and this year, as we approach these funding decisions, it seems to me appropriate to ask you, as a spokesman for a new administration: should we view our assistance package to the West Bank and Gaza as an entitlement? If you look at the PLO and as you look at our good friend Egypt, and their behavior over the last few years, it is hard for me to see how either has tried to move the process in the right direction.

So as we make these rather significant funding decision in terms of the size of our package, and as we make these significant funding decisions this year, I am curious if you have an opinion as to whether or not we should continue to write the checks with little or no inquiry.

Secretary POWELL. Mr. Chairman, I believe that these are not entitlements. They were, nevertheless, commitments that have been made by the U.S. Government many years ago which come up for review every year. The commitments that were made and the yearly review combine to suggest that it remains in our national interest to fund these activities in these accounts for these countries.

It is in our national interest to see that Israel, the democratic nation in the region, remains strong economically and militarily. It has long been U.S. policy, long-term U.S. policy, which I think still makes sense, to ensure that Egypt is provided with assistance,

both economic assistance and military assistance to keep the balance in step, and also to be consistent with and faithful to the commitments which were made long ago at Camp David.

I also believe that we have a very delicate situation right now, where negotiations took place at the tail end of the last administration that for a moment were breathtaking in their implications, if those negotiations could have gone to conclusion, but they did not, and they fell apart. The Intifada never did end while those negotiations were going on. The violence was continuing.

With the end of those negotiations a new election took place in Israel, and Prime Minister Sharon has come in, and the terms of the negotiations are no longer where they might have been in January of this year. The violence has gotten worse. The United States has offered its assistance in trying to get security discussions going between the two sides to get the violence moving in the other direction.

We have also been rather forthcoming in saying that once the violence starts moving in the other direction, we have got to see economic activity start up again, principally by allowing Palestinian workers to get to their jobs and releasing tax revenues that belong to the Palestinians that is being held by the Israeli Government. We firmly believe that there also has to be a negotiation at some point to start moving again in the right direction.

This conflict cannot be solved by just violence, military activity on either side. It has to ultimately be solved at the negotiating table. What we have to do to get the violence down so that confidence can be built up between the two sides again, economic activity start, so that you do not have people who are not working who take their frustrations out into the streets, and at the same time get to a process of negotiation.

Some new tools are now on the table with the Mitchell report and the very fine work that is being done by the Egyptians and the Jordanians on a paper that they have tabled. I think at this point we need to pursue the opportunities that are provided by the Mitchell report and the Egyptian-Jordanian initiative. I would not support cutting or reducing the funds at this time that we normally provide to these nations.

Senator MCCONNELL. So it is your view the Egyptians today are making at this point a constructive contribution to the process?

Secretary POWELL. They play an important role in the region. We speak out when they say things that we find are not appropriate, or when the newspapers say things that are quite inappropriate. I could show you an editorial they wrote about me not too long ago that was, I thought, quite inappropriate. We called it to the attention of the Egyptian Government and got something of an apology, and so they are sensitive to our concerns.

Senator MCCONNELL. My time is up, but, as you know, Egyptian news agencies funded by the Government are spewing anti-Semitic rhetoric at an all-time high, and it seems to me it is hard to conclude that that is very constructive. Maybe there are other things, as you indicated, that they are doing that is constructive.

My time is up on this round. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

Mr. Secretary, you had mentioned the request for foreign operations, about 2 percent above the fiscal year 2001 level, but that assumes that a $230 million cut in the Eximbank goes through, and I doubt, and I suspect you doubt that a majority in Congress will support such a large cut, and so if we put that money back in we end up with a net cut.

Senator McConnell and I have tried very hard to protect this budget. It is not the most popular budget on the Hill, and I would suggest that you look very hard at building support both at OMB and Congress for real funding, adequate funding in this area.

One of the bits of advice that I have given many of your predecessors, most of whom quickly forgot it, is to spend more time with the Appropriations Committee. It is the Appropriations Committee, because for years and years and years we have not had an authorization bill on foreign aid, and I really would encourage you not to forget us, because we are facing in real terms a cut in foreign aid in this budget and there is more that could be done.

I think of Plan Colombia, these programs that cost billions of dollars. I find it hard to see how they are going to succeed with the amount of drugs coming into the United States going up, not down. The price in the United States has actually gone down. We are not doing much to reduce the demand here, but we spend billions down there.

We do not have an adequate amount of money for drug treatment. People are told yes, you do need treatment, we are going to put you on our priority list for 6 months from now.

Maybe we are spending money in the wrong place. We have worked with people who have been involved in massive criminal activity in Peru. It is certainly not a mark of success to stop drugs by shooting a missionary and her baby, whether by mistake or stupidity.

Frankly, I would hope you look closely at all of that. Aerial fumigation is supposed to be very safe, but the manufacturer says we recommend that grazing animals such as horses, goats, cattle, and sheep remain out of the treated area for 2 weeks and it should not be applied to bodies of water, people should stay out of a treated area until it is thoroughly dry.

We are spending an awful lot of money with wonderful intentions, sometimes dealing with people that we can admire for their policies, like President Pastrana of Colombia, but the results are still, I believe, negligible.

Let me ask you about Africa, a continent in crisis, and in many countries in Africa, AIDS threatened to wipe out all of the economic gains of the last quarter-century.

There are half-a-dozen wars raging. There are millions of refugees and displaced persons, a third of the people are chronically undernourished, and that is twice as many as 30 years ago, 2 million people—2 million people—have died in the Congo, mostly from disease and starvation. No one hardly knows it. That is four times the population of my State.

Some have called for a Marshall Plan, or a Powell Plan for Africa, so my question is this. If you had the funds, say another billion dollars to support a Powell Plan, to support debt relief and expand trade and combat poverty in Africa, how would you spend it?

Secretary POWELL. Off the top of my head, I would put an additional chunk of it into HIV/AIDS work, with the focus not just on treatment, but on prevention. Ultimately, this crisis we solve through prevention, although treatment is important.

I think debt relief for those countries deserving of debt relief, that have now put in place functioning democratic systems and economic systems that show some promise of future success.

I would invest part of the money into education, and trying to get access to the Internet for young people of Africa to begin expanding their horizons and seeing what is out there, and being able to give them distance learning. You may have seen a wonderful article in the Washington Post a few days ago about what that is doing to a village in Cambodia, and what you can do through that transformation type of activity.

I would make sure that the money was invested in those countries that have stepped away from old patterns of totalitarian behavior and State-controlled economies, so we are not just putting money down a rat hole.

I would invest in those countries that truly have forsaken the past patterns of bad behavior, but HIV/AIDS, debt relief, education, Internet access, and other infectious diseases, malaria and tuberculosis, which increasingly are linked with AIDS, are the sorts of accounts I would put it into.

Senator LEAHY. I will have other questions for the record.

Senator MCCONNELL. We are going to have plenty of rounds.

Senator Specter.

Senator SPECTER. Mr. Secretary, I know that the administration is doing a great deal in the Mideast. In conversations with you and others upon my return from the Mideast last month, I wrote to the President, you, and National Security Advisor Rice urging that a Special Envoy be designated.

I can understand the considerations in trying to keep the matters within the chain of command, but I believe that a Special Envoy would be very helpful, in keeping in the tradition since Henry Kissinger did the job for President Nixon many years ago, and that it would give reassurance to many people who do not know all that is going on.

I had a chance to talk with the President yesterday. He was in Philadelphia, and we had a plane ride to discuss it. I would urge you to appoint a Special Envoy to give that kind of public confidence and also to undertake the kind of intense attention that no matter how attentive you are, and I know you are very attentive, that would be a positive step forward.

Secretary POWELL. Thank you, Senator Specter. I take the point. We have not ruled out having somebody pay attention to it on a full-time basis, but we do not think we are at a point yet where there is enough in the equation to justify that kind of attention.

We have people in the region, an Ambassador and a Consul General who are deeply engaged and are now going back and forth between the two sides. If we can get the violence moving down, and if we can get the negotiations moving forward again, it may require that level of attention, and somebody, an Ambassador-at-Large or special Envoy. So we have not ruled it out, but we have not yet

reached a point where we think it is timely for that kind of attention.

Senator SPECTER. Mr. Secretary, I thank you and the President for carrying on a very strong policy of our special relationship with Israel. I think it is very important for the U.S. national interest, and for the strong ties we have to the only democracy in the region.

The fighting there is extraordinarily difficult. The metaphor I used, I could not even find a tunnel, let alone a light at the end of the tunnel. I happened to be visiting with Chairman Arafat near midnight on April 16 when Israel was retaliating for mortar shells which had been fired from Gaza into Israel, and he made a statement about Israel's response being excessive and disproportionate. I know that the United States is frequently criticized for not being evenhanded.

There are many factors at work, but the question that I have is that when mortar shells are being fired, and Arafat denies complicity, as he did to me, eyeball-to-eyeball, and I checked with our intelligence sources and it was conclusive that Arafat was behind the mortar attacks, and while Israel did respond very, very forcefully, Israel could have responded even much more forcefully,

They are facing a situation where everybody is at wit's end. I believe that the calculation is that if they hit them hard enough, within reason, that the Palestinians perhaps will stop the terrorism, although that is very complicated, with Hamas an Islam Jihad and the others.

But I would be interested in your response. In the region that comment was taken very badly by the Israelis, and taken with great jubilation by the Palestinians, because I saw their reaction. So it would be my request that, while the Palestinians are inciting the violence, that we be even more circumspect in what we say.

Secretary POWELL. I cannot talk to the specific incident, and Mr. Arafat's knowledge or wittingness, Senator Specter. We try to be evenhanded.

The occasion you may be thinking of is when I made a public statement after Israel went into the Gaza Strip and one of the generals indicated they plan to stay there. That is when I was most outspoken. But it turned out they were already on their way out at the time I was issuing the statement, so by Israeli accounts the statement had nothing to do with their coming out. They were planning to come out anyway. But the statement got a lot of attention.

I understand the inherent right of self-defense. I lived under those terms of engagement for many, many years, so there is an inherent right of self-defense. But in exercising that inherent right of self-defense, if you do not want to make the situation even worse, I think that the response has to be very carefully calibrated and proportionate. We have to make judgment calls from time to time as to whether we believe a particular response was proportionate and well-calibrated and therefore not creating an even more difficult situation, because right now we have a cycle where mortars are fired, and there is a very sharp response. I understand the need for a sharp response. But if you see in days after that mortars continue to be fired, and your sharp responses do not produce the desired result, it suggests to me that it is time for both sides to

find ways to go back down the cycle of violence. And that is what we are desperately trying to find a way to do now. Only when we get moving in the other direction and stop this exchange, whether it is proportionate or disproportionate, will we be able to bring some stability to the region and get confidence-building measures created again, and then start a negotiation which will end the need for any kind of violence on anyone's part, proportionate or otherwise, right or wrong. Right or wrong, kids are dying.

Senator SPECTER. Thank you for that response. I would just say that it looks very different on the spot there. I just happened to be there at the time. It looks very different as Israel is responding to those mortar shells, contrasted with the picture that we get here in Washington.

Thank you.

Senator MCCONNELL. Thank you, Senator Specter.

Senator Mikulski.

OPENING STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Good morning, Mr. Secretary. Mr. Secretary, I know in your testimony, and even in my colleagues' questions, many compelling issues will be raised, ranging from conflict containment to conflict resolution dealing with the drug agencies, supporting our agency, and particularly the State of Israel, and I would hope we could advance on the Jordan free trade agreement, but Mr. Secretary, I would like to focus my questions on the impact that this foreign aid budget has on women and children around the world. I know an area in which you have expressed a longstanding commitment and sensitivity, and even in your chairmanship of the Joint Chiefs, it is really to defend the weak and the helpless.

I am concerned about, first of all, the spartan funding for refugees, or the spartan increase. As you know, 95 percent of the refugees in the world are women and children. We have those that have been externally displaced to other countries, the internally displaced, like we see in the Congo, and I wonder what your reaction is to that, and do you think that we really do have the resources to meet really the sad and melancholy consequences of war, either external or internal, in which the victims are women and children?

Secretary POWELL. It is one of the great tragedies of our time, Senator Mikulski, as you noted, that the victims of most wars are not the soldiers that fight those wars but those who are displaced, and those who are displaced very often tend to be women and children. They become internally displaced within their own country.

I would like to do more. I think we are doing a lot. I think our request for fiscal year 2002 shows our commitment to doing as much as we can, and I made a more personal and direct commitment to the Refugees International board of directors the other day, and with respect to trafficking in persons——

Senator MIKULSKI. Yes, which is another issue, sir, that I raised in our State Department.

Secretary POWELL. Right, and as you know, we are in the process of—we have gotten the direction in the law we supported—the previous administration supported last year, and we will faithfully execute that law. We are looking at the placement of an office for

that purpose now under new Under Secretary of State Paula Dobrianski, and she has been instructed by me to make sure it gets the highest priority.

Senator MIKULSKI. Well, as you know, the issue of the trafficking of women has been bipartisan, Senator Kay Bailey Hutchison, as well as the men here, Senator Brownback. We look forward to meeting with her in advocating this issue.

The other issue is a public health crisis that is facing the world. As I mentioned, Laurie Garrett has written a compelling book on this, and even in the transnational threats identified by George Tenet at CIA, they talked about the growing impact of malaria, tuberculosis, and AIDS, the pandemic nature of it.

This then goes to the question of money and how we are going to address the issue. Jeffrey Sacks and his Harvard group says that we need between $8 to $12 billion alone to deal with AIDS, malaria, and TB in Africa. Could you comment on that, particularly in the area of not only let us all find a cure for AIDS, I think the whole world wants that, but in the area of prevention, and an integrated approach on this issue. We need money, we need a strategy. Who is in charge, and do you think we have enough, or how can we get to enough?

Secretary POWELL. I have seen Dr. Sacks' work, and that number, and Kofi Annan uses a number in that range, $7 billion a year. It is a huge bill, and a lot more can be done. The United States is at the moment contributing multiple times more than any other nation or group of nations on the face of the earth, and I think we should try to do more.

It was for that reason that the President supported, last Friday, the global trust fund, which would draw not just from Federal funds but try to get private funds, corporate funds, lower drug prices, educational activities, youngsters doing walks for the cure and things of that nature, to make it a worldwide response to a worldwide crisis.

I believe that the money we have requested in this budget, when you add up all the various accounts, as the President noted the other day, it comes to over $700 million, over $500 million under my general supervision as Secretary of State, representing a 100-percent increase over the last 3 years and a 10-percent increase from last year's accounts, so I think we are doing a lot.

Should we be doing a lot more? Yes. Where should we be doing it? In my judgment, you have to deal with the prevention, treatment, and cure. Money is going to treatment. We need to put more money in. The real solution to this crisis ultimately has to be prevention, and those nations in Africa that are starting to do better on this and get their rates down have been focusing on prevention, to keep people from being infected in the first place.

Senator MIKULSKI. Well, Mr. Secretary, I believe you and I are on the same broadband, to use a new vocabulary. Who in the administration or in your shop is really overseeing this issue?

Secretary POWELL. I oversee it as the Secretary, Deputy Secretary Armitage is following it, it is in the Africa Bureau is terribly interested in it, of course. The Global Bureau is interested in it. Secretary Thompson and I represent the President as a joint task force at Cabinet-level, and we are getting policy directions from Mr.

Scott Everts, the new policy director for this account in the White House.

Senator MIKULSKI. Mr. Secretary, I note my time is up. This issue, of course, has consequences both abroad as well as here. Senator Leahy has had a longstanding interest in infectious disease. Senator Frist intends to hold hearings on this, and I believe that there needs to be a one-stop shop at the State Department, and perhaps an interagency task force established on this public health crisis, then focusing on prevention, treatment that is appropriate to these countries, and I would like you really to consider that, and perhaps we could have further conversations about it.

Secretary POWELL. I look forward to it, because underneath Secretary Thompson and I we do have working groups, and we are forming an executive secretariat. In fact, Secretary Thompson and I cochaired our first interagency Cabinet-level meeting on this last week.

PREPARED STATEMENT

Senator MIKULSKI. Well, we look forward to more. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF SENATOR BARBARA A. MIKULSKI

Mr. Secretary, let me join in welcoming you to the Foreign Ops Subcommittee. I've had the pleasure of hearing from you every week—two weeks ago on the State Department budget at CJS and last week at the CJS hearings on terrorism. I look forward to working with you closely.

I am proud to carry on a tradition of bipartisanship in foreign affairs and cooperation between the Administration and Congress. I hope President Bush and you will work to achieve consensus in foreign policy so our foreign policy reflects the values and interests of the American people as a whole.

Today, I want to focus on issues of global public health. You and I are far more likely to die from infectious disease than from a missile attack or a space-based weapon.

Let me start with some chilling facts a brilliant author named Laurie Garett presented to the Democratic Caucus at our recent retreat that I find deeply troubling. If you've never talked with Laurie Garett, I suggest you or your senior staff do so.

Malaria killed more than a million and a half people in 2000. This is more malaria deaths in one year than ever before in history, and we're seeing malaria return to the United States. Tuberculosis also set a one-year record in 2000, killing more than 2 million people worldwide, with more than 8.5 million active cases. What's even scarier is that multi-drug resistant TB is spreading rapidly, now accounting for nearly half the TB cases in India and nearly six percent of U.S. cases. We're letting tuberculosis turn into an infectious disease that we cannot control through over-use and mis-use of anti-biotics. I won't go into the statistics on HIV/AIDS, except to say that within a few years it will have killed more people than the Black Death. And the worst is yet to come because the experts don't expect to find a cure or a vaccine any time soon.

The World Health Organization estimates that 600,000 women die every year from complications related to pregnancy or childbirth—more than one woman every minute of every day. The vulnerability of most of the world's population to disease is a direct result of poverty, the lack of clean water and proper sanitation and poor nutrition. The kind of outbreaks that we see in scary movies—like ebola—happen because people are vulnerable to disease. Underfunded public health resources can actually spread disease through re-use of needles or lack of protective equipment or sterilization.

Do you find these facts scary, Mr. Secretary? I sure do. But here's the kicker: This isn't just a problem in Africa or Russia. This isn't a foreign problem. Over the last 20 years, from 1980 to 2000, the number of Americans who died of infectious diseases doubled to more than 170,000 a year.

Globalization means a health problem anywhere is a health problem here in America. As soon as an infected person or animal or even food gets on an airplane

or a ship, s/he or it becomes a vector bringing disease to our shores. We must protect our people, Mr. Secretary. We cannot throw up our hands and say this problem is too big to deal with because it will only get bigger and more expensive to deal with. We cannot just point to incremental increases in our spending to make it sound like a lot of money when it's clearly inadequate to the task.

I believe there are solutions, Mr. Secretary, and I look forward to working with you and with Chairman McConnell and Senator Leahy, who has been such a strong advocate on public health, to change the way we approach this issue.

First, we need a global public health approach—not just disease treatment programs, but programs to help provide: clean water; better nutrition, including providing micro-nutrient supplements; better sanitation; and single-use needles for every vaccination and drug that is administered.

Second, we need to strengthen our voluntary family planning programs—not weaken them with the so-called Mexico City policy to appease a small constituency. I was outraged when I heard the Bush Administration reinstated the global gag rule, gutting our commitment to international family planning programs and ducking from our responsibility to the world's poorest women. Women should have the ability to decide whether and when to have children. International family planning programs mean healthier babies, stronger families, and fewer abortions.

Third, we need to strengthen prevention programs which are far more cost-effective than treatment and ultimately far more humane.

Fourth, we need sensible, integrated treatment programs like the DOTS program (Directly Observed Treatment, Short-course) for TB to ensure we're strengthening the patients, not the diseases.

Finally, Mr. Secretary, we need to put money into this effort now. Jeffrey Sachs and his group at Harvard suggested we need $8 to $12 billion a year for treatment and prevention of AIDS, malaria and TB in Africa alone. The more realistic estimates for dealing with the big three—TB, malaria, and HIV—are probably the higher estimates of $20 billion per year.

A few weeks ago, United Nations Secretary-General Kofi Annan called for the establishment of an international fund to address HIV/AIDS, malaria and tuberculosis. I applaud President Bush for making the United States the first country to pledge a contribution to this effort. With U.N. Secretary-General Annan and Nigerian President Obsanjo at his side, he announced a "founding contribution" of $200 million to this global fund "with more to follow as we learn where our support can be most effective."

However, the announced contribution pales in comparison with real needs. U.N. Secretary General Annan called for a $7 to $10 billion fund. As OxFam reportedly put it, President Bush left off a zero. As details come out, it seems the funds will come in part from monies already intended for public health at home and abroad—so some of it isn't really additional money at all.

Mr. Secretary, Mr. Chairman, Senator Leahy—I ask you to join me today to commit ourselves to addressing global public health needs on a scale not contemplated by the President's budget, beyond the framework of the Budget Resolution's limited funding for International Affairs, before it is too late. We must do this because it is the right thing to do—to help the people of Africa, the people of Russia, the people of India and so many others—and to protect the American people.

Senator MCCONNELL. Senator Campbell.

OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Thank you, Mr. Chairman. Secretary Powell, we wish you well. I think it was advisable for the President to name you Secretary of State. I have many questions, probably many more than I can get through in one round, but I was particularly interested in a number of your comments dealing with human rights. We, all of us in the Senate, wear more than one hat, just as you do, and have more than one duty, and one of my duties is the chairman of the OSCE.

If I mention OSCE anywhere in Europe when we travel over there, most people know what it is and what it does, but I would guess that most Americans never heard of it, and if I asked this audience what it meant, probably half of them would not have a clue about what the OSCE does, but I happen to think it is a very,

very important group, as do the other 16 commissioners that are made up of House and Senate Members as well as I, that serve as the commissioners.

Much attention has been focused, as you mentioned, to the ouster of the United States from the Human Rights Commission, U.N. Human Rights Commission. It seems to me that even makes the OSCE all the more important. Let me ask you, how much importance does the Department attach to periodic review and implementation of the OSCE commitments and mission?

Secretary POWELL. It is an important organization. There are a lot of similar organizations within the international community that we work with, and we do attach importance to it. How often we review it and on what basis, I would like to provide that for the record.

Senator CAMPBELL. If you could, I would appreciate that.

[The information follows:]

The Department places great importance on reviewing implementation of OSCE commitments. At the weekly Permanent Council meetings as well as the annual Human Dimension Implementation Meetings, the Department raises its concerns about how other OSCE participating States are meeting their OSCE commitments on religious freedom, media freedom, prevention of torture, freedom of movement, rule of law, trafficking in human beings and other human dimension areas.

This process of having OSCE member states remind each other of their commitments, complemented by recommendations for improvements, is essential to building a more democratic, prosperous and secure future for the OSCE region. It is a form of conflict prevention in practice.

The Department works very closely with the U.S. Commission on Security and Cooperation in Europe on OSCE issues, including the Implementation Meetings. As a measure of the importance the United States places on the role of the Implementation Meetings in advancing the Helsinki process, the Department sent to the last Implementation Meeting in Warsaw a U.S. delegation that included 40 members.

Senator CAMPBELL. I have several questions. I am sure some of these are tough, and I will submit some of them in writing. In 1998, the international crime control strategy outlined eight goals and 30 implementing objectives. I mention this because you talked about narcotics, and Senator Mikulski also mentioned the trafficking of women and children that seems to be all on the rise in international crime.

The goals, there was a number of specific initiatives under that 1998 strategy, but it is my understanding that there have been two threat assessments that were subsequently conducted in 1999 and 2000, but there has been no action to establish any performance measurement system. Do you know of any new steps the State Department will take to improve the response to international crime?

Secretary POWELL. International crime is a major challenge, especially in the area of globalization, where money and people can flow around the world so easily. That includes criminals and dirty money.

On these two specific assessments you made, and the goals to achieve the purposes that flow from that, I would like to give that to you for the record as well, Mr. Campbell.

Senator CAMPBELL. That will be fine. That is 1999 and 2000, those two assessments.

[The information follows:]

The Bureau of International Narcotics and Law Enforcement Affairs (INL) is working with other bureaus in the Department and with U.S. law enforcement and

other U.S. Government agencies to develop a longer-term, more coordinated approach toward providing international crime control assistance. Annual completion by each embassy's country team of the Mission Performance Plan (MPP) that identifies the United States' highest priority strategic goals in the host country, is the first step. An MPP, however, is not always as comprehensive as we would like. INL has therefore recently asked all posts that have significant and sustained narcotics and crime control programs to prepare law enforcement assistance coordination plans that look out over the next 3 years. The objective is to encourage posts to take a more comprehensive and balanced view about what needs to be done to develop more reliable international drug and crime control partners.

INL has led a small State/Justice/Treasury interagency team to look preliminarily into how some posts are structured to undertake this mid-term planning and coordination. Once the reports are in, INL will organize a broader group to provide feedback to posts and work with local experts and embassy officials when posts want help in developing comprehensive, coordinated judicial assistance plans.

To address shorter term needs, we have instituted a new "project-based approach" to make better decisions about how to allocate our training and program funds among competing U.S. Government agencies and assistance requests from posts. Posts initiate the process by describing and requesting comprehensive law enforcement assistance "projects," not just a list of disjointed training courses that often characterized past assistance requests. Typically a project—such as enhanced border control—will include a sequence of training courses that may be team-taught by various U.S. law enforcement agencies, as well as technical and material assistance. An Assistant Secretary-directed State/Justice/Treasury working group that then reviews, ranks, and eventually approves these requests ensures interagency consensus.

Senator CAMPBELL. We have been trying, as commissioners, when we got to these international meetings, to raise the awareness with some of our colleagues. There was originally 54 member nations under the original Helsinki Accord. There is about 10 that are observer nations now, so it is quite a big group, and when we were in St. Petersburg last year we did have a resolution passed dealing with transparency in Government and international crime.

In the Istanbul summit, and the upcoming summit in Bucharest, which is a ministerial meeting, we hope to have that awareness raised again, and that will deal primarily with drugs and trafficking in women and children, and so I would hope that you would keep track of what we are doing, and help us as much as you can in that.

Let me ask just a couple more. How does the State Department propose to coordinate responses to international crime with other Federal agencies to ensure the response is focused? When we were in St. Petersburg, in fact, one of the things we did was visit with the Russian Police Academy which has just one academy for the whole country. They do not have different departments in different cities, one academy, and the police go all over the nation.

They provided us with all of their texts on police training in Russia, which we in turn brought back and disseminated to a number of agencies in America for translation, but that is kind of the last I heard about it. Is there a focus now with State Department and Treasury and Justice as well to try to get some cohesive direction?

Secretary POWELL. Those parts of the Department that work with international crime and trafficking, things of that nature, whether it is the International Narcotics and Law Enforcement Bureau and others, work closely with the FBI, meet with the FBI Director on a regular basis. Frankly, I was quite astonished at how aggressive the FBI has become overseas, working with our embassies. So I think there is a good relationship with the FBI and the

other agencies that are involved in international criminal activity, whether it is trafficking, money laundering, and the like.

Senator CAMPBELL. I have about a half-dozen more questions, but my time is just about up, so I will go ahead and stop while I am still on the yellow, Mr. Chairman.

Senator MCCONNELL. Thank you, Senator Campbell.

Senator Landrieu.

OPENING STATEMENT OF SENATOR MARY L. LANDRIEU

Senator LANDRIEU. Thank you, Mr. Chairman. Let me begin by saying what a pleasure it is for me to join you all on this committee, and I really appreciate the opportunity to serve, and look forward to working with you and our Ranking Member, Senator Leahy. Let me also congratulate you, Mr. Secretary, on your appointment and say how pleased I am to be working with you, and how much I respect you personally and the job that you are doing.

Secretary POWELL. Thank you, Senator.

Senator LANDRIEU. I am very, very happy with your appointment. Let me begin by just associating myself with the remarks of my ranking member, Senator Leahy, having read and reviewed his brief but, I think, profound opening statement, and I just want to reiterate for the record that as a member of the Armed Services Committee I have been a very strong supporter of a robust, effective, strong military.

I believe that we are in definitely a period of transition that is going to be challenging, but this Congress is up to that task. I believe that our military has to be very strong to provide security for our Nation and our allies around the world, and promote, but I also believe that it is so important, as Senator Leahy points out, that we also have a balance of a well-funded foreign assistance program and effective diplomacy to match our strong military power, and one without the other is really, in some ways, a waste of time and resources. We must have both.

So I will look forward to working with you through this committee to make sure that this budget is as fully funded as possible to match and provide the necessary balance that is very important as we begin this century, so that our military can be very effective when called on, but we can have the kind of offensive, effective diplomacy that is required through this foreign operations budget.

In that line, I want to just reiterate also something that Senator Specter said about the Mideast envoy, and how important it would be for my mind to try to revisit that issue, to urge the administration to continue to make sure that the world is very clear that we think that this is one of the most important areas of the world. I know that every area claims to be, but clearly history will show that this is a place where all of us need to give some time and attention to try to bring peace.

So I want to add my voice to urge you to think about that Special Envoy, to also call to the attention of this record for this hearing the letter that was signed by, I think, Mr. Chairman, over 60 Members of the Senate, urging the administration to rethink our strategy in the Mideast, given not only the level of violence, but, Mr. Secretary, with all due respect to what you said in your testimony, there is a difference in my mind between terrorism and self-de-

fense, and I think we have got proven now a tremendous amount of terrorist activity that is going on.

I know that we have been somewhat hesitant, because we were I think feeling encouraged by the peace process and what we saw going on, but that has really come to an unfortunate, abrupt end, and I think, as this letter states, it is time for us to reassess our position to close the daylight between our position and the position of Israel, and in effect to try to bring an end to the violence, to say how strongly we support Israel.

I know that we want to try to be fair-handed, and I believe we most certainly have, but we cannot in any way at any time defend or cover terrorism, and I want to urge you in this time to think that, and I know it is very sensitive, but to call your attention to this letter that was sent.

Moving on to another point, the restructuring of USAID, I want to commend you for and encourage you—you would be familiar with the term called a force multiplier, and I think that USAID could be so much more of a force multiplier than it is. My experience is somewhat limited to Romania and to Southeast Asia—I mean, Southeast Europe, and working with USAID, but I want to encourage you to continue to think about ways that we can restructure USAID to be a force-multiplier, sort of like the loaves and the fishes, if you will, realizing that no matter how large that budget could be, we can never accomplish all the goals, so to be facilitating and encouraging and building private sources of revenue, to do all the good things we need to do I think is very smart, and I want to work with you on that.

Finally, just really a comment and a question about our position and policy in Central America, another very important area of the world. There are 450 million people south of our border, developing those democracies in that part of the world, and trade opportunities I think could be very important to the United States as we look into the next decade or so for economic trade and development.

Just give me one or two of your special focuses, what you think could be done, what Congress should do to help support you in that particular area that we should be more focused on than others.

Secretary POWELL. Well, thank you, Senator. First let me thank you for that expression of support for what our Foreign Service and Civil Service and Foreign Service national employees are doing overseas. They are our first line of offense, working with our colleagues in military uniform.

I saw something in the press this morning that I have to research to make sure it is accurate, but they said more Ambassadors have been killed since the end of World War II than Generals. So we are out there putting our people on the line, and thank you for that expression of support. I will very carefully look at the letter which you made reference to. I do not think I have seen it yet, but I look forward to examining it very carefully.

Thank you for your words on USAID. We do intend for the global development alliance to be a force multiplier. Thank you for your reference to all of the military terms I use to use with more regularity than I do now, but it fits perfectly.

Finally, on Central and Latin America, I certainly share your view of its importance, and I think one of the things Congress can

do to help us the most is, as we bring it up here, the free trade alliance, free trade agreement of the Americas is going to be very, very important for economic development throughout the region. In due course the Chilean-United States free trade agreement, giving us trade preference authority, fast track, so that we can conclude deals not only in our hemisphere but elsewhere in the world that will encourage free trade, remove trade barriers.

At the end of the day, what the people in these fledgling democracies are looking for is a better life. That better life, we believe, comes from economic freedom; the kind that is encouraged by these sorts of agreements.

Senator MCCONNELL. Thank you, Senator Landrieu. Senator Bennett.

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you. Mr. Secretary, I know it is redundant, but I must join with my colleagues in welcoming you to this position and telling you how reassuring it is to have you there. The President did not consult me. If he had, I would have suggested that he take a look at you as possibly Secretary of Education because of your commitment in that area as well, but I am delighted to have you where you are, and join with my colleagues in making that expression. Just because it is tardy does not mean it is not well-intentioned.

Secretary POWELL. Thank you, Senator.

Senator BENNETT. I have got a chart that I am going to put up for the audience. You have a copy in front of you. The Russian Statistics Committee has made some grim predictions included in this quote. I will just highlight a few of them. These were brought to my attention when I was attending a conference last summer, where a group of academic experts on Russia went through this same litany of woe, and I had not realized how much trouble Russia is really in.

From this quote, Russia's population will drop at least 7.2 percent by 2016, which means a loss of 10 million people. The death to birth rate is 1.6 to 1, half the Russian population could have AIDS within the next 10 years, and this has resulted in widespread alcoholism, drug abuse, in an attempt to escape the difficulties of their lives in ordinary Russian terms.

The group of experts that spoke to the Congressmen and Senators that were gathered at the conference to which I referred were very outspoken in their statement that the amount of money that the western world had put into Russia had not helped. Indeed, they went so far as to say that the IMF and other aid that had been provided by the United States had exacerbated the problems rather than helped the problems because of the way in which it was handled.

I remember Congressman Waxman, who is on the other side of the political spectrum from me in most cases, asking the very anguished question, "What can we do?" and being told, at least by those experts, as far as governmental concerns, or governmental channels are concerned, no more money. Money just makes things worse, and the strong recommendation was effort by more NGO's.

You have talked about the seed money that this administration has put into an attack on AIDS, and said you want that to reach out to NGO's and to others that could step in and help with this. We, as the committee, have to face this question of money and we are finding the public health problems in Russia to be so intractable and, indeed, ultimately threatening the stability of the regime and maybe the stability of that whole part of the world. I would like you to respond to whatever you want to here, and then whatever comments you might want to share with us later as to the issue of how the West really can deal with what appears to be an intractable problem in a country that in terms of its natural resources, the inventiveness and energy of its people and so on, should be one of the world's success stories but instead is one of the world's greatest basket cases. Particularly with the spread of AIDS and tuberculosis it becomes very, very troubling.

Secretary POWELL. These statistics are devastating. When you have a death rate that exceeds your birth rate by these standards, with the accompanying health problems that are also noted by this quote. That society cannot sustain itself over time. You must have a positive birth rate or immigration of some kind to keep your population growth up. Just as we benefit from immigration, but people are emigrating, not immigrating, with respect to Russia.

Money alone will not do it, whether the money comes from the U.S. Treasury or from loans, or even from nonprofit ventures or private investment. What really has to happen in Russia, in my judgment, is, they have got to put in place a functioning economic system that is grounded on the rule of law. Where the law of contract is sacrosanct, where money that goes inside of Russia stays inside of Russia, and circulates and does good works, and does not go inside and circulate once and go outside to bank accounts in other countries, where one or two people are enriched, but not the people.

So I think a lot more has to be done by Russia to create a safe environment for money. A safe environment for investment. A safe environment for loans and other kinds of financial assistance. I think they will still need financial assistance, but a great burden is placed upon them to eliminate corruption. Eliminate some of the terrible things that have happened within their society over the last 10 years which makes it hard for people to have confidence in investing in that kind of society. These are issues we should talk candidly and plainly to the Russians about.

I am not dismissing Russia. Russia is a proud nation with a long history. It has an educated population. It has enormous natural resources. It has scientists. It has all sorts of people who could take it into a brighter future. If they can get themselves properly organized in a democratic way with a sound economic system resting on the rule of law, I think that Russia can yet take advantage of its human and natural potential to be a contributing member of the international community.

Senator BENNETT. Thank you very much.

Senator MCCONNELL. Senator Johnson.

OPENING STATEMENT OF SENATOR TIM JOHNSON

Senator JOHNSON. Thank you, Mr. Chairman, and welcome to Secretary Powell, and my commendation to you for your continued public service and your choice to do that.

Secretary Powell, one of the flashpoints in the world that concerns me a great deal has to do with the continuing conflicts between India and Pakistan, particularly related to Kashmir. This is a potential source of nuclear conflict, and certainly destabilizing to all of South Asia and perhaps the world.

I was pleased last year when President Clinton was the first President in over a quarter of a century to visit both India and Pakistan, but I would be interested in any observations you might have about what is the role of the United States? What can we do more constructively than we have up till now?

Obviously, there is no United States—there is no possibility to impose our solution on two sovereign nations, but nonetheless I would hope there would be an increasingly constructive role that the United States might play in this particular conflict, and I would appreciate any comments that you might have.

Secretary POWELL. I think there are roles we can play. I think the progress we have seen over the last several years in the relations between the United States and India, especially give us a new entree, a new opportunity to encourage the sides to find a peaceful and just solution to the problem of Kashmir. But as you know, Senator, it is a very difficult issue.

We plan to build on the relationship. The Indian foreign minister has been to see me, and I have assured him that we will build on what was achieved in the previous administration. I am looking forward to visiting India at some point and looking forward to exchanges at all levels—economic, trade, and other levels.

For most of my military career, especially in my senior years as the chairman of the Joint Chiefs of Staff, and at that level, India was just over there. It was sort of connected to the Soviet Union, and we did not pay a lot of attention to it. Our focus was really on Pakistan.

Now, our focus is on both of them, and I think we can be helpful to both of them, and we really have to make sure that this nuclear genie does not get any further out of the bottle than it is already. On a regular basis, we consult with them. We make sure they understand the seriousness with which we view the potential for something getting out of control in the region, and I think we do have a helpful role to play because of the relationship we have with India.

Senator JOHNSON. Let me just ask you quickly, in the short amount of time I have here, with the reimposition of the Mexico City policy, and a flat line budget on international family planning, one of my concerns is, what is the United States role? It seems to me tragic that this policy, I believe, leads to more unwanted pregnancies and then, in turn, more abortions throughout the world.

It seems to me the United States needs to play a more constructive role in terms of international family planning and seeing to it that certainly not on our own, but in conjunction with other western democracies, that we contribute to providing more options to

more women, particularly low income women throughout the world, and I wonder if you would have any comments about where do we go from here now.

Secretary POWELL. With the Mexico City policy we still—we have over $400 million going to family planning activities around the world. Several of them have been caught by the Mexico City policy, but we are reasonably confident that they have been able to find alternative sources of funding, and it is a very small number, and it shows no diminution of our interest in family planning activities, but not those specific ones that advocate or educate or provide alternatives founded on abortion as a family planning practice.

PREPARED STATEMENT

Senator JOHNSON. Thank you, Secretary Powell. I would yield back.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TIM JOHNSON

Mr. Chairman, I'd like to thank you and Ranking Member Leahy for holding today's hearing to take testimony from Secretary of State Colin Powell. I respect the leadership Chairman McConnell and Ranking Member Leahy have shown on foreign assistance appropriations issues over the years, and as a new member to this subcommittee, I look forward to learning from them and working with them on these important issues.

First, I'd like to congratulate Secretary Powell on the unanimous support his nomination received in the Foreign Relations Committee and on the Senate floor earlier this year. Secretary Powell brings to his position as the President's principle foreign policy advisor years of experience in dealing with multinational issues and a high level of respect within the international community.

The international challenges facing our country are considerable. In his own testimony, Secretary Powell noted that "increasing levels of conflict, degraded economic performance, and widespread disease are causing regional instabilities, complex humanitarian emergencies and, in some cases, chaos." Andrew Natsios, Director of USAID, recently appeared before this subcommittee and noted that nearly two-thirds of the countries with USAID field missions have been ravaged by civil conflict over the past five years. Additionally, 75 percent of the world's poor live in rural areas at a time when many areas of the globe are experiencing historic and sustained droughts. The HIV/AIDS epidemic is on the brink of destabilizing an entire continent, Africa, and the disease's impact continues to be felt around the world.

The challenges facing Secretary Powell, Director Natsios, and our country are considerable, but they are not insurmountable. Our history has shown that the relatively small investment the government makes in the Foreign Assistance budget—approximately one penny of every dollar the government spends—has paid dividends in peace and stability. Investments made over the years in fragile democracies in the former Soviet Union, Central Europe, the Middle East, Latin America, Africa, and South Asia have resulted in stable governments growing into global trading partners, solidifying our national security. Director Natsios gave the Senate Foreign Relations Committee a sobering example of the consequences of ignoring our nation's investment in the developing world: Bosnia. The Carnegie Commission for Preventing Deadly Conflict reported that total NATO peacekeeping and humanitarian aid efforts in Bosnia cost $53 billion. I share the belief among many in Congress that it is better to prevent disasters, as much as possible, than to cope with their aftermath.

In addition to protecting our national security, our small investment in foreign assistance creates opportunities for American workers. By promoting American exports and developing international markets through the Export-Import Bank, the Overseas Private Investment Corporation, and others, the international affairs budget is responsible for 1 out of every 7 American jobs. In my state of South Dakota, that means additional markets for grains and meat grown and raised on family farms and ranches.

I appreciate Secretary Powell's detailed testimony for this subcommittee and his foreign operations budget justifications for the fiscal year 2002. I would like to briefly highlight some areas of interest in this budget proposal.

ECONOMIC GROWTH AND AGRICULTURE

In an attempt to concentrate USAID resources and capabilities, Secretary Powell and Director Natsios have emphasized the importance of economic growth and agriculture to create economies that are viable over the long term. I am pleased that the Secretary's request for fiscal year 2002 is an increase from last year's funding levels given the importance of agriculture and basic education—especially for girls and women—in most of USAID's recipient countries.

Dairy directive

I encourage the Secretary and USAID to continue to utilize successful programs like the dairy directive that assists producers, small dairies, and cooperatives in developing and transitioning economies to increase household incomes and nutrition. Linking economic development programs with increased exports of U.S. dairy products is mutually beneficial to American farmers and is sound foreign policy.

Credit unions and cooperatives

Also within the area of economic growth and agriculture, I encourage the Secretary and USAID to consider expanding rural credit unions, rural utilities, and value-added cooperatives to strengthen agriculture systems and help small farmers in developing countries. For a number of years, people in rural America have benefitted from credit unions and cooperatives. More recently, we have seen that credit unions and cooperatives are critical grassroots, democratic institutions that enable rural and urban communities in developing countries to become selfsufficient. Credit unions and cooperatives can also play an important role in stabilizing communities impacted by HIV/AIDS through childcare cooperatives, pre-paid health programs, and cooperative pharmacies.

International Arid Lands Consortium—South Dakota State University

South Dakota is home to two international programs which emphasize the role of agriculture in economic development and health. First, South Dakota State University has been a longstanding partner in the International Arid Lands Consortium—a group that conducts research, education, and technical assistance programs in the United States and with partners in the Middle East addressing water, land, and management issues. The International Arid Lands Consortium provides for unique collaboration between American, Jordanian, Israeli, and Egyptian researchers and scientists. Approximately 40 percent of the world's land is arid or semiarid, and the International Arid Lands Consortium is making great strides in helping to transform this terrain for agriculture and habitation while also addressing the negative impact of urbanization and desertification. The International Arid Lands Consortium receives funding through the USDA Forest Service. However, I am aware of interest in the Consortium of working with USAID, and I encourage increased communication between the Secretary, USAID, and representatives of the International Arid Lands Consortium.

George McGovern Global Hunger Project—Dakota Wesleyan University

The second project involves fellow-South Dakotan, Ambassador George McGovern's campaign to end global hunger. Established by Dakota Wesleyan University, the George McGovern Center for Public Hunger Project will be an extension of George McGovern's lifelong work to eradicate poverty and hunger. As you know, Ambassador McGovern was instrumental in creating programs to alleviate hunger including Food for Peace, school lunches, and food stamps and also advanced federal efforts to deal with poverty and hunger worldwide. Since 1998 he has served as the U.S. Ambassador to the United Nations Food and Agricultural Organization. In this role, he has successfully promoted an international program to provide school lunches throughout the third world. His lifelong dream is to fully banish hunger from the earth by 2030. I encourage Secretary Powell and USAID to work with Ambassador McGovern to incorporate the mission of the McGovern Center into the work of the State Department and USAID.

I'd now like to turn to areas of the world receiving much-needed foreign assistance and diplomatic attention.

PAKISTAN

I'm pleased that Secretary Powell has requested funding to help restore democratic institutions and build civil society in Pakistan and fund projects promoting cross-border confidence-building measures between the civil societies of India and Pakistan. Staying engaged with Pakistan through its interim government is the best way to encourage renewal of democracy and pro-Western attitudes and policies. All of us wish that Pakistan had a strong, stable democracy, but it never has. The in-

terim Chief Executive, General Pervez Musharraf, has given assurances of his commitment to combating corruption and renewing civil institutions so that Pakistan can attain an authentic, functional democracy in the future. The Administration should engage closely with the people of Pakistan in helping to make this promise a reality.

In addition, I encourage Secretary Powell and the Administration to offer United States mediation toward peace in Kashmir. Kashmir is the world's most dangerous nuclear flashpoint, and it is in the United States' and the world's best interest to attempt to bring Pakistan and India closer together and change the dangerous dynamic in South Asia. Rising fundamentalism and terrorism are threatening stability in South Asia and around the world. I have called on the Musharraf government to illustrate more progress in condemning terrorism, returning to a democratic government, addressing economic reform, and improving human rights, especially for women and children. This is a critical time for Pakistan and the region, and it is critical for the United States to stay actively engaged.

ARMENIA

I applaud Secretary Powell and the Administration for its efforts earlier this year in bringing together Armenia and Azerbaijan in Key West, Florida, to discuss a peaceful end to the Nagorno Karabagh conflict. As Secretary Powell noted in his budget justifications, "achieving a durable and mutually acceptable resolution to Armenia's conflict with Azerbaijan over Nagorno Karabagh is key to several U.S. interests." In addition to helping to restore stability in the Caucasus region, a lasting peace agreement would allow Armenia to improve its relations with Turkey and focus much of its economic resources on internal development and social improvements.

While I am pleased that Secretary Powell's budget request sets aside funding in the regional account to support a settlement of the Nagorno Karabagh conflict, I am disappointed that this funding level falls short of last year's levels. These funds are critical to the peace process and to post-settlement reconstruction in Azerbaijan and Armenia as part of a coordinated international donor effort.

ISRAEL

Both moral and strategic imperatives require strong bonds and a close relationship between the United States and Israel. Israel is both the only democracy in the Middle East and this country's only stable ally in that vital region. For these reasons, the United States must continue to aid Israel in military, diplomatic, and economic spheres. Israel is a friend and should be treated by our government as a valued ally.

I am pleased the Administration's fiscal year 2002 budget request illustrates a continued commitment to Israel's security through economic and military assistance. I support the Administration's request for $720 million in Economic Support Funding (ESF) and $2.04 billion in Foreign Military Financing (FMF). I also urge the Administration to support early disbursal of both ESF and FMF funding in full for Israel, along with the ability for Israel to receive a cash transfer of the ESF funds.

In an attempt to break the generational cycle of violence in the Middle East, Seeds of Peace brings together Arab and Israeli teenagers and youth for unique conflict resolution programs. I support the very limited amount our government contributes to this worthwhile program and encourage Secretary Powell to continue our involvement in conflict resolution programs like Seeds of Peace.

The State Department and USAID play a critical role in our country's national security while maintaining our commitment to humanitarian principles through development assistance. Secretary Powell, I look forward to working with you in helping to make investments in international peace, security, and prosperity.

Senator MCCONNELL. Mr. Secretary, with the breakup of the Soviet Union and the discovery of even greater oil reserves than we had thought previously existed in the Caspian Sea, Americans have rediscovered the Caucasus. The Russians declared early in the nineties, somewhat similar to the Monroe Doctrine here a couple of centuries ago, that that was their near-abroad. It used to be part of the Soviet Union. Basically, it was our turf.

As you know, in the aftermath of the breakup of the Soviet Union there was a war between Armenia and Azerbaijan, lots of refugees on both sides still there, disputed territory in Nagorno-

Karabahk. What was established to try to work out an agreement was something called the Minsk Group, which had at the table the Russians and ourselves.

You could not say what I am about to say, but it is my view that the Russians are not interested in solving this dispute, the French are rarely helpful on anything, and that leaves us. I am somewhat skeptical as to whether the Minsk Group is a format for resolution that can work, so my questions to you are twofold.

First, do you think that is a format that can work? I gather they are meeting again in June.

Second, just how big an interest will this administration take in the issue? Strobe Talbott was the assigned point person on this issue in the previous administration. I do not think he would admit this publicly, but it was not a high priority for him. I think our mind set was that this was so far away and so close to Russia that we could not play much of a role in it.

How important is this to the new administration? Can the Minsk Group function with those players, and will it be a priority for you and, if not, who will handle it?

Secretary POWELL. It is a priority. The Minsk Group I think has done good work, and the two Presidents of Armenia and Azerbaijan have acknowledged the good work that has been done by the Minsk Group. Not too long ago we brought the two presidents to Key West, as you may be aware, Senator, and with other cochairs present, the Russians and the French, playing a very constructive and helpful role, we moved the process along in Key West.

One of the reasons Key West was possible was because President Chirac and President Putin took a personal interest in it and moved the two presidents, Kocharian and Aliyev, moved them in this direction.

We had a good outcome from the Key West meeting. The issues are very difficult and complex. Both leaders have gone back to reflect on the ideas that the Minsk Group put to them and to get ready to take the next step, which is the meeting you made reference to, I hope in June.

There are some tough issues yet to be resolved, but the French, the Russians, and the United States are working very closely, and I think in a very, very constructive and positive way. We have seen progress over the past year, but we are not there yet. In due course, it will be the Minsk Group that will present the proposal to the two sides and to the international community for consideration.

Senator MCCONNELL. Well, that is encouraging. Essentially, not much happened for a long time, and I did hear reports that the Miami meeting was constructive.

Secretary POWELL. I flew down to preside at the meeting.

Senator MCCONNELL. Should I take it to mean that this will be something that you will have a personal interest in?

Secretary POWELL. After spending a whole day at Key West, yes, sir.

Senator MCCONNELL. Good. I am glad to hear that. I think dealing with that at the highest level is in the best interest.

Secretary POWELL. We also have a superb Ambassador as our co-chair, Ambassador Cavanaugh, and he keeps me very closely informed as to what is going on directly.

Senator MCCONNELL. Shifting to another part of the world, Carla Del Ponte was in town. I think you met with her, and I did as well. We talked earlier about how congressional earmarks and stipulations are sometimes not helpful to administrations, but in the case of section 594, which Senator Leahy and I inserted into the bill last year requiring you to certify that there was a good-faith effort to turn Milosevic over to The Hague, it actually may have been helpful to you in that regard, even though you were able to certify this year.

What prospects do you think there are, if any, that Milosevic will, in fact, be turned over to The Hague, and I would be interested in just your general observations about the status of that issue at this time.

Secretary POWELL. I would be delighted to respond. I saw Ms. Del Ponte when she was here, and I also saw President Kostenica when he was here. I did review with the president and Ms. Del Ponte the law that I am obliged and anxious to comply with, and that the certification I made at the end of March was a conditional certification, made easier that weekend because they did arrest Mr. Milosevic.

It would have been a much harder certification to make in the absence of that. But the condition that I used to make the certification at that time, and I recall speaking to both of you at the time, was that more had to be done before we could go to the donors' conference that was called for. I made that point to President Kostenica and also discussed it with my European colleagues that I need to see more.

The president has responded, since his visit, that he is going to try to do more with respect to putting in place the necessary legal basis. I cannot tell you when Mr. Milosevic will be subject to the court and will have to face the court in The Hague. I do not have a date for that. Belgrade has not given us a date for that. I am hopeful that they will take actions between now and the time that a decision has to be made on attendance at the donors conference that will allow me to remove the condition, or satisfy the condition, because they have done a lot more.

I would hope that a lot more includes something about Mr. Milosevic, but I think that is unlikely from this standpoint. But, I certainly encourage them to understand, without any question about it, that we will not be satisfied until ultimately he stands before The Hague and they really have to put that on their radar screen. Hopefully in the short range and not the long range, so there is no misunderstanding about the intent of the law and the nature of our expectations.

Senator MCCONNELL. Thank you, Mr. Secretary.

Senator Leahy.

Senator LEAHY. I will follow up on that, because Senator McConnell and I worked very closely on this and yes, you and I did discuss it, and I appreciate that discussion, but I am just wondering, is the administration willing to sit out the donors' conference and

see the Europeans go ahead whether Kostenica is cooperating with The Hague or not?

Secretary POWELL. My best sensing right now is that they are reluctant to go ahead with the donors' conference without us. At the same time, Belgrade needs help in order to keep the success that we have seen in the last 7 or 8 months going. So we have two objectives here, one to use the promise of attendance at a donors' conference to satisfy the International Criminal Tribunal. But at the same time we also have to be sensitive to the fact that this donors' conference is very, very helpful in helping the Government to move forward in a positive direction. I will weigh all of those circumstances and what has happened between now and the time I have to make that decision, when I make my notice to the Congress as to the certification of the condition.

Senator LEAHY. I also look at the war criminals in the Rpublika Srbska, but SFOR has not apprehended them. I do not think the Serbs would have done anything if the chairman and I had not had the restriction in, and had not made some very strong statements that we did not intend, at least at the congressional level, to give in.

So it relates back to other places like Colombia. We included human rights conditions on the aid to the Colombian military, who had a poor human rights record. The House added a waiver. President Clinton used the waiver. Since then, the paramilitaries have doubled in size, the number of massacres has increased, the paramilitaries a week or so ago mutilated people with a chain saw.

The paramilitaries have close links with the Army. A year has passed. I think we need to continue the conditions on Colombia, but is it going to be the policy to just waive the human rights conditions again if we leave the waiver in there?

Secretary POWELL. I think what we have to do when the time comes to make that decision, take a complete look at what has transpired since they left.

Senator LEAHY. I understand that, but what I am saying is this. There is a bipartisan concern up here, and none of us want to see our country hit with drugs, but I worry about this drug war becoming something similar to what we saw during the cold war.

Many times with administrations of both parties, if you have the country where they have the worst abuses of human rights, you might have a dictator, you might have all these other problems, but they said, by gosh, we are anti-Soviet Union, we are anticommunist, would you please send us some aid. We shoveled it in, and we closed our eyes to some problems that were far greater than anything we might have faced at that time from the Soviet Union, and I wish we would look at what is happening down in Colombia, where we give more aid to the military, they give more aid to the paramilitaries, the paramilitaries are involved with atrocities, the guerrillas are too, the drug lords seem to flourish, but the paramilitaries are now working as sort of semi-drug lords, too.

And then we do other things. We spray glyphosate down there, and as the manufacturer says people should stay out of the treated area until it is thoroughly dry. You should keep animals out, for 2 weeks out of the area. In Mississippi they cut back on the use of it. We are finally looking at the health effects in Colombia. The

Colombian officials and environmental groups, including the World Wildlife Fund, have called for a halt to the spraying, at least until we find out the results of the study. Should we at least take that step?

Secretary POWELL. I think the manufacturers' cautions are well-grounded, but I have seen no evidence so far that illnesses or problems of the kind suggested have broken out, or been a problem as a result of the spraying.

With respect to the paramilitaries, of course, we do not support them. And we speak candidly to the Colombian Government. In my conversations with my Colombian colleagues, I make the point that human rights are an essential part of our strategy. And if they really want to be successful at the end of the day, in defeating not only the insurgencies, but the narcotraffickers. They have to show to their population a commitment to human rights and democracy.

The problem Colombia has is, their democracy is being put at serious risk by these people, so they are in a war.

Senator MCCONNELL. Thank you, Senator Leahy.

Senator Campbell, and let me just say that the Secretary has to leave at 11:30, but I think with these 5-minute rounds we are going to all be in good shape. Senator Campbell.

Senator CAMPBELL. Well, with that, Mr. Chairman, I have several other questions dealing with the OSCE and law enforcement that I will submit in writing to the Secretary, but there is a last couple of questions. I would like to change gears just a little bit.

Just as you had a former life, I had a former life, too, when my wife looks at my waistline she can hardly believe I was once an Olympic athlete, but I have got the old pictures to prove it, but I would like to ask you a couple of questions dealing with the Games that will be coming up in Greece.

Some months ago, Senators Stevens, Roberts, Warner, and I visited Athens, where the next Olympic Games are going to be. As you probably know in this year's budget we will be appropriating something like $92 million that will go toward security for the Salt Lake Games in Senator Bennett's State. Most will come through Treasury and CJS, by the way, so we are taking precautions here.

When we were over there, we asked some of the Greek officials about it, and they got a little bit defensive, but the reason I ask is because there have been some people on the U.S. Olympic Committee who have suggested that if we get American kids over there and they get hurt, and you know as well as I do, these big international events have become spectacular.

Any wacko that wants to make a statement can certainly get the press, but if we get an American kid hurt, they are not going to sue Greece, they are going to sue the U.S. Olympic Team, and so there are some questions about whether the U.S. Olympic Team should participate. I think they are going to, and I certainly support that, and I hope they will, but I am concerned.

When we were in Athens, there were some reports about a group called 17 November that I am sure you are aware of. It is a terrorist group. They have not made any specific threats towards Americans, but in June 2000 they did kill the British defense attache, who was murdered.

When we were there, we were told by the Ambassador that our officials are, I mean, in and out of high alert regularly because of threats. In fact, while we were there, there was a threat made at the hotel while we were there, and we had to leave the hotel until the dogs were brought in and all the sophisticated equipment was brought in, too.

The question I had was, has the State Department raised any security concerns with the Government of Greece in anticipation of the upcoming games?

Secretary POWELL. I do not know that we have made formal comments or requests, or expressed formal concerns to the Greek Government, but I can check on that. I know there has been a general area of concern, because there is a potential for these kinds of activities just about anywhere in the world, but Greece and the 17 November Group is troublesome.

[The information follows:]

The Department has been working closely with the Greek government on the issue of Olympics Security. At the request of the Greek government, we and other concerned members of the international community—the UK, Spain, Australia, France, and Israel—have formed an Olympic Security Advisory Group (OSAG), which has met several times in Athens since December 2000. Through OSAG, we are working to help the Greeks identify unmet security needs and offering advice on how they can meet those needs. In addition, Greek law enforcement experts have visited the United States and participated in security training exercises for the 2002 Salt Lake City Winter Olympics. From our perspective, the OSAG process has been highly productive. I would add that we are posting a special Diplomatic Security Olympics Coordinator in Athens this summer, as we did for the Sydney Games, to manage the U.S. effort.

As we know from experience, preparing for the Olympics is a momentous challenge regardless of the venue, and one that requires an extraordinarily high degree of international cooperation. The USG will continue to support Greek efforts toward a safe, terrorism-free Olympics. Clearly, much work remains to be done. I am confident that the Greek government will do everything possible to ensure the safety of the Games, and we will assist them in any way that we can.

On the specific issue of terrorism, we have made our bottom line—the need for results—well known to the Greek government, including during Foreign Minister Papandreou's very successful recent visit (May 20–24) to the United States. The Greek government has become more determined in the fight against terrorism since the murder of UK Military Attache Stephen Saunders in Athens last year. The Greeks have taken a number of important steps, including publicizing a reward for information, bolstering police capabilities, and drafting new legislation on organized crime and terrorism with important new tools like witness protection. However, the bottom line is that the "17 November" terrorists who planned and carried out the murder of five members of the U.S. Mission in Greece, wounded dozens more Americans, and killed an even larger number of Greeks must be brought to justice.

We cooperate closely with the Greek government and the Greek police to support their counter-terrorism efforts, while fully respecting Greek sovereignty and authority. This cooperation has improved since last year. The Anti-Terrorism Assistance program and the FBI—working through our Embassy in Athens in close cooperation with the British Embassy and Scotland Yard—provide training to develop the police counterterrorism unit's professionalism. We are providing assistance where we can, but ultimately the deadly violence of "17 November" and other terrorist organizations is a Greek problem to be solved by Greeks.

Senator CAMPBELL. Well, if I might recommend——

Secretary POWELL. We also—you know, I do not want to misstate this, because I also have confidence in the Greek authorities, and I know that they are committed to having safe games, but we certainly should monitor their preparations to make sure that our youngsters are not being put in conditions of danger. But, I have confidence that the Greek authorities know how to deal with this

kind of thing, and any concerns we do have we should present to them.

Senator CAMPBELL. Well, they did tell us that they have an international group. There are some Americans involved, some British people involved, some Germans and so on, that form sort of an international group to advise them on security, and I certainly appreciate that, but would also recommend that you monitor that through the State Department and keep those concerns at the forefront when you are dealing with them. We can almost predict that somebody is going to try something. Ever since 1972 with the Munich games, in which the Jewish wrestling team was murdered, it has become almost a planned thing.

Well, in any event, enough said.

Secretary POWELL. That is not endemic to Greece. We had our own home-grown wacko, whoever it was who set a bomb off in Atlanta.

Senator CAMPBELL. Thank you, Mr. Chairman. I will submit the rest of my questions.

Senator MCCONNELL. Thank you. Senator Durbin.

Senator DURBIN. Thank you, Mr. Chairman.

Secretary Powell, thank you for joining us today, and thank you for your continuing service to the country. I note that you are leaving soon to Africa to visit there, and I am heartened by that visit as well as your expressed interest in the AIDS epidemic and other problems affecting that continent. I visited there a little over a year ago, and it had a profound impact on me personally.

I would like to ask you to consider as part of the package of our response two things. First is the microcredit initiative that we have supported around the world. If these 12 million orphans in Africa have a chance, it will be with extended families. Those extended families will not have a chance unless they have some source of income to sustain them. Microcredit has been a success, and I hope we will dedicate more effort toward it. I think it is a practical, hands-on thing that can be of benefit.

Second, I think food can play a very important role here, and I have joined with former Senators George McGovern and Bob Dole in an initiative that was announced a little over a year ago and was implemented partially by the Clinton administration, and one that I hope you will embrace as well, to take the largesse of America's bounty and to share it with children in schools in third world countries.

I believe we can engage the other civilized, industrialized countries in this world that see a similar need, and I do not know if you have an opinion on the McGovern-Dole approach in the school feeding program, and I hope that if you do, that it is positive. Have you had a chance to look at this?

Secretary POWELL. Yes, sir. First, on microcredits, I certainly agree with you. I have seen in third world countries what microcredits can do. I was in India a couple of years ago and visited with some ladies who had access to microcredits, and you should have seen the pride on their face and smiles on their face as they were able to provide for their children. I think that is an excellent way to go with microcredits for developed nations.

On the worldwide school lunch program, I am very familiar with it. I heard about it early on, during the transition period, and Senator McGovern was in to see me about 10 days ago. We had a chance to talk about it again, and it is still getting up and running, and it is a great idea. It essentially takes the old American school lunch program and passes it all over the world to kids everywhere.

Senator DURBIN. The benefit I have found in third world countries is, you can usually measure their chances for social progress by really assessing the role of women in their societies, and those countries that have involved women in decisionmaking and giving them more responsibility have a better chance of coping with major social problems, but what I like about the McGovern-Dole approach is, it will attract young girls to schools, and in school with an education they are more likely to make the right decisions in life.

Can I switch to another topic that occupied a lot of your thinking a little over 10 years ago, and that was the situation involving Desert Storm, and what happened in the aftermath. A decision was reached that the Iraqis would pay some $320 billion for damages that they created with their invasion of Kuwait, and the United Nations Commission was put together to try to achieve that.

To date, I believe about $32 billion has been paid. It appears now that it is really slowing down to a trickle in terms of compensation. What do you think we can do proactively to make certain that justice is done, that those who are entitled to compensation from the Iraqis for their aggression in Kuwait are adequately paid?

Secretary POWELL. We are doing everything we can to encourage that program to continue and to move at a faster rate. There have been some problems within the past year with some of our friends who have tried to slow down and frustrate the effort. We are making clear to them we do not find that to be an acceptable situation, and we ought to do more to compensate or to pay off these just claims against that account.

Senator DURBIN. I think that is an important role for us to play, to make sure that there is just compensation here, and I hope that we can find ways to deal with that effectively and to move that on a faster timetable.

Might I ask you as well, on Export-Import Bank funding, there is a pretty substantial cut in your budget, about $300 million, if I am not mistaken, in export-import financing. Now, I have been a critic of this agency. I do not agree with a lot of their policies, but I do think they provide a tool to American exporters, which need to be competitive on a worldwide basis.

There is supposed to be an assessment of the Eximbank before its reauthorization in September. The administration has decided to make a rather substantial cut in funding to this agency even before that assessment. Can you tell me what your view is about the role of the bank, and what this cutback will mean in terms of American companies trying to compete against others in the world who have similar support from their governments?

Secretary POWELL. The bank continues to do superb work and enjoys the support of the administration. At the same time, in reviewing the work of the bank and the activities of the bank and the kind of lending that the bank does, it seemed to be prudent in a way to save taxpayers' dollars by asking some of the borrowers

coming to the bank to pick up a higher level of the risk. And for some of those borrowers who are large enough and have the capacity to obtain funds in the private equity and bond market to go there as their first choice, rather than coming to the bank, and in that way able to reduce the amount of taxpayer money needed for the bank.

Now, it is controversial and, of course, the administration receives some comment and criticism on this approach, but I think it is worth a try. We will see what happens in the year that this unfolds as to whether or not we really have hurt business bad, or whether we have made it a more healthy situation.

Senator DURBIN. Mr. Secretary, I will just close by thanking you for your testimony and say I am also working on legislation on clean diamonds, the problem with Sierra Leone, and working with Congressman Hull and Senator Feingold. I think you understand that, and understand the illicit diamond trade is financing terrorism and terrible hardship on people in that region in Africa.

Thank you very much.

Senator MCCONNELL. Thank you, Senator Durbin.

Senator Bennett.

Senator BENNETT. Thank you, Mr. Chairman. Mr. Secretary, the U.N. sanctions on Iraq expire at the beginning of June. We have had bombs dropped. We have had threats made. We have had all kinds of activity vis-a-vis Iraq in the previous administration. Now we are coming to the end. What is our level of concern about the progress of Saddam Hussein's chemical and biological weapons program?

Secretary POWELL. The sanctions, as they are called, have succeeded over the last 10 years not in deterring him from moving in that direction, but from actually being able to move in that direction.

The Iraqi regime militarily remains fairly weak. It does not have the capacity it had 10 or 12 years ago. It has been contained, and even though we have no doubt in our mind that the Iraqi regime is pursuing programs to develop weapons of mass destruction, chemical, biological, and nuclear, I think the best intelligence estimate suggests that they have not been terribly successful.

There is no question that they have some stockpiles of some of these sorts of weapons still under their control. But they have not been able to break out, they have not been able to come out with a capacity to deliver these kinds of systems, or to actually have these kinds of systems. That is much beyond where they were 10 years ago. So containment using this arms control sanctions regime I think has been reasonably successful.

We have not been able to get the inspectors back in, though, to verify that, and we have not been able to get the inspectors in to pull up anything that might be left there, so we have to continue to view this regime with the greatest suspicion, attribute to them the most negative motives, which is quite well-deserved with this particular regime, and roll the sanctions over, and roll them over in a way where the arms control sanctions really go after their intended targets, weapons of mass destruction, and not go after civilian goods or civilian commodities that we really should not be going after. Let that go to the Iraqi people. That was not the pur-

pose for the oil for food program, and by reconfiguring them in that way I think we can gain support for this regime once again.

When we came into office on 20 January, the whole sanctions regime was collapsing in front of our eyes. Nations were bailing out on it. We lost the consensus for this kind of regime, because the Iraqi regime had successfully painted us as the ones causing the suffering of the Iraqi people, when it was the regime that was causing the suffering. They had more than enough money. They just were not spending it in the proper way, and we were getting the blame for it, so reconfiguring the sanctions I think helps us, and continues to contain the Iraqi regime.

Senator BENNETT. Thank you.

Going to a completely separate question, but I cannot resist, there is a page 1 story in this morning's paper saying that the Chinese military has achieved something of an intelligence windfall from the Navy plane. Now, I know you cannot comment on intelligence assessments, but can you at least tell us where we are with respect to negotiations to get the plane back, and is it worth getting back?

Interestingly enough, this is the No. 1 foreign policy question I am asked on the street as I walk around Salt Lake City, are we going to get our airplane back? I tell them no, but I do not really know, and you probably do.

Secretary POWELL. Well, we are in day-to-day negotiations and discussions with the Chinese Government, and I think we will get our plane back.

Senator BENNETT. Is it worth getting back, other than the symbolism of it?

Secretary POWELL. My military colleagues are very anxious to get their plane back. What has been lost or not lost, the crew was able to do quite a bit as it was descending to Hainan Island, but I do not know enough about what they were able to do, and what intelligence value the plane might or might not be to the Chinese Government to answer any more directly than that, and even if I did know, I would not answer.

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

Senator MCCONNELL. Mr. Secretary, we could wrap up in three Southeast Asian countries. I want to start with Burma, one of the last and truly pariah regimes in the world. Fortunately, there are not as many of those as there used to be.

I have had a particular interest in that country for a long time. The previous Secretary of State did as well, and I think she was certainly frustrated that none of her efforts to get the ASEAN countries more interested in trying to do something from the outside to impact that regime was ever agreed to. Our charge in Rangoon, Priscilla Klapp, stated last month that, quote, rays of hope, end quote, exist.

I am having a hard time seeing any rays of hope there. The talks between Daw Aung San Snu Kyi and the regime have gone nowhere. I am just curious if, Mr. Secretary, you see any ray of hope in Burma. Any thoughts on this country?

Secretary POWELL. Barely a ray of hope. Aung San Suukyi has been in discussions and that in and of itself is some improvement

over the situation of a while ago. Mr. Resolvi is planning to get involved, so there are a few rays of hope, but they are a few, and they are dim.

We do need to do a better job at mobilizing comprehensive approach to this problem with our friends in the region, and I will take that up when I visit Asia later this spring and into the summer, when I have other meetings in Asia as to what more we can do in concert with the Southeast Asian nations.

Senator MCCONNELL. Secretary Albright, to her credit, always brought this issue up at the meetings in that region, and I hope you will continue that. She would be the first one to say that it did not seem to generate much response from the others, many of whom are doing business there and obviously do not want to do anything to upset their investments. But this is truly an outrageous, outrageous regime, and I think American leadership ought to be continued and, if there is a way to do it, to step it up.

Secretary POWELL. As you know, we are keeping in place the executive sanctions that were imposed, and the Japanese are making an investment in hydroelectric plant that we have suggested to them is not a proper investment to be making at this time with this regime.

Senator MCCONNELL. Let me shift to Cambodia, one of the most depressing places I have been because of the aftermath and the human toll of the events there of some 20 years ago. As you know, Mr. Secretary, the country courts and judges are almost under the total control of a former Khmer Rouge guerrilla who is currently the prime minister and it seems to me and other observers of that country that prospects for any kind of justice is very slim.

Does the new administration tend to support a domestic tribunal of some sort, to give it at least some chance of justice finally being done for all the atrocities committed some 20, 25 years ago?

Secretary POWELL. Yes, and I would like to give you a more fulsome answer for the record.

Senator MCCONNELL. That is fine.

[The information follows:]

The United States is a strong supporter of efforts to bring to justice leaders of the Khmer Rouge who bear responsibility for atrocities committed between 1975 and 1979. This administration will continue to support these efforts. It is important that there be accountability in Cambodia in order to promote the rule of law and develop democracy. As currently envisioned, the Extraordinary Chambers will take place as a special session of the domestic Cambodian court system with substantial international participation.

We have always insisted that the Extraordinary Chambers to try former senior Khmer Rouge leaders must proceed in an open, transparent manner, in full view of Cambodian society and the international community so as to severely limit anyone's ability to manipulate the process. We will watch closely to see if the government of Cambodia fulfills this obligation.

Senator MCCONNELL. Finally, Indonesia, one of the most populated and potentially important countries in the world. The president of Indonesia may or may not be in that role much longer. Many of us have had a chance to meet with the vice president. We are watching the pulls and tugs in the archipelago. We saw East Timor break away, at least in a democratic referendum, but there are other parts of the archipelago that seemed to want to break off.

What is your assessment of Indonesia today, and do you have an early indication of what this administration's policies towards Indonesia are likely to be?

Secretary POWELL. It is a very troubled nation. We are waiting to see what happens in the capital and the leadership of the country.

I will be meeting with people from East Timor later this week. We have cautioned the Government that in their effort to keep the country together and not let it fly apart into its many potential constituent parts they have to be very sensitive to how they use their military force, especially to make sure that whatever has to be done to maintain the cohesiveness in the country is done in a way that does not violate human rights, and does not use repressive or excessive use of force.

We suggested to them that, with respect to what happened in East Timor, that those who should be brought to account for their actions, their human rights abuses, should be brought to account, and we are following the situation closely. I have had delegations come from Indonesia to talk to me at senior Government levels, and we will be encouraging them to use democratic processes to figure out where they want to go in the future with respect to their leadership to maintain an adherence to a high standard of human rights, and we recognize the importance of that very, very large country, and the important role, especially, that it plays in the region.

Senator MCCONNELL. Well, Mr. Secretary, Senator Leahy had to go to another committee meeting, and extended his apologies. We are so grateful for your willingness to come today.

We have received the prepared statement of Senator Tom Harkin which will be made part of the record at this point.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TOM HARKIN

Mr. Secretary, it is a pleasure to welcome you before this Subcommittee. I also want you to know that I sleep better at night these days knowing that you are at the helm at the State Department and that you function daily as a steady, calming, mature influence in the crafting of the Bush Administration's foreign policy.

Let me also commend what you have done since taking office to lift morale within the ranks of the U.S. Foreign Service and to return our professional diplomats to their rightful standing at the center of formulation and implementation of our nation's foreign policy.

Having paid you those compliments, let me also say that I'm not at all certain that the increases you have proposed in U.S. foreign assistance programs for fiscal year 2002 can be made when President Bush has proposed such substantial cuts in our Nation's agriculture and transportation programs to cite just a couple of pressing domestic priorities.

ADDITIONAL COMMITTEE QUESTIONS

Senator MCCONNELL. Thank you very much. There will be some additional questions which will be submitted for your response in the record.

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

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

Question. Since certifying Serbia last month under Section 594, do you see any evidence of further cooperation with the Hague? What benchmarks is State using to measure the level of cooperation?

Answer. We are in the process of reviewing the FRY's record of cooperation with the Tribunal. We are considering the full range of actions that constitute cooperation, including responding to the Tribunal's requests for assistance, as well as putting in place procedures for the transfer of indictees.

Question. Should the establishment of a time frame for the handover of Milosevic to the Hague be a requirement for future United States aid to Serbia?

Answer. We would welcome a clear statement from the Yugoslav Government that they recognize the Tribunal's authority to try Milosevic for international crimes and a general time frame for his transfer to The Hague. The Yugoslav Government must move expeditiously and in good faith to transfer Milosevic and other indictees. We plan to monitor doing so closely, but do imposition of a deadline is and evaluate their good faith in not believe that the mechanical helpful or appropriate.

Question. Would you support Congressional efforts to further increase funding to HIVAIDS programs, above the President's request?

Answer. I fully support the President's fiscal year 2002 budget request, which represents an eight percent increase for international HIV/AIDS programs from fiscal year 2001 and a 113 percent increase over fiscal year 2000. I believe this trend reflects both the urgency of this issue as well as our shared commitment to combat the global HIV/AIDS pandemic. I expect this upward trend to continue in future budget requests.

Question. Where is American investment in the fight against HIV/AIDS most effective—prevention, care, or treatment?

Answer. The Administration firmly believes that an integrated approach addressing prevention, training, care and treatment is essential to successfully fighting HIV/AIDS. Within that program, we believe that we must continue our focus on prevention—the most proven and cost effective way to save lives and reduce suffering.

PROMOTING PEACEFUL CHANGE

Question. Understanding that current tensions between the United States and China may limit program opportunities, what more do you believe the United States can do to promote peaceful changes within China that are in our national security interests?

Answer. Our challenge is to expose China to the powerful forces of a free enterprise system, democratic values and the rule of law. The more we can do to promote a greater voice for the Chinese people, the greater will be their ability to decide for themselves their own future. It is important that we continue to pursue these long-term interests while simultaneously addressing short-term tensions or disagreements.

PRC REGIONAL EFFORTS

Question. There have been four senior level Chinese visits to Cambodia in the past six months. How effective are the efforts of the Chinese to expand their political and economic influence regionally?

Answer. China is working hard to improve its relations with its neighbors in the region. They are expanding trade and resolving outstanding issues. We continue to have strong bilateral ties in the region and our alliances are in good shape, but we need to devote time, attention, and resources to Asia. We have important interests there and it is necessary for us to pursue them effectively and vigorously.

Question. What are your thoughts about the way in which our national leaders should view global poverty and inequality and what immediate steps can be taken in the private sphere or through government action to address these problems posed by the lack of economic development and effective social programs in so many countries?

Answer. The issue of global poverty alleviation should be viewed within the framework of a comprehensive strategy. There is, unfortunately, no simple remedy. we know that the poor are better off in resilient, peaceful societies with freedom and opportunity for all; governed by democratic institutions that are strong, accountable, and honest; with growing, open, and inclusive economies; with social investments leading to increased productivity; and a dynamic private sector.

Through bilateral and multilateral programs, we are working with governments to find ways to expand the access of the poor to knowledge, freedom, rule of law,

sound institutions, secure food supplies, more open markets, and solutions to infectious diseases.

We must remember, however, that experience has repeatedly demonstrated that economic development and significant lasting poverty reduction can not be bestowed from the outside. The essential ingredient is that developing country governments themselves undertake improvements in governance, rule of law, anti-corruption measures, sound economic policy, expanded political participation, respect for human rights, and investments in people. These create the necessary climate for a thriving private sector, which is the primary engine of poverty reduction the world over.

Question. Is the Administration presently considering funding programs inside Burma?

Answer. Only a small portion of the $6.5 million in ESF and DA assistance for Burma administered by the State Department and USAID is spent inside Burma. None of the money goes to the Burmese regime, and all decisions on funding inside Burma are made in close coordination with the democratic opposition. All future programming decisions will follow these same guidelines.

Question. Japan's recent approval of a $29 million grant to Burma for a hydroelectric facility is reprehensible. How forcefully has the United States engaged Japan on this issue, and what action is being considered to counter a request by the junta for a resumption of assistance from the Asia Development Bank?

Answer. The United States has repeatedly advised senior Japanese officials, and senior officials of other allies, that we consider assistance such as Japan's hydroelectric project to be premature and not warranted until we see concrete, measurable progress toward human rights and democracy. In partial recognition of our views, Japan has announced that its assistance to the dam project will be phased and linked to progress in the dialogue between the regime and Aung San Suu Kyi.

We are not aware that the Asia Development Bank is considering a positive response to Burma's request for assistance; were that to happen, the U.S. Executive Director at the ADB would strongly oppose such assistance.

Question. Further sanctions on Burma may be warranted, including a ban on textile imports to America. Would this Administration support such a ban?

Answer. The United States has the strongest set of sanctions in place against Burma of any country in the world, including a ban on new United States investment, a ban on assistance to the Burma regime, denial of OPIC and GSP benefits, and a visa ban on senior Burmese officials. The United States also strongly supports the International Labor Organization's call for member states to review their economic relations with Burma because of the regime's poor record on forced labor. The Administration is closely monitoring developments in the ongoing dialogue between Aung San Suu Kyi and the Burmese Government. We have not ruled out any options at this time.

Question. Does the Administration intend to support a Khmer Rouge tribunal that relies upon Cambodia's notoriously corrupt courts?

Answer. The United States is a strong supporter of efforts to bring to justice leaders of the Khmer Rouge who bear responsibility for atrocities committed between 1975 and 1979. This Administration will continue to support these efforts. It is important that there be accountability in Cambodia in order to promote the rule of law and develop democracy. We have always insisted that the Extraordinary Chambers must proceed in an open, transparent manner, in full view of Cambodian society and the international community so as to severely limit anyone's ability to manipulate the process. We will watch closely to see if the government of Cambodia fulfills this obligation.

Question. What programs are being implemented to assist the democratic opposition in the run up to commune elections scheduled for early next year?

Answer. In Cambodia, we support the development of transparent democratic institutions together with other elements of civil society. While it is inappropriate for us to take sides in Cambodia's upcoming, first-ever local elections, we plan to provide training to candidates, including opposition candidates, funding these programs through organizations such as the International Republican Institute, and the Asia Foundation.

We also plan to fund a nationwide voter education campaign to inform voters of the role and responsibilities of commune-level officials. United States-funded programs will also support accurate, unbiased media coverage and encourage higher levels of participation by Cambodian women, both as voters and as candidates. Another United States-funded program will support the activities of local elections-monitoring organizations during the campaign and voting period.

Question. What steps can the United States take to increase the percentage back to 30 percent, or at least ensure that this rate is not further reduced?

Answer. The December 2000 Oil-for-Food Rollover Resolution (UNSCR 1330) provided for a six-month reduction of the percentage of Iraqi oil revenues allocated to the United Nations Compensation Commission ("UNCC") from 30 percent to 25 percent. The U.S. Government agreed to this temporary reduction at the time as an accommodation to those States that argued that the humanitarian situation in Iraq required that additional funds be made available for a period of time for humanitarian purposes. By doing so, we assured that the Governing Council of the UNCC could proceed on a consensus basis to approve a proposed award of almost $16 billion in favor of the Kuwait Petroleum Corporation ("KPC") for losses sustained by it during the Gulf War. Obstruction of this award could have caused permanent damage to the UNCC which has, from its inception, made its decisions by consensus. Such a result would not have been in the best interests of the American claimants, Kuwait or others of our friends who have suffered substantial losses as a, result of Iraq's aggression and await recompense. We believe that if the new control regime for Iraq that the United Kingdom and we have proposed becomes a reality, this temporary reduction should no longer be necessary, as civilian goods will be allowed to flow freely into Iraq, thereby alleviating the plight of its people. The majority of the Council wants to make the reduced allocation permanent, citing continued humanitarian issues in Iraq. We will work within the Security Council to support the continued ability of the UNCC to carry our its functions and will support a reversion of the UNCC allocation back to 30 percent.

Question. What steps can the United States take to ensure that Iraq fully compensates all victims of its 1990 invasion of Kuwait?

Answer. The best thing that the United States can do to ensure that Iraq's victims are fully compensated is to continue working to make available the largest pot of money possible for this purpose. That is why we will ensure that the UNCC has access to Iraqi oil revenues sufficient to carry out its task. The majority of the Security Council would prefer to cut the UNCC allocation. We support a reversion to 30 percent as we negotiate to revise the international community's entire approach to Iraq. In addition, the United States will continue its vigilance to ensure that there are no setbacks to the UNCC's current Work Program' which calls for all claims to be processed in the next few years.

Question. Could a portion of the $167 million request for Russia under the FREEDOM Support Act be better spent in former Soviet republics that are worried about expanding Russian influence, such as Georgia and Ukraine?

Answer. Our assistance to all the former Soviet republics is intended to support United States national interests in that region. The United States has a fundamental interest in ensuring the independence and sovereignty of the former Soviet states, as well as an interest in facilitating their transition to democracy and market-based economies. These two interests are mutually reinforcing: success in establishing free and open market economies and democratic political systems rooted in the rule of law should lead to broad-based economic growth and more stable political development, which in turn wili enhance these states' ability to resist encroachments on their sovereignty.

Our requests for Georgia and Ukraine in the President's fiscal year 2002 budget would allow us to maintain our current robust assistance effort in both countries. We plan to continue programs aimed at promoting economic and democratic reforms in these and other former Soviet republics; we will also continue specific activities targeted at improving these countries' ability to secure their borders.

Our assistance programs in Russia are currently undergoing a detailed review, expected to be completed by the end of June. This review will likely result in changes aimed at ensuring our assistance is directly supporting United States interests. But it should be noted that United States assistance to Russia is already, and will continue to be, aimed primarily at the "grassroots" level NGOs, independent media, small business, progressive regional and local governments—and is intended to promote the kinds of long-term change that will improve Russia's relations with its neighbors.

Question. What are your views on Russia's current actions in Chechnya?

Answer. Our policy on Chechnya comprises four elements: (1) the need for a political settlement; (2) an end to ongoing humanitarian abuses and atrocities and full accountability for past violations; (3) humanitarian access and assistance; and (4) return of the OSCE Assistance Group to Chechnya and visits to the region by the relevant U.N. special mechanisms.

Chechnya is fundamentally a question of values: Can we have constructive and productive relations with a government that is prepared to wage a brutal and seemingly endless war against its own people on its own territory? Ultimately, it will be our insistence in making this point—supported and amplified by other voices in the West that Russia cares about, as well as by Russia's own citizens—that holds the

best hope for influencing a change in Moscow's policies away from violence toward dialogue and reconstruction. Efforts like the joint United States-EU Chechnya resolution in the UNCHR and frank discussion of Chechnya in the Russia-EU Summit are part of making this point. The international pressure has had some effect, especially in winning some access to detention camps by the ICRC and access by international humanitarian groups to Chechnya. But clearly we need to keep the pressure up.

The Russians have given me positive indications about arranging the return of the OSCE Assistance Group in the near future. Its return would send a strong signal.

Ultimately, we would like to see the OSCE presence on the ground help promote the start of a dialogue between Chechen and Russian officials. But as we continue to make clear to both sides, to pave the way to the start of a political dialogue everyone needs to see accountability for the many abuses and atrocities that have been well documented by the international human rights community. Moreover, Russia must take serious and visible steps toward addressing the socio-economic roots of the conflict, whose neglect after the 1994–1996 war planted the seeds of the current conflict.

Question. According to Colombia estimates, right-wing paramilitaries control 40 percent of the country's total cocaine exports. Given ties between the paramilitaries and the Colombian military, is United States counternarcotics intelligence being compromised? Does this relationship undermine Plan Colombia?

Answer. Intelligence personnel working with the Joint Task Force South, which manages the bulk of our counternarcotics intelligence under Plan Colombia, are carefully vetted to ensure they have no ties to paramilitary organizations. Consequently, there is no evidence that counternarcotics intelligence is being compromised by any possible ties to the paramilitaries. In fact, since Plan Colombia related operations began in December, we have witnessed a dramatic increase in Colombian actions against the paramilitaries, with 401 arrests through May 29, according to the Ministry of Defense.

Question. Can alternative crop development activities be conducted in areas that are not under military and civilian control of the Colombian Government, such as the coca-rich growing region of Putumayo?

Answer. Projects are looked at individually, and security for workers is a key consideration. This does not mean that areas must be under complete control of the Colombian Government but, rather, that the security needs of assistance workers are paramount and must be fully addressed.

Question. Which bureau will be responsible for the day-to-day oversight of State and USAID democracy programs?

Answer. Day-to-day management and oversight of democracy programs is diffuse, depending on whether the programs are country-specific or regional in nature, and on the source of fund In the State Department, the Bureau of Democracy, Human Rights and Labor (DRL) is responsible for helping to formulate and coordinate democracy policy and resources in the Department and across agency lines, fulfilling the bureau's legislative mandate to integrate democracy into USG foreign policy and managing the bureau's Human Rights and Democracy Fund (HRDF). HRDF is a fund designed to exploit unanticipated opportunities to promote democracy and to help establish institutions that serve democracy efforts. DRL also consults with the State regional bureaus on programming decisions for the Regional Democracy Funds, which are funded by Economic Support Funds (ESF). Generally daily management of these Funds is done either directly through USAID missions in the field, or the Washington-based USAID DG Center. In addition, some ESF-funded projects are programmed through multilateral organizations, such as the organization of Security and Cooperation in Europe (OSCE). In those instances the relevant bureaus at the State Department, in conjunction with the Embassies are responsible for oversight. Finally some democracy projects, such as those with the National Endowment for Democracy (NED), are directly managed by the State Department, in which case, oversight is coordinated between with the Washington bureau and the relevant U.S. embassy. Democracy projects in Eastern Europe and the New Independent States are coordinated by the special coordinators' offices.

USAID field missions are responsible for daily management bilateral democracy projects that are funded with Development Assistance (DA), Economic Support Funds (ESF), Support for East European Democracy (SEED), and Freedom Support Act (FSA). USAID's Center for Democracy and Governance (DG), soon to be combined with the Office of Transition Initiatives (OTI), manages those democracy programs that are not part of ongoing bilateral programs or where USAID missions are not present.

Question. Is there any consideration of creating a fifth program pillar—that of "Democracy and Governance?"

Answer. The Administration has already confirmed the crucial role of democracy in achieving all other foreign policy objectives. Secretary Powell has stated that a guiding principle of the Administration's foreign policy will be that the United States stands ready to help any country wishing to join the democratic world. Democracy is pivotal for achieving sustainable peace, national security, and economic development over the long-term only through good governance and rule of law, participatory government, and vibrant civil societies.

In terms of USAID aggregating its activities into specific spheres of emphasis, no final decision has been made on what the spheres should be. The USAID Administrator is currently consulting with individuals and organizations both inside and outside the government to seek their opinions on this question. Once finished, Congress will certainly be consulted for their views on this streamlining process.

Question. Did the Administration use foreign assistance as leverage against Montenegrin independence in the run up to the parliamentary elections last month, as reported in the press?

Answer. No. The Administration supports a dialogue between Belgrade and Podgorica according to democratic principles and in a way that will ensure stability in the region. We support a democratic Montenegro within a democratic Federal Republic of Yugoslavia. United States assistance programs support Montenegro's efforts to implement democratic and market reforms and the rule of law. They were not used to leverage a particular outcome in the parliamentary elections. To date, we have notified to Congress almost $60 million of the $89 million in assistance available for Montenegro in fiscal year 2001. We are proceeding with efforts to obligate and disburse these funds.and will consult with Congress on use of the remaining funds available for Montenegro.

Question. Why is the Administration withholding assistance to Montenegro, and are there differences in the economic conditions imposed on assistance provided to Montenegro and Serbia?

Answer. The Administration is proceeding with assistance to Montenegro. We recently notified another $5 million in SEED funds, bringing the total notified to Congress for Montenegro to almost $60 million in fiscal year 2001. We are working to obligate and disburse these funds in a manner with prudent,management and sound financial In that connection, we have discussed with the Government of Montenegro economic conditions that should be attached to future disbursements of SEED funds for budgetary support. While we have agreed on the principle of economic conditionality, we have not yet reached final agreement on the precise conditions to be established on our budget support. We have not provided this kind of flexible budgetary support for Serbia. We have not attached conditions to assistance other than budget support for either Montenegro or Serbia.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. It appears that serious miscalculations in procedure and international diplomacy were made recently, resulting in the United States losing our seat on the U.N. Commission on Human Rights. How could this have happened and how can we recoup our standing in both the near-term and the long-run?

Answer. Elections for the Human Rights Commission were held on May 3 by secret ballot cast by the 54 members of the U.N. Economic and Social Council in New York. Although we had 43 promises from member states, only 28 other countries delivered their votes to us. (The United States received 29 votes including one of our own.)

We campaigned strongly in New York, Washington and Geneva, as well as making one or more demarche in virtually every capital of ECOSOC members. The only exceptions were states like Iran, Cuba, and Sudan. If we did not get a commitment of support, one (or more) follow-up demarches were made in capitals, in New York or to embassies in Washington. Our Ambassadors in New York met with almost every ECOSOC member. We also urged the EU to agree to a single slate. Since it is a secret ballot, we recognized that not all members would fulfill their promises. We continued to campaign-until the last day to nail down every possible vote.

Our commitment to human rights is unaffected by this setback. We have many tools available to pursue our human rights objectives on a bilateral and regional basis. We will remain active in other U.N. fora where human rights work is carried out, such as the U.N. General Assembly, the Security Council and the International Labor Organization. Although we will not be a voting member of the CHR after December 31, 2001, we can co-sponsor and manage resolutions, and remain active in

negotiations, debates and all matters before the CHR. Our commitment to human rights, including within the U.N. system, remains unwavering and strong.

Question. Will you guarantee that the U.S. Delegation to the United Nations will vigorously support the inclusion of substantial provisions against abusive child labor within the basic mandate for this Special Session, the related text, and corresponding action plan, starting with the "PrepCom" meetings to be held in June and thereafter?

Answer. Ending exploitative child labor worldwide is a high priority for the Administration. The draft text being considered in preparation for September's Special Session on the Status of the World's Children contains a number of substantive provisions against the "worst forms of child labor," the term used in ILO Convention 182, which the United States ratified in 1999. The U.S. Delegation will ensure that the outcome document has strong provisions to protect children against abusive labor practices.

Question. Do you support abolishing this new child labor-related program to provide access to basic education for a fraction of the more than 250 million child laborers in the world?

Answer. I support the concept that the problem of child labor is best addressed through comprehensive interventions rather than segmented approaches. When designing and implementing programs intended to eradicate child labor, it is critical to recognize that access to basic education is but one part of the necessary response. Funding earmarked programs to address only one aspect of the solution, such as the program your question references, does not offer the best likelihood of success. USAID's budget request for child survival, basic education, and labor programs when taken together with the U.S. Department of Labor's request for $30 million for child labor programs (International Program on the Elimination of Child Labor (IPEC)) allows the United States to continue its leadership role in the international donor community.

The U.S. Government has a long and distinguished track record of supporting basic education throughout the developing world, and this Administration is committed to continuing that tradition. In fact, the President's request for fiscal year 2002 includes $123 million for basic education programs implemented through the U.S. Agency for International Development which represents a $20 million increase over the fiscal year 2001 level.

Question. Wouldn't you agree that all of these proposed cuts in international child labor funding are ill-advised and that such programs are probably among the least controversial and most broadly-supported by the American people of all U.S. foreign aid programs?

Answer. The United States remains the world leader in fighting child labor, particularly the worst forms of child labor. We are addressing a wide range of factors that tackle the availability and use of child labor. USAID programs, for example, provide economic opportunities for parents, improve health services delivery and prevent diseases thus enabling parents to continue to work. They also strengthen the judicial systems to enforce child labor laws, and improve the quality of basic education, thereby reducing the demand and supply for child labor. Additionally, the United States is the number one donor to the International Labor Organization's International Program on the Elimination of Child Labor, was instrumental in the virtual elimination of child labor in the Bangladesh garment industry, and has provided substantial financial support for voluntary codes of conduct in the apparel and footwear industry that include child labor provisions. These programs and others like them have received tremendous support from the American people, and we have every intention of continuing them.

Question. Does the Bush Administration support Senate ratification this year of the pending U.N. Protocols on Child Soldiers and the Sale of Children, Child Prostitution, and Child Pornography, which the United States signed last year?

Answer. The protection of children and families is a key priority for the Administration. I am particularly concerned about the growing problems of the use of child soldiers in combat, trafficking in children, sale of children, child pornography, and child prostitution. We will aggressively pursue measures to combat these problems.

The Administration is currently reviewing its policy regarding the Optional Protocols on Child Soldiers and the Sale of Children, Child Prostitution, and Child Pornography.

Question. Mr. Secretary, this week I will be introducing bipartisan legislation to ban imports from Burma, the vast majority of which are skyrocketing sales of designer label apparel and textile products. I do so because the International Labor Organization (ILO) last year invoked for the first time in its 82-year history a constitutional provision calling upon the brutal Burmese military junta to immediately

stop the systematic use of forced labor in that country. Will you support this legislation?

Answer. The United States strongly supports the ILO's call for member states to review their economic relations with Burma because of the regime's poor record on forced labor. We have the strongest set of sanctions in place against.Burma of any country in the world, including a ban on new United States investment, a ban on assistance to the Burma regime, denial of OPIC and GSP benefits, and a visa ban on senior Burmese officials. We will closely monitor developments in the ongoing dialogue between Aung San Suu Kyi and the Burmese Government. We have not ruled out any options at this time.

Question. What is your current assessment of progress toward political independence for East Timor by next year as well as the viability and sustainability of the local economy in East Timor?

Answer. We anticipate elections for a Constituent Assembly to take place on schedule August 30 and for East Timor to achieve independence toward the end-of 2001 or early in 2002. East Timor will undoubtedly continue to need international support after independence, since its infrastructure, economy and education are still inadequate. However, United States assistance mechanisms will change when East Timor moves to nationhood. After independence, the United States will be able to use a variety of bilateral and multilateral assistance funds now unavailable. We are encouraged that significant resources for the development of East Timor would also become available once Australia and East Timor successfully conclude discussions on the distribution of revenue from planned commercial development of the Timor Gap gas deposits.

Question. A growing number of Americans are concerned that current U.S. sanctions on Iraq are causing the deaths of many Iraqi children and otherwise causing much suffering and hardship on the Iraqi civilian population. Mr. Secretary, when you took office, you called for a thorough review of current U.S. sanctions policy toward Iraq.

What is the status of that review and will you share its results with me and other concerned members of Congress when it is complete hopefully in the near future? Do you anticipate that review will pinpoint viable options for minimizing, if not eliminating any adverse impacts that the current sanctions are having upon the innocent civilian population inside Iraq, while at the same time tightening and maximizing the impact of sanctions upon Saddam Hussein's ruthless and dangerous military regime?

Answer. The unanimous adoption of UN Security Council Resolution 1352 reflects the Administration's determination to re-focus the international community's controls on the items that would enable the Iraqi regime to further threaten international peace and security. We are working to increase international support for this goal and to improve the situation of the Iraqi people by opening up civilian trade. The Security Council has now accepted this approach. We are now working with the other permanent members of the Council and others to develop a system to allow all civilian trade items to enter Iraq, subject only to a review of a specific list.of goods that could be useful to Iraqi re-armament efforts percent That list, called th Goods Review List, is currently under negotiation.

A key issue in our work with other governments include ensuring that Iraq's oil revenues are used by the UN for the benefit of the Iraqi people, and not by the Iraqi regime to further its own ambitions.

Resolution 1352 expires on July 3. By that date, we hope to pass a resolution that will begin to implement the new system we have proposed.

Department officers have and will continue to brief interested Congressional staff on our new approach. I look forward to additional discussions with you concerning our Iraq policy.

Question. Would you support a statutory requirement that the State Department notify the appropriate committees of the Congress for each hold that is placed by the United States Government upon a contract for goods or services to be delivered to Iraq?

Answer. We have approved 91 percent of contracts submitted to the United Nations for export to Iraq under the Oil-for-Food Program. Of those currently on hold, about 90 percent are the result of the contractor's either not submitting information sufficient to permit an adequate technical review or including items that we prohibit for export to Iraq in the absence of weapons inspectors. Our decisions to hold are based on technical evaluations by U.S. Government experts in fields such as biological weapons and missile technology. Our practices in reviewing these contracts are watched closely by UN Security Council members and other interested nations. Ensuring that the process remains essentially technical and not political is important

to our credibility on this issue, and so I would not support a statutory requirement as described.

In the new proposed approach to contracts that we hope the Security Council will approve before July 3, the current system of placing "holds" on contracts would be eliminated. The Council would authorize fast-track approval of a larger share of contracts than is the case today. It would also apply a more rigorous screen to determine whether sufficient technical information is contained in the contract. Those not fast tracked or returned for additional information would be sent to the 661 Committee for approval, denial or, if information is still insufficient, return to the supplier for correction and resubmission.

Question. Many of my constituents have traveled to El Salvador to help that small, impoverished country recover and re-build after two major earthquakes earlier this year. How much U.S. aid has already been provided and from what accounts? What types of aid and in what amounts and what accounts are you seeking in fiscal year 2002?

Answer. Reconstruction costs for the two earthquakes in El Salvador are estimated as high as $2 billion. The $110 million pledge for earthquake assistance made at the Madrid Consultative Group meeting was developed in response to the damage inflicted by the first earthquake. To meet this pledge, $52 million is being provided in fiscal year 2001 and the remaining $58 million in fiscal year 2002.

The fiscal year 2001 funding includes $37 million in Development Assistance and Economic Support Funds, $10 million from USDA food relief programs, $3 million in International Disaster Assistance, and $2 million in Transition Initiatives funds.

In the immediate aftermath of the earthquake, OFDA and DOD provided emergency assistance valued at approximately $27 million. on the reconstruction side, Project Concern International, with a USAID grant of about $2 million, is already at work on rehabilitating potable water systems and wells in the earthquake zone. USAID recently signed grants of $7.5 million with three United States private voluntary organizations (CARE, Cooperative Housing Foundation, and Samaritan's Purse) for permanent housing and an agreement for another $19 million with the Government of El Salvador for housing, other infrastructure (health, education, water), and economic reactivation.

Our current plan for the $58 million in fiscal year 2002 is to provide approximately $30 million in Development Assistance and Economic Support Funds and up to $10 million in USDA food relief programs. We are still studying possible sources for the balance.

Question. Mr. Secretary, based upon the cooperation between the Colombian military units and paramilitary groups and, in many cases, their closely associated or even common leadership, what specific assurances can you provide me that American-made weapons or technology have not and are not being used in human rights violations committed by the paramilitary groups closely associated with Colombian military units receiving United States funding?

Answer. We are prohibited from providing funds under the Foreign Operations Appropriations Act, 2001, Public Law 106–429, to any unit of a foreign country's security forces where the State Department has credible evidence that such unit has committed gross human rights violations, unless the government of that country is taking effective measures to bring the responsible unit members to justice. Related to this, representatives of U.S. Government agencies providing assistance conduct "end-use monitoring" and provide reports for all counternarcotics and military assistance, as required by law. We have procedures in place to help ensure compliance with relevant legislation and are not aware of any evidence or credible allegations of cooperation between paramilitary groups and any Colombian unit currently eligible to receive USG assistance.

In addition, the government of Colombia has its own elaborate system of controls that should keep resources from being improperly diverted. The system includes a Comptroller General empowered to conduct audits, an Attorney General who serves as a government-wide inspector general and can remove government officials from office, and a powerful and independent prosecutor. These institutions have offices at both the national and local levels.

Question. During last year's campaign, President Bush stressed the importance of having a clear exit strategy, indicating benchmarks and deadlines for engagement of all kinds. Given that the reduction of coca production in one region often leads to a rise in other regions, what is the exit strategy and what are the benchmarks we should be monitoring?

Answer. The success of counternarcotics programs is monitored on a regular basis. Reports on aerial eradication efforts are provided from the field on a weekly basis and the effectiveness of the campaign is verified annually by United States and Colombian scientists through actual visits to sprayed fields. The overall effectiveness

of counternarcotics efforts can also be measured through the annual analyses of crop yield and drug production prepared by United States and Colombian agencies.

That said, the specific benchmarks and exit strategy established last year are currently subject to a broader policy review by the Administration.

Question. Could you please provide a report to the Committee on the steps the State Department has taken to implement the Baumel Law (Public Law 106–89) since its enactment?

Answer. The Department reported to the Congress on its efforts in connection with this law in May 2000. Zachary Baumel and two other Israeli soldiers remain missing.

Since the time of the Department's report, we have continued to raise this matter with regional governments and have encouraged those with influence in the region to take steps to resolve this matter.

The Department continues to regard ascertaining the fate of Zachary Baumel, Yehuda Katz, and Zvi Feldman as an important humanitarian goal. The Department is determined to pursue every concrete lead to ascertain the fate of the three missing soldiers and continues to urge all individuals and governments that may have information about them to provide it to the appropriate authorities. The Department of State will continue to raise this issue whenever and wherever doing so will contribute to achieving that goal.

Question. If they [FRY/Serbia] continue to insist on such a [ICTY cooperation] law, it is important that it be written so it is acceptable to the war crimes prosecutor, and is not used to obstruct extradition. Did Kostunica tell you that Yugoslavia will surrender indictees to The Hague, once the law is passed?

Answer. In our discussions with President Kostunica and Serbian officials, we have repeatedly stated that there must be cooperation with the ICTY and that cooperation includes the transfer of indictees.

President Kostunica has told us that in order to have meaningful cooperation, he must have a law in place enabling the government to cooperate with the Tribunal. We will continue to hold the FRY to their promises of cooperation.

Question. Turning over indictees is what we mean by "cooperation." We need to make clear that without this cooperation the United States will not support additional assistance. Can you assure us that you will convey this message to President Kostunica?

Answer. We will continue to make clear that the transfer of indictees goes to the heart of cooperation, and that our aid is linked to progress on cooperation. President Bush and Secretary Powell reminded President Kostunica of this during the FRY President's May visit to Washington, and our mission in Belgrade continues to reiterate this message.

Question. I am told that plans are moving forward for a donors conference for Serbia in late June. The World Bank is apparently pushing hard for this. We want to help Serbia, but not unless we see real cooperation with The Hague. Is the Administration prepared to sit out a donors conference if we do not see that cooperation? Are the Europeans prepared to go ahead even without further cooperation with The Hague, and without the participation of the United States?

Answer. We are prepared not to attend a donors conference unless we are convinced that the Yugoslav Government is serious about complying with its international obligation to full cooperation with the Tribunal. Our information suggests that the Europeans will proceed with the conference whether the United States participates or not.

Question. What about Mladic and Karadzic, the two most notorious war criminals who carried out Milosevic's policies, who are in Republika Srpska. Why hasn't SFOR apprehended them? Will you urge them to?

Answer. We believe Karadzic and Mladic should be brought into custody, either voluntarily or otherwise, as soon as possible.

The governments in the region have the primary duty to secure the apprehension or voluntary surrender of all persons on their territory indicted by the Tribunal, including Karadzic and Mladic.

When United States forces entered Bosnia in early 1996, only one indictee had been taken into custody in The Hague. Since then, 53 indictees have been taken into custody, 23 of whom were forcibly detained, including 18 by SFOR in Bosnia. We continue to work with our allies to seek the detention of the indictees who remain at large.

Question. Don't you think the best strategy is to remain a signatory [to the ICC treaty]—to maintain our leverage in the negotiations and allow our representatives to get more protections for Americans?

Answer. The Administration's primary objective in its ICC review is to find avenues to protect United States officials and service personnel from politically moti-

vated prosecutions by the International Criminal Court. That review is currently underway.

Question. Does the Administration's policy on the ICC include "unsigning" the treaty or actively pressuring our friend and allies not to ratify it?

Answer. As you know the Administrative has no intention to submit the ICC treaty to Senate for advice and consent to ratification. The Administration has currently underway a review of the ICC and is seeking to develop a strategy that best protects the interests of the United States.

Question. Given the harm this legislation could cause—both to relations with our friends and allies as well as the Administration's ability to conduct foreign policy—do you support the American Servicemembers' Protection Act?

Answer. I am not in favor of the adoption of this particular piece of legislation at this time. As you know, the Administration has underway a review of the ICC and is seeking to develop a legislative and diplomatic strategy that best protects the interests of the United States.

United States interests could be better served by awaiting the result of that review, a full exchange of views with Congress concerning what legislation would best fit into our overall strategy.

I would note that several provisions of the proposed Act are particularly troublesome. The Act would effectively preclude the United States from providing assistance to the ICC in connection with the prosecution of certain foreign individual, for example a future Saddam Hussein. Because the United States provides military assistance only when it is in our national interest to do so, I would not favor an automatic cut-off of such assistance. Further, a provision limiting the authority of the President as Commander-in-Chief to participate in peacekeeping operations would raise serious Constitutional concerns.

Question. In the past 6 months, 18 Peruvian generals are among the more than 70 high ranking military and intelligence officials against whom charges have been brought. Has any investigation been done into whether United States officials knew they were working with Peruvian officials who may have committed crimes?

Answer. The ongoing corruption scandal has resulted in charges against high-ranking military and civilian Peruvian officials. The Department of State is closely following these proceedings.

United States officials have worked with many of the Peruvian officials who have been charged, in their official capacity. At the time we worked with them, no charges were filed against these officers nor were they under investigation, and we have no reason to believe that Embassy officials were aware of any alleged criminal activities.

Question. Have there been any consequences for any of the United States officials who were working with Peruvian officials and either turned a blind eye to what was happening under their noses or were not asking the right questions?

Answer. The Department of State has no reason to believe that United States officials were aware of the alleged criminal activities of Peruvian officials.

Question. I have heard different State Department officials call the counter-drug program in Peru a "success." And Bolivia too. May [sic] they were, for those countries. But it all depends on how you define success. Did those programs, which cost billions of U.S. dollars, results in any decrease in the amount of drugs coming into the United States?

Answer. Our counternarcotics programs in Bolivia and Peru have resulted in a dramatic reduction in the amount of drugs coming into the United States from those countries. Over the past five years, our $611 million in total counternarcotics funding of an integrated strategy that combines eradication of illegal drug crops with provision of alternative economic development opportunities and a strong law enforcement interdiction program, resulted in a 70 percent reduction in coca cultivation in those two nations. In Peru, this translated to a potential of 290 metric tons of cocaine not being produced, and in Bolivia, a potential 172 metric tons of cocaine was not produced. However, those decreases have been nearly offset by increases in Colombian cultivation.

Question. Now we are in Colombia, and getting in deeper. $1.3 billion last year. Another $882 million this year for Colombia and the region. I'm sure we will be asked for another half billion to a billion dollars next year, and the year after that, and the year after that. How much will it cost before we expect to see a significant decrease in the amount of cocaine and heroin coming here from South America? What can we expect, or is it just a guess?

Answer. The stated goal, which is attainable, is to reduce Colombian cocaine production by 30 percent by the end of 2002. If that is achieved without the displacement of coca crops to other countries in the area, it would result in a very significant decrease in cocaine supplies.

Colombia has also stated its intent to eliminate all opium poppy cultivation within its borders. We support them in that effort and are also working with Peru to counter the emergence of a heroin industry there. Candidly, however, the heroin industry is such that the total eradication of all heroin production in the hemisphere would have little effect on world supply.

Question. Given the sharp increase in atrocities by paramilitaries, it seems to me we should include conditions on the aid, at least that the army sever its links with the paramilitaries. Do you agree that, like our experience with Serbia, this is needed in order to get real results? Would it be your policy to waive the human rights conditions?

Answer. We take very seriously the need for the Government of Colombia to take effective steps to sever links between the military and the paramilitaries, and have made this clear at all levels of the Colombian Government and military. We have made the point repeatedly that collusion with the paramilitaries is unacceptable, that it must end, and that anyone found to be engaged in it be held accountable.

We welcome congressional interest in, and oversight of, our Colombia policy. We will continue to work with Congress on a bipartisan basis as we implement a policy that best advances human rights in Colombia, supports the peace process and continues to reduce aggressively coca production and the drug trade. Conditionality of our assistance would impair our ability to support an imperfect, but democratically elected and embattled ally.

Clearly, the Colombian Government must do more. President Pastrana himself recognizes this. I would note that President Pastrana's administration has achieved some recent, significant successes against the paramilitaries, including in military encounters on the battlefield between security forces and the United Self Defense Forces of Colombia (AUC). Colombian forces in recent months have arrested numerous paramilitary members—including some leaders—and seized important financial records from paramilitary supporters.

Question. The paramilitaries admit that they are involved in drug trafficking. How can Plan Colombia succeed if the Colombian army continues to support them with weapons and intelligence?

Answer. The Colombian Government is making clear efforts to end military tolerance of and collaboration with illegal self-defense groups, which are commonly referred to as paramilitaries. Moreover, we have seen increasing signs that the Colombian military is coming to the conclusion that these groups represent a real and growing threat to the Colombian state. What ties remain do not appear to be having a negative impact on the effectiveness of Plan Colombia-related operations. In fact, since Plan Colombia-related operations began in December, we have witnessed a dramatic increase in Colombian actions against the paramilitaries, with 401 arrests between January 2001 and the end of May, according to the Ministry of Defense. Furthermore, we are prohibited from providing assistance to units credibly alleged to have committed gross human rights violations. Any unit with ties to paramilitary groups like those described would clearly meet those criteria and thus be proscribed from receiving any USG assistance as a matter of law and Administration policy.

Question. I am told that two bills have been introduced in the House to end the use of private contractors in Colombia, who are flying the aircraft used to spray the herbicide. The sponsors of those bills want the Colombians to fly these missions. Are we training Colombians to do this? If not, why not? Would that not make more sense, since it is their country, and cost a lot less?

Answer. The phasing out of contractors is a planned part of the program and always has been for exactly the reasons cited in your question.

Question. If this is accurate—and all indications are that it is—the CIA got it right, and we are being drawn deeper and deeper into Colombia's civil war. Would you agree?

Answer. I disagree. Our policy toward Colombia is to assist a democratically elected ally that is under attack from domestic terrorist groups that enjoy almost no popular support. These groups finance much of their subversive activity through kidnapping for ransom and involvement in narcotics.

The sharing of United States intelligence with the Colombian security forces is carefully controlled and is done only according to strict guidelines.

But I wish to be clear: as President Bush said during President Pastrana's February visit to Washington: it is Colombia's fight.

Question. Can I assume that any change in our policy toward Indonesia, which the Congress has a strong interest in, will be worked out with the Congress?

Answer. The Administration is aware of Congress' on-going strong interest in Indonesia. United States policy toward Indonesia is designed to foster long-term United States interests and, therefore, will not undergo rapid change. The Administration agrees that it is important to consult with Congress about Indonesia as our

policy evolves, both to learn the Members' views and to share administration thinking.

Question. Earlier this month, Indonesia sentenced six men charged with the brutal murder of three UNHCR workers in East Timor to sentences of a mere 10–20 months. What was the U.S. response? Isn't it clear by now that an international tribunal is needed for those responsible for the mayhem in East Timor?

Answer. We have publicly expressed our extreme disappointment with the light sentences imposed in this case and have urged the Indonesian Government to appeal them. Given the defendants' admitted participation in this brutal slaying of unarmed humanitarian workers, including American citizen Carlos Caceres, these sentences are outrageous and call into question both Indonesia's commitment to the principle of accountability and its commitment to the international community to bring to justice the perpetrators of this and other crimes in East and West Timor. We will continue to monitor closely the progress of the separate Indonesian and UNTAET investigations into human rights abuses in East Timor. If these processes both fail, we will consider other options to ensure that justice and accountability are achieved.

CONGRESSIONAL COMMISSION

Question. Last year, when the Congress approved PNTR for China, it also established a Helsinki-type commission to monitor human rights in China. When does the Administration plan to select the Executive Branch members of the Commission?

Answer. The Administration looks forward to cooperating closely with the Congressional-Executive Commission on China. The President is considering now whom he will appoint from the Administration to serve on the Commission.

Question. Do you support ratification of the Optional Protocol on the Involvement of Children in Armed Conflict?

Answer. The protection of children is a key priority for the Administration. I am particularly concerned about the growing problem of the recruitment and use of child soldiers in some of the world's most brutal conflicts. We will aggressively pursue measures to combat this problem.

The Administration is currently reviewing its policy regarding the Optional Protocol on the Involvement of Children in Armed Conflict.

Question. Do you agree that a war crimes tribunal should have authority to prosecute people—including senior Liberian officials—who are responsible for the atrocities committed in Sierra Leone?

Answer. Let me assure you that accountability is an important element of our foreign policy regarding the atrocities committed in Sierra Leone. The United States supports the establishment of the Special Court, believing that it is one of several essential components necessary to restoring peace and stability to Sierra Leone and the region. As mandated by the U.N. Security Council, the Special Court will have jurisdiction over those who bear the greatest responsibility for crimes against humanity, war crimes and violations of relevant Sierra Leone law. The prosecutor and the Special Court will make specific decisions about the particular individuals to be prosecuted.

QUESTION SUBMITTED BY SENATOR ARLEN SPECTER

RULE OF LAW FUNDING

Question. In light of the fact that your fiscal year 2002 budget request contains a request for $5 million towards China Rule of Law do you plan to release the fiscal year 2001 money recommended in the Foreign Operations Appropriations bill and continue forward with this important program?

Answer. I appreciate the work of many Members of Congress on behalf of a strong China rule of law program. We do intend to obligate fiscal year 2001 money in the coming months and to work with Congress to expand programs that will promote the rule of law in China.

QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

Question. As you know, former President Clinton was the first American President in almost a quarter century to visit Pakistan and India when he traveled to the region last year. Given the increased tensions in the region and both countries,

nuclear capabilities, please outline briefly the Administration's plans for actively promoting peace in the region.

Answer. This Administration has demonstrated its intention to give high priority to United States' relations with South Asia. Active involvement and better relations with India and Pakistan will give us the standing to urge dialogue between both countries and a resolution of their differences. It will also improve our ability to encourage them to refrain from a costly and destabilizing nuclear arms and missile race. In the early months of this Administration, the President and I have met the Indian Foreign Minister and Deputy Secretary of State Armitage has traveled to India. The Pakistan Foreign Minister will be in Washington in June for broad consultations throughout our government. We have used and will use these meetings to stress to both countries the importance we attach to a peaceful and stable South Asia. We have welcomed the upcoming visit of General Musharraf to India. India and Pakistan must find their own solutions. We have played a helpful role and will continue to do so.

Question. Please comment briefly on your impression from the meetings in Key West and the prospects for peace?

Answer. Presidents Aliyev and Kocharian made significant progress at the April 3–6 Key West Peace Talks.

We knew in Key West that the two presidents would need time to review what had been achieved and to discuss the peace proposals further within their governments and with their people. These are very difficult issues.

During a May 18–21 shuttle to the region, the Minsk Group Co-Chairs identified a particular need for all sides to better prepare their public for the compromises necessary to achieve peace.

The Co-Chairs and the Presidents are committed to advancing peace as quickly as possible. The next round of talks will be scheduled as soon as conditions are right.

Question. What role will United States assistance play in implementing a settlement to the Nagorno-Karabagh conflict?

Answer. Any peace agreement reached by the two parties will require compromise and therefore will be sustainable only if accompanied by substantial assistance flows that allow IDPs to return to their homes and that demonstrate to the broader population the benefits of a peaceful Caucasus.

In the event of a settlement, United States bilateral funding would play a key role in signaling to the international community the high priority the United States places on achieving peace. While the majority of funding for reconstruction and resettlement will come from multilateral institutions, a substantial United States commitment would be key to attracting funds and resources from other donors.

United States funding would be available for immediate needs such as demining and longer term needs, including economic development. We expect that United States assistance would allow for noticeable improvement in the economic position of ordinary Armenian and Azerbaijani citizens, improvements that should result from regional integration, improved communications and increased foreign investment.

Question. Would regional security be enhanced and United States interests be furthered if Turkey lifted its blockade of Armenia? What can the United States do to ensure Turkey lifts its blockade of Armenia?

Answer. The border between Armenia and Turkey has been closed since April 1993. The United States strongly supports efforts by both countries to improve their bilateral relations since peace and stability in the region is one of our foreign policy objectives. Turkey has indicated a desire to open its border with Armenia but sees progress toward resolving the Nagoi-no-Karabakh conflict as a necessary first step. The United States, as a co-chair of the Minsk Group Process along with France and Russia, supports efforts by Armenia and Azerbaijan to resolve the conflict over Nagorno-Karabakh. Regional security will be enhanced, and, thus, United States interests furthered, once Turkey and Armenia normalize relations, which would include reopening the border.

Question. Dakota Wesleyan University in my State of South Dakota is not only the Alma Mater of former Senator and Ambassador George McGovern, but also it is the home of the Hunger Project at the McGovern Center for Public Service. Throughout his career, George McGovern has championed the rights of the hungry, focusing primarily on the youngest of the world's population. Dakota Wesleyan University has made a commitment to build the McGovern Center for Public Service and develop a program that is focused on understanding and alleviating hunger throughout the world.

Would the State Department and USAID be willing to work with me and Dakota Wesleyan University to insure that there is strong cooperation and coordination with U.S. programs reflected in the Hunger Center's curriculum?

Answer. We are constantly seeking ways to broaden the number of partners to engage in development assistance and humanitarian issues. Thus, both the State Department and USAID would be happy to see the Hunger Center involve themselves in international deliberations. Ultimately, this participation will influence the Center's curriculum. Both the Department of State and USAID are working closely with Ambassador McGovern on the preparations for the World Food Summit five-year anniversary that will also be celebrated at its conference. Part of the preparation for the Summit involves establishing U.S. positions, including participation by a wide range of institutions and individuals outside of the U.S. Government. In this process, through the U.S. Food Security Advisory Committee, we involve universities, non-governmental organizations, and private businesses with a concern about world hunger. This Summit presents an appropriate opportunity for the Hunger Center to engage in a dialogue with a broad spectrum of groups focused on eradicating hunger in the world. Such participation could also provide a case study for the Hunger Center to use in its curriculum. Similarly, the Board for International Food and Agricultural Development (BIFAD), an advisory board mandated under the recently amended and rewritten Famine Prevention and Freedom from Hunger Act, is another forum where the Hunger Center could both make contributions, and gather operational ideas for its curriculum.

Question. Given the reinstatement of the so-called "Mexico City Policy" and the flat-lined request for the United Nations Population Fund for fiscal year 2002, please explain how the Administration plans to promote access to affordable contraception in poor nations around the world, reduce the number of unwanted pregnancies, and enhance adoption and foster care options?

Answer. The best way to reduce unplanned pregnancies is to expand access to quality voluntary family planning services. That is why the President's fiscal year 2002 budget requests $25 million for the U.N. Population Fund (UNFPA) and $425 million for USAID's international family planning and related activities in poor nations around the world—the same levels as fiscal year 2001 and the highest since 1995. USAID's family planning assistance will be made broadly available through the hundreds of foreign NGOs that operate consistent with the Mexico City Policy.

Population-directed funds are not used to support adoption or foster care. However, through USAID's HIV/AIDS activities, we are supporting efforts to mobilize and empower families and communities to provide care and support for orphans and other vulnerable children in AIDS-affected areas.

Question. How do you assess the situation in Ukraine and the United States approach to that country amid the current political turmoil? How does the current reality affect the direction of United States assistance to Ukraine?

Answer. The recent political turmoil does not alter Ukraine's importance to the United States or our strategic goals in Ukraine. Ukraine's independence, sovereignty and territorial integrity are a fundamental strategic American interest because they are paramount to security and stability in Europe. We can accomplish our strategic objectives in Ukraine only if it becomes a democratic, market-oriented state. This requires United States engagement in the form of assistance and support for policies that advance Ukraine's democratic and free market transition. It also involves making clear to Ukraine when its actions and policies are inconsistent with its aspirations for integration into the Euro-Atlantic community.

The recent political turmoil highlighted shortcomings in Ukraine's democratic transition, including in respect for the rule of law, freedom of the press and freedom of assembly. We were pleased by recent cooperation with the FBI in identifying Gongadze's corpse, but overall, the Ukrainian authorities, handling of the Gongadze investigation is a source of concern. The fall of former Prime Minister Yushchenko's Government also raises questions about Ukraine's commitment to continuing much needed structural economic reform.

We are urging Ukraine to address our concerns by conducting a full and transparent investigation of the Gongadze case. We are also reviewing with Ukraine specific, concrete steps it can take on economic reform over the next several months. We continue to focus our assistance program to Ukraine on the best way to accomplish our strategic objective in Ukraine: supporting its successful transition to a democratic, free market society.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

Question. What types of international crime are of principal concern to the State Department, and what is the basis for that concern?

Answer. The Department of State relies on assessments from country teams at posts, and the intelligence and law enforcement communities to target those international crimes that potentially cause the greatest threat to us domestically, and threaten both our safety overseas and our objectives of building stable democracies and free market economies abroad. Accordingly, international terrorism, narcotics trafficking, passport and visa fraud, illegal alien smuggling, trafficking in persons, money laundering, financial fraud, firearms trafficking, stolen automobiles, and intellectual property piracy have been among our top concerns.

We direct our anti-crime programs, however, at a broader focus than just a set of discrete crimes. We want to build strong and effective law enforcement institutions around the world that respect the rule of law. Accordingly, we support anti-corruption, border control, and other measures that, while not aimed at any particular type of crime, are essential for boosting a country's capacity to address and Cooperate with us against all forms of transnational crime.

Question. What new steps will the State Department take to improve the Federal Government's response to international crime? How does the State Department propose to coordinate its response to international crime with the efforts of other federal agencies—such as the Departments of Justice and the Treasury—to ensure that the response is focused and the potential for bureaucratic overlap is reduced?

Answer. The Bureau of International Narcotics and Law Enforcement Affairs (INL) is working with other bureaus in the Department and with U.S. law enforcement and other U.S. Government agencies to develop a longer-term, more coordinated approach toward providing international crime control assistance. Annual completion by each embassy's country team of the Mission Performance Plan (MPP) that identifies the U.S.'s highest priority strategic goals in the host country, is the first step. An MPP, however, is not always as comprehensive as we would like. INL has therefore recently asked all posts that have significant and sustained narcotics and crime control programs to prepare law enforcement assistance coordination plans that look out over the next three years. The objective is to encourage posts to take a more comprehensive and balanced view about what needs to be done to develop more reliable international drug and crime control partners.

INL has led a small State/Justice/Treasury interagency team to look preliminarily into how some posts are structured to undertake this mid-term planning and coordination. Once the reports are in, INL will organize a broader group to provide feedback to posts and work with local experts and embassy officials when posts want help in developing comprehensive, coordinated judicial assistance plans.

To address shorter term needs, we have instituted a new "project-based approach" to make better decisions about how to allocate our training and program funds among competing U.S. Government agencies and assistance requests from posts. Posts initiate the process by describing and requesting comprehensive law enforcement assistance "projects," not just a list of disjointed training courses that often characterized past assistance requests. Typically a project—such as enhanced border control—will include a sequence of training courses that may be team-taught by various U.S. law enforcement agencies, as well as technical and material assistance. An Assistant Secretary-directed State/Justice/Treasury working group that then reviews, ranks, and eventually approve's these requests ensures interagency consensus.

Question. Also, recognizing that considerable law enforcement activity to counter international crime occurs in foreign countries, how does the State Department propose to coordinate its efforts with its foreign counterparts?

Answer. The State Department coordinates international crime control efforts with its foreign counterparts on a number of levels. At the broadest level, we work to create internationally-accepted norms through the United Nations or regional bodies that help define the criminal activity and lay the foundation for creating laws, institutions, and means to combat it. A recent example the negotiation of the December 2000 U.N. Convention Against Transnational Organized Crime.

With such norms in place, we can then work to develop and implement bilateral assistance programs. We work closely with host nation institutions to design these programs to ensure their commitment and cooperation. Project details-including timelines and expected outcomes, and our end-use monitoring and evaluation requirements—are outlined in Letters of Agreement that both parties must sign before we allocate project funds. We will terminate projects and reprogram funds if the project is failing or if the host government loses interest or commitment.

Question. Would the Department be prepared to work together to make combating corruption a central theme of the OSCE Ministerial Meeting?

Answer. As you pointed out in your background section, we were successful in highlighting in the Istanbul Summit documents the threat posed by corruption to the security and stability of OSCE members. The Department followed up on our Istanbul efforts by working closely with your staff in shaping the Chairman-in-Office's 2000 Vienna Ministerial report on OSCE Contributions to International Efforts to Combat Corruption. We also successfully negotiated a Good Governance/Anticorruption theme for the three 2001 Economic Dimension preparatory seminars and Prague Economic Forum, and welcomed the active participation of Helsinki Commission staff in all of these events.

We have complemented our ongoing efforts to raise the corruption issue at OSCE fora with $150,000 in fiscal year 2001 funding for specific activities undertaken by OSCE field missions and NGOS. These have included anticorruption roundtables in Armenia and Macedonia and a budget transparency program in Russia. We will continue to work to ensure that anticorruption activities remain an integral part of the OSCE's ongoing activities. We look forward to continuing our close working relationship with Helsinki Commission staff on this issue.

Question. Please describe some of the Department's ongoing work within the SECI framework and the potential benefits derived from U.S. participation.

Answer. Not an assistance program, SECI is self-help program, and the modest level of U.S. assistance (approximately $3 million/year, since fiscal year 1999) reflects this. Department efforts focus on SECI trade facilitation, crime fighting and customs reform. The goals are increased regional stability and prosperity via improved economic integration and containing and fighting international organized crime The SECI Participating States are: Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Greece, Hungary, Moldova, Romania, Slovenia, FYR Macedonia, Turkey, and now, Serbia.

The Department is working with numerous U.S. Federal Law Enforcement Agencies, specifically the DEA, FBI, INS, and USCS, to provide technical assistance to eligible SECI states on anti-crime initiatives and (in cooperation with the World Bank) customs/border reform. This assistance has included advice on the development of specialized task forces to operate nationally and cooperate regionally (via the SECI Anti-Crime Center) to combat the trafficking in human beings, narcotics, and commercial fraud. Also, the Department will be looking to increased integration with the Stability Pact Organized Crime (SPOC) Initiative to better facilitate Euro-Atlantic cooperation in these areas, and best utilize limited resources to avoid duplication.

Already, formal and informal cooperation via the SECI Anti-Crime Center in Bucharest has resulted in a small number of successful cross-border law enforcement actions. In April, a joint Turkish-Romanian operation resulted in the simultaneous arrests of 33 organized crime suspects in both countries. Earlier this year, 500 kilograms of heroin were seized through the cooperation of 3 SECI states; sources at DEA report that partnerships forged thru SECI were crucial to facilitating this working level cooperation. SECI is not going to improve the region overnight, but seems to be forging links for institutionalizing regional cooperation on a number of crime and trade facilitation issues.

Question. Instead of having members of the Armed Forces performing (police) duties, shouldn't we place greater effort in training civilians for police service (citing the OSCE police training academy as an example)?

Answer. Training and development of the new Kosovo Police Service (KPS) has been a top priority since the start of the U.N. peacekeeping mission in Kosovo. Since military forces are generally ill-equipped for law enforcement duties and not trained to be police, once the military situation was stabilized, deployment of international civilian police (CIVPOL) was begun, along with development of the KPS.

Today in Kosovo, CIVPOL has primary responsibility for law enforcement, with approximately 4,400 CIVPOL deployed throughout the region. Also, nearly 2,400 members of the KPS, all trained at the Organization for Security and Cooperation in Europe (OSCE) police school in Kosovo, are independently carrying out police duties under CIVPOL supervision. Training of KPS officers continues, with an additional 1,200 expected to be ready by next July.

Question. Is the Department working toward the timely closure of OSCE missions?

Answer. The Department has taken the lead within the OSCE in moving toward closure of the Missions in Latvia and Estonia. In late 2000 we assisted the Austrian CiO in developing specific closure guidelines to allow these two missions to close. We are currently working with the Governments of Latvia and Estonia to ensure

that they meet the requirements for closure. Our current goal is missions to shut down in December 2001.

We are also beginning the process of identifying closure guidelines for the Croatia Mission. The mission has drawn down its international staff level from 250 in mid-2000 to 120 today. The consolidation of mission staff and exploration of closure guidelines has come in response to the positive actions undertaken by the current government. We want to ensure a continued focus by the OSCE on refugee returns, local/regional government development and property reparations as the Croatia Mission begins to explore closure options. We have also seen a 37 percent decrease in the fiscal year 2001 budget of the Bosnia Mission as responsibility for organizing and conducting elections was turned over to the host government. These examples underline the OSCE's commitment to continuously evaluate progress in meeting the mandated goals of field missions, and moving to closure of missions once those goals are met.

Question. How much importance does the Department attach to periodic review of implementation of OSCE commitments by the countries that have signed the Helsinki Final Act?

Answer. The Department places great importance on reviewing implementation of OSCE commitments. At the weekly Permanent Council meetings as well as the annual Human Dimension Implementation Meetings, the Department raises its concerns about how other OSCE participating States are meeting their OSCE commitments on religious freedom, media freedom, prevention of torture, freedom of movement, rule of law, trafficking in human beings and other human dimension areas.

This process of having OSCE member states remind each other of their commitments, complemented by recommendations for improvements, is essential to building a more democratic, prosperous and secure future for the OSCE region. It is a form of conflict prevention in practice. The Department works very closely with the United States Commission on Security and Cooperation in Europe on OSCE issues, including the Implementation Meetings. As a measure of the importance the United States. places on the role of the Implementation Meetings in advancing the Helsinki process, the Department sent to the last Implementation Meeting in Warsaw a United States delegation that included 40 members.

Question. In your testimony you mention the fact the freedom of the press is under threat in most of the Independent States of the Former Soviet Union. I understand that you will be meeting with the Russian Foreign Minister later this week.

Will you raise related concerns during the course of that meeting?

Answer. We have stressed to the highest levels of the Russian Government the importance of press freedom for the development of democracy in Russia. We will continue to do so at every opportunity.

I raised the question of press freedom in Russia during my meeting with the Russian Foreign Minister on May 18. The U.S. Government has consistently expressed its concern over the state of press freedom in general and the specific case of Vladimir Gusinskiy's Media Most company. We are gravely concerned by the recent takeover of Gusinskiy's NTV, the only independent national television station, by the state-owned oil company Gazprom, acting as a surrogate for the Kremlin.

Question. The United States-based Committee to Protect Journalists (CPJ) recently issued its listing of the Ten Worst Enemies of the Press for 2001, among them Russia and Ukraine. CPJ alleges that "President Putin pays lip service to press freedom in Russia, but then maneuvers in the shadows to centralize control of the media, stifle criticism, and destroy the independent press."

Do you agree with this general assessment? What can be done to promote greater respect for freedom on media in Russia?

Answer. It is our strong belief that Russia's success as a free market economy and democratic society can only be complete if the media is fully independent. Unfortunately, financial and legal pressure by local governments and now increasingly by the central government has undermined media independence. Some journalists have been arrested or beaten for reporting on controversial topics; many also face crippling libellawsuits. Beyond that, it is extremely difficult for Russian media outlets to operate on a commercially viable basis, especially when advertisers are discouraged against advertising in private media by government officials, or to compete against state-subsidized media.

On the diplomatic level, we are maintaining pressure on the Russian Government to protect media freedom. Support for independent media is also one of our highest assistance priorities. We are currently providing assistance to both print and broadcast media through consulting and training to promote their economic viability, support to enable them to become more effective advocates for journalistic freedom, and grants to encourage independent reporting.

In the context of the Administration's overall review of our Russian assistance programs, expected to be completed by the end of June, we are looking at ways to enhance current efforts. Ideas being considered include more support for legal defense of journalists and media outlets, support for media watchdog and advocacy groups, and a solid monitoring effort to track and highlight regional and national attempts to suppress news. We are also consulting with other donors to develop a joint response to the immediate crisis and to help prevent other outlets from meeting the same fate as NTV, Itogi and Segodnya by providing more direct assistance.

BELARUS: U.S. POLICY AND RUSSIA

Question. Is the United States committed to support the democratic movement in Belarus over the long haul? Will you raise the troubling developments in Belarus in your discussions with your Russian counterpart?

Answer. We have a long-term commitment to democracy in Belarus, as shown by the fact that United States policy toward Belarus has not changed with the change of Administrations. Our main goal remains the restoration of democracy in an independent Belarus. To this end, we strongly support the work of Belarusian democrats, including civil society and independent media, to bring their country back into the Euro-Atlantic community of democracies. In addition to political and moral support, we are providing $12 million in democracy programs in fiscal year 2001, and we are supporting the work of the OSCE in Belarus.

Russia's position on Belarus is troubling. On one hand, relations between President Putin and Aleksandr Lukashenko are clearly strained. On the other, Russia continues to give political and economic support to Lukashenko's authoritarian policies. The Russian Government may be beginning to understand in the West about Russia's general commitment to supporting democracy in other countries. I discussed Belarus with FM Ivanov during his visit to Washington in mid-May and will raise United States concerns over Belarus in future meetings with him.

Question. Is the Department committed to working with the OSCE countries to improve the situation faced by the Roma, including through adoption of anti-discrimination laws?

Answer. The Department is committed to protecting and promoting the human rights of Roma in OSCE countries, both within a bilateral context and also through OSCE institutions, such as the Office for Democratic Institutions and Human Rights (which has Contact Point on Roma/Sinti issues) and the High Commissioner on National Minorities. As we have made clear in bilateral engagements, at the OSCE, and in public statements, the Department calls on all governments to respect the rights of Roma. We continue to urge OSCE participating States to honor their commitment, made at the 1999 Istanbul Summit, to ensure that laws and policies fully respect the rights of Roma and, where necessary, to promote comprehensive anti-discrimination legislation.

Question. Has the Department raised security concerns with the Government of Greece in anticipation of the upcoming Olympic Games? Has Athens shown greater willingness to cooperate in efforts to root out domestic terrorist groups like 17 November?

Answer. The Department has been working closely with the Greek Government on the issue of Olympics Security. At the request of the Greek Government, we and other concerned members of the international community—the UK, Spain, Australia, France, and Israel—have formed an Olympic Security Advisory Group (OSAG), which has met several times in Athens since December 2000. Through OSAG, we are working to help the Greeks identify unmet security needs and offering advice on how they can meet those needs. In addition, Greek law enforcement experts have visited the United States and participated in security training exercises for the 2002 Salt Lake City Winter Olympics. From our perspective, the OSAG process has been highly productive. I would add that we are posting a special Diplomatic Security Olympics Coordinator in Athens this summer, as we did for the Sydney Games, to manage the United States effort.

As we know from experience, preparing for the Olympics is a momentous challenge regardless of the venue, and one that requires an extraordinarily high degree of international cooperation. The USG will continue to support Greek efforts toward a safe, terrorism-free Olympics. Clearly, much work remains to be done. I am confident that the Greek Government will do everything possible to ensure the safety of the Games, and we will assist them in any way that we can.

On the specific issue of terrorism, we have made our bottom line—the need for results—well known to the Greek Government, including during Foreign Minister Papandreou's very succe ssful recent visit (May 20–24) to the United States. The Greek Government has become more determined in the fight against terrorism since

the murder of UK Military Attache Stephen Saunders in Athens last year. The Greeks have taken a number of important steps, including publicizing a reward for information, bolstering police capabilities, and drafting new legislation on organized crime and terrorism with important new tools like witness protection. However, the bottom line is that the "17 November" terrorists who planned and carried out the murder of five members of the United States Mission in Greece, wounded dozens more Americans, and killed an even larger number of Greeks must be brought to justice.

We cooperate closely with the Greek Government and the Greek police to support their counter-terrorism efforts, while fully respecting Greek sovereignty and authority. This cooperation has improved since last year. The Anti-Terrorism Assistance program and the FBI—working through our Embassy in Athens in close cooperation with the British Embassy and Scotland Yard—provide training to develop the police counterterrorism unit's professionalism. We are providing assistance where we can, but ultimately the deadly violence of "17 November" and other terrorist organizations is a Greek problem to be solved by Greeks.

Question. What is your initial assessment on the role the OSCE is playing and could play in Europe? What are your views of President Putin's call to expand the scope of activities of the OSCE in the security arena?

Answer. The OSCE is an institution where all the countries of Europe have an equal voice, and all have agreed to uphold a common set of principles. It is a valuable forum for engaging positively with the Russians and developing and advancing common policies with our allies and friends. OSCE cooperates with other institutions to address common challenges.

The OSCE has played an active and evolving role in assisting countries making the transition to democracy and in addressing transnational threats to stability. OSCE missions have helped to diffuse inter-ethnic and inter-regional tensions. It has played an important role in facilitating implementation of international agreements. The OSCE is actively engaged in post-conflict rehabilitation in the Balkans.

Russia is free to raise concerns or make proposals in the OSCE context. I would note, though, that the organization operates on the basis of consensus. No one country can advance an agenda that is not supported by other states. Further, we do not support any hierarchy among European or Trans-Atlantic institutions.

The OSCE can make its greatest contribution to security by a continued focus on intra-state threats to democracy and transnational issues that undermine stability. OSCE should implement activities designed to create a stable democratic political process and respect for the rule of law and human rights, counter corruption and trans-border crime, improve economic and environmental conditions, and implement certain arms control agreements and confidence building measures.

SUBCOMMITTEE RECESS

Senator McCONNELL. Thank you very much, that concludes the hearing. The subcommittee will stand in recess until 10:30 a.m., Wednesday, July 11, when we will meet in room SD–192 to hear from the Assistant Secretary of State Rand Beers.

[Whereupon, at 11:25 p.m., Tuesday, May 15, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, July 11.]

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR FISCAL YEAR 2002

WEDNESDAY, JULY 11, 2001

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

The subcommittee met at 10:38 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Patrick J. Leahy (chairman) presiding.

Present: Senators Leahy, McConnell, Specter, and Campbell.

DEPARTMENT OF STATE

STATEMENT OF RAND BEERS, ASSISTANT SECRETARY OF STATE, BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Good morning.

I understand Mr. Deal is here. Feel free to take your seat, Mr. Deal. I understand Mr. Beers is on his way, is that correct? He is here, okay.

The purpose of this hearing is to review the status of United States support for Plan Colombia and to get an explanation of the President's budget request for an additional $731 million in fiscal year 2002 foreign operations funds for the now renamed Andean Counterdrug Initiative. Our first panel consists of Rand Beers, who is the Assistant Secretary of State for International Narcotics and Law Enforcement and Michael Deal, who is USAID Senior Deputy Assistant Administrator for Latin America and the Caribbean.

Both witnesses deserve a great deal of credit for managing what is unquestionably one of the most complex, controversial, costly, and risky foreign assistance programs the United States is currently undertaking.

Our second panel, of one, will be Jose Miguel Vivanco, the Executive Director of the Americas Division of Human Rights Watch. He is widely respected for his extensive knowledge and balanced analysis of the human rights situation in Colombia and throughout Latin America.

Now, there is no doubt that the enormous flow of illegal drugs into the United States from Latin America poses a serious threat to the health and safety of the American people. There is also little doubt in my mind that the administration's Andean Counterdrug

Initiative, however well intentioned, will not appreciably reduce that flow of drugs, whether this year or in the future, and as most know who deal with this, even if it did it would not appreciably reduce the amount of drug usage in the United States.

As General Pace and Secretary Rumsfeld have said, like practically every other administration official who has commented on the subject, we are not going to deal effectively with the drug problem in this country until we reduce the demand for drugs here at home. No matter how many billions of dollars we spend, no matter who we support around the world to stop the flow of drugs, they are going to come in here, until the wealthiest Nation on Earth stops paying whatever is necessary to get drugs.

While everybody who has testified for the administration knows this, every parent knows this instinctively, virtually every Member of Congress knows this, President Bush's budget would cut funding for programs to reduce the demand for drugs by America's youth by some $74 million. That is a mistake. If you do not reduce the demand for the drugs, the drugs are going to come in, whether they come from Colombia or from Southeast Asia or anywhere else. They are going to come in until we stop using them.

We have been down this road so many times before, and yet we continue to repeat our mistakes.

I agree with those who believe that the United States should help Colombia. I have great admiration for President Pastrana. He has risked his reputation. He has also risked his personal safety for the cause of peace. He has some very capable people under him, including the minister of defense and the chief of the armed forces. Colombia's Ambassador Moreno is one of the finest foreign diplomats in this town, also one of the hardest working people I know.

These are people who are trying to do what is best for their country. They deserve our support. The Colombian Government has every right to defend itself against a guerrilla insurgency financed by revenues from protecting drug traffickers whose ranks include child soldiers, that use murder, kidnapping, and other brutal tactics to achieve its goals. Of course the Colombian government has a right to defend against that.

But the Colombian armed forces also have a responsibility to aggressively combat the paramilitaries, whose numbers have doubled in the past 2 years and whose gruesome tactics mirror those of the Guatemalan army and the Salvadoran death squads in the 1980's, groups, incidentally, directly or indirectly aided by the United States.

The State Department and respected human rights organizations report that the Colombian military continues to provide tacit as well as tangible support to the paramilitaries. In the midst of this widening civil war, United States policy purports to be limited to counternarcotics. That is an admirable goal that bears decreasing resemblance to reality.

Last year Senator McConnell and I increased funding to strengthen the justice system in Colombia and to reform its weak and corrupt institutions. This is key to the success of everything else we hope to achieve in Colombia. I am concerned about the slow progress of judicial and democratic reform.

PREPARED STATEMENT

As our witnesses clarify the goals and expected results of this initiative, I hope they will also directly address the concerns that I and others have raised about the long-term financial costs, the risks to American personnel, including private contractors, and the danger that the United States will become increasingly enmeshed in a civil war where innocent people are often the targets.

I would yield to the distinguished ranking member of this subcommittee, the former chairman and one who has spent an enormous amount of time on this subject.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

The purpose of this hearing is to review the status of United States support for Plan Colombia, and to explain the President's budget request for an additional $731 million in fiscal year 2002 Foreign Operations funds for the renamed "Andean Counterdrug Initiative."

Our first panel consists of Rand Beers, Assistant Secretary of State for International Narcotics and Law Enforcement—with able back-up from Deputy Assistant Secretary William Brownfield, and from Michael Deal, USAID Senior Deputy Assistant Administrator for Latin America and the Caribbean.

Both witnesses, and Secretary Brownfield, deserve a great deal of credit for managing what is unquestionably one of the most complex, controversial, costly and risky foreign assistance programs the United States is currently undertaking.

Our second panel of one will be Jose Migel Vivanco, Executive Director of the Americas Division of Human Rights Watch, who is widely respected for his extensive knowledge and balanced analysis of the human rights situation in Colombia and throughout Latin America.

There is no doubt that the enormous flow of illegal drugs into the United States from Latin America poses a serious threat to the health and safety of the American people.

There is also little doubt in my mind that the Administration's "Andean Counterdrug Initiative," however well intentioned, will not appreciably reduce that flow of drugs, whether this year or in the future.

As General Pace and Secretary Rumsfeld have said—like practically every other Administration official who has commented on the subject, we are not going to deal effectively with the drug problem in this country until we reduce the demand for drugs here at home.

Yet, President Bush's budget would cut funding for programs to reduce the demand for drugs by America's youth, by some $74 million. That is a mistake. We have been down this road time and time again, and yet we continue to repeat our mistakes.

I agree with those who believe that the United States should help Colombia. I have great admiration for President Pastrana, who has risked his reputation and his personal safety for the cause of peace.

He also has some very capable people under him, including the Minister of Defense and the Chief of the Armed Forces, and Colombia's Ambassador Moreno, who is one of the finest foreign diplomats in this town.

These are people who are trying to do what is best for their country, and who deserve our support.

The Colombian Government has every right to defend itself against a guerrilla insurgency, financed by revenues from protecting drug traffickers, whose ranks include child soldiers, that uses murder, kidnaping and other brutal tactics to achieve its goals.

But, the Colombian Armed Forces also has a responsibility to aggressively combat the paramilitaries, whose numbers have doubled in the past two years and whose gruesome tactics mirror those of the Guatemalan Army and the Salvadoran death squads in the 1980s.

The State Department and respected human rights organizations report that the Colombian military continues to provide tacit, as well as tangible support to the paramilitaries.

In the midst of this widening civil war, United States policy purports to be limited to counter-narcotics. That is an admirable goal that bears a decreasing resemblance to reality.

Last year, Senator McConnell and I increased funding to strengthen the justice system in Colombia and to reform its weak and corrupt institutions. This is key to the success of everything else we hope to achieve in Colombia, and I am concerned about the slow progress of judicial and democratic reform.

As our witnesses clarify the goals and expected results of this initiative, I hope they will also directly address the concerns that I and others have raised about the long term financial cost, the risks to American personnel—including private contractors, and the danger that the United States will become increasingly enmeshed in a civil war where innocent people are often the targets.

OPENING STATEMENT OF SENATOR MITCH MC CONNELL

Senator MCCONNELL. I thank my friend Senator Leahy for his leadership both as chairman and as ranking member over the years. We have worked together for a long time now and have enjoyed mutual confidence. I enjoy our association and appreciate his having the hearing today.

Today's subcommittee hearing on the fiscal year 2002 funding request for the $882 million Andean Regional Initiative is timely and serves as an appropriate follow-up to last year's joint hearing on Plan Colombia.

Senator LEAHY. Before you continue, I should point out that the President was just on the Hill. He was probably meeting with you for all I know, Senator McConnell. I understand that Mr. Beers may have been caught in the lockdown of the traffic when that happens.

Mr. BEERS. Yes, sir.

Senator LEAHY. It happens to all of us. Go ahead.

Senator MCCONNELL. As I was saying, this is an appropriate follow-up to last year's joint hearing on Plan Colombia. As we have the most to gain from questioning witnesses, my opening comments will be brief. Let me just make four points.

First, the illegal growth, manufacturing and trafficking of coca is a shared problem between North, Central, and South America, and Europe for that matter. Demand on American streets is met by a steady supply of illegal drugs manufactured in laboratories on rivers and in the hills of Colombia and elsewhere in the region.

How bad is it? By some estimates, Colombia alone produces 580 metric tons of cocaine, which is 235 metric tons more than needed to meet America's unfortunate cocaine habit.

Shared problems call for shared solutions, which brings me to my second point: The need for a coordinated counterdrug strategy. The development of any plan to stem this threat that is not integrated and regional in nature will be an expensive mistake in terms of taxpayer funds and human lives. I made my concerns with the shortsighted strategy to counterdrug efforts very clear during last year's hearing on the $1.3 billion supplemental request for Plan Colombia. My views remain largely unchanged. The law of supply and demand dictates that narcotics interdiction, law enforcement, drug abuse treatment, crop eradication, and political, economic, and social development all have to go hand in hand, no matter where the problem arises.

While the Andean Initiative addresses the spillover of the drug trade from Colombia to neighboring countries, much more must be done to promote regional consultations, coordination of law enforcement activities, and intelligence and expertise sharing.

Bolivia, for example, has enjoyed success in eradicating coca and promoting alternate development activities, and other countries can and should learn from the Bolivian experience. At the same time, political leaders in La Paz have no choice but to remain vigilant to ensure that spillover from Colombia does not undermine their substantial achievements. Like a chronic disease, the threat from narcotics trade never dissipates and must be constantly monitored and managed.

Third, the rule of law, democratic governance, and respect for human rights are essential foundations for any long-term counterdrug effort. Endemic corruption, political instability and impunity serve to undermine the multi-billion dollar investment the United States has already made in Colombia and the Andean region.

What will be the most telling of Plan Colombia and the Andean Regional Initiative is not the dollar amounts associated with legal, political, and human rights programs, but concrete results achieved through U.S.-funded activities.

Finally, the administration has a responsibility to keep the American people fully informed of all facets of our efforts in the Andean region, from environmental concerns arising from aerial spraying to the collusion of some in the Colombian military with paramilitary groups to obstacles in implementing necessary political and legal reforms. Anything less than the truth will erode public support and confidence in counterdrug programs and activities conducted abroad.

Thank you very much, Mr. Chairman, for the opportunity to make opening statements. I, too, look forward to hearing from the witnesses.

Senator LEAHY. Senator Campbell, did you have anything you wanted to add?

OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Well, thanks, Mr. Chairman. Just let me make a couple of observations, and I want to certainly associate my comments with yours when we talk about education. You know, I guess it is pretty common for elected officials when they talk about crime and fighting the drug war to speak very heavily in favor of more incarceration and being tougher and locking them up and making them bust rocks for life and that kind of stuff.

The bottom line is, if you track our prison population, which is going up, I mean, from roughly half a million to a 1.2 or 1.3 million in the last 10 years, and about 70 percent of it being related to drugs, anybody in their right mind knows we have got a big problem. I believe, as you do, that as long as the world operates on the theory of supply and demand, I do not care how much money we put into the Andean Initiative or any other initiative; until we convince people that they do not need it, we are not going to win that war.

As the former chairman for the last 6 years of the Treasury Subcommittee, which supplies the money for the drug czar and the DEA, we have had Senator Kohl first and Senator Dorgan now and I have had a great deal of input on trying to provide money for education. In fact, we put over $500 million of taxpayers' money

into a drug czar program under General McCaffrey to television and ads on radios and magazine ads and so on to try to encourage youngsters, particularly teenagers, to leave it alone.

We have been able to track over the last 6 years if we have had any effect and in fact, if you look at the statistics, the drug use for that age group has gone down. We think we had something to do with that by providing enough money to encourage youngsters not to do it.

However, the drug use has gone up in other areas, as you know, particularly with adults. But I do not know how you tell kids to leave it alone when their parents are using it. But the bottom line is that we have to, as Senator McConnell said, we have to attack it on literally all phases, whether it is in Bolivia or Colombia or here or wherever the problem is.

But I am convinced, after the years of being a former prison counselor and having a number of other experiences in what I call my real life, that the drug war is just unwinnable until we get to the youngsters and convince them that somehow they do not need it. That is the first thing.

Of course, the second thing is that farmers that are raising coca crops, and until we find markets for something they can raise, whether it is wheat or barley or hay or something else, and they can make a living on that, they are going to keep producing the cash crop that brings in the most money and that obviously is coca for them.

So I look forward to the hearing. I have read part of the testimony already and would like to ask a few questions if I have the time.

Thank you, Mr. Chairman.

Senator LEAHY. Thank you, Senator Campbell. You, like I, have also spent some time in law enforcement and we know that these are not things that law enforcement is going to handle by itself by any means.

I am going to recognize Assistant Secretary Beers first and then go to Mr. Deal. We will put their full statements in the record. I would ask that you try to limit your time to 5 minutes because I know we are going to be going back into session. We had to cancel this hearing yesterday because of the votes. We are going to be back in that same situation and Senators are going to want to ask questions.

So Secretary Beers, good to have you here, sir, and please go ahead.

SUMMARY STATEMENT OF HON. RAND BEERS

Mr. BEERS. Thank you very much, sir. Thank you for the acknowledgment of the difficulty of getting here. Sorry I was late.

Senator LEAHY. I realized afterward I had heard a lot of commotion, seen a lot of the extra police around, and thought that was probably what it was. You are an extraordinarily hard-working, extraordinarily punctual person, and I now put that on the record for everybody to hear.

Go ahead.

Mr. BEERS. Thank you, sir.

Thank you for this opportunity and this hearing to appear before you and your distinguished colleagues. Before embarking on my oral remarks, let me respond to the comments which you and Senator Campbell both made. There is no disagreement on this side either that demand reduction is an essential element of dealing with the drug problem. But just as supply reduction by itself cannot succeed, neither do we believe can demand reduction.

While my job focuses on supply reduction, I come before you to talk about that particular aspect. We do have a small demand reduction program, about $8 million across our entire budget, but it is a small program.

The Andean Counterdrug Initiative, or the Andean Regional Initiative, for us represents a comprehensive and integrated response to the complex and interrelated issues of drugs, development, and democracy in the Andean region. We have requested $882 million in funding for this initiative and enactment of an extension of the Andean Trade Preference Act. This is done in support of the foundation laid by Plan Colombia, which all recognized was not a 1-year funding initiative, but it also recognizes that Plan Colombia was only a partial as well as initial response.

It is absolutely essential to build strong democracies, strong economies, and strong institutions that will work to dismantle and prevent a resurgence of the drug trade, not just in Colombia but in the region as a whole. Whereas Plan Colombia was highly focused on Colombia itself, the Andean Regional Initiative directs over 50 percent of the funds to the six other countries—Peru, Bolivia, Ecuador, Venezuela, Brazil, and Panama.

Whereas Plan Colombia was highly focused on enforcement and security, the Andean Regional Initiative requests over 50 percent of the funds for alternative development, democracy, institution building, health, education, and general development.

We have also made an attempt to coordinate with the countries in the region before making this presentation and to consult with other donors around the world to talk about how we might work together to deal with this problem.

Mr. Deal will focus on the development issues. I will leave the rest of my remarks to focus on the enforcement and security side.

Colombia remains the major focus of this program: $399 million total, of which $252 million are for enforcement and security. The funds in this area will go primarily to continue the support for programs that were already funded in the Plan Colombia initiative: fuel, spare parts, facilities, and training. There will be no major acquisitions in the Colombian portion of this program. It will support both the military and the police. It will focus on southern Colombia, but it will not be limited to southern Colombia.

Peru and Bolivia are also significant programs and we have requested $206 million and $143.5 million for those two programs, of which $77 million and $54 million will be for enforcement and security. Again, these programs will support existing programs where we have had major successes in reducing coca cultivation. We cannot afford to have a resurgence in these particular areas. So we will focus on eradication and alternative development. There will be some procurement in association with this. We are planning on

refurbishing the helicopters for the Peruvian National Police and taking them from UH–1H's to Huey II's.

In Ecuador we have a large program beginning this year of $76.5 million, with $19 million for enforcement and security. It will focus on northern border control plus maritime and airport control.

In Brazil, a $26 million program will have $15 million for enforcement and security. We will support the counternarcotics operation Cobra along the Colombian border. This is the second largest user of cocaine in the world.

Venezuela, a $10 million program for enforcement and security to support the counternarcotics operations that have been very successfully prosecuted there.

In Panama, $11 million out of $20 million to support police operations, with limited support for maritime and air efforts and a minimal border control effort in Darien.

Let me speak briefly now to the issue of aerial eradication because it has been a concern of a number of people. We believe that aerial eradication is absolutely essential. By itself it is not sufficient. It needs to be done in conjunction with alternative development, a carrot and stick operation which will allow us to put at risk the efforts of farmers who have to invest in fertilizers and precursors and their own sweat in order to produce coca for high dollars. We have to reduce their return on that effort and that is what the aerial eradication effort is about.

For the first year, we will be spraying throughout the country. For the first year, we will have recurrent operations throughout the country. But, that said, this must be a fair process. It must spray coca and opium poppy and not legal crops, and we have taken every effort to do that. There have been reports that we have sprayed crops and we have where they are in coca fields, but we have not and we have no record of verifiable spraying of crops other than crops in coca fields.

Second, there has been a health risk issue. We have tested this in the United States, we have tested it in Colombia. It has been under way since 1994 in Colombia. In the proper dose, it will kill coca and opium poppy, but not rain forest, not animals, and not persons. It biodegrades quickly in the soil.

There are reports of health hazards to individuals. We have gone in one instance to Noringo and looked at the individuals with skin problems and found no record of association, no record of association between spraying and the skin conditions of the youngsters who were reported in a sensationalist article in the Dutch press. We have conducted a similar review in Putamayo. While that review is not entirely finished, we have not found an association with the spraying there, either.

We are conducting, nonetheless, a long-term review of this issue where we will do before and after samples in areas where we intend to spray in the future in order to be able to scientifically determine whether or not there is a particular problem.

But let me say it is important to remember that cutting rain forest, using fertilizers and herbicides like Paraquat and precursor chemicals like acetone, potassium permanganate, and sulfuric acid do far more to damage the environment than aerial eradication,

and it is narcotrafficker dollars that create the crop demand, not aerial eradication.

PREPARED STATEMENT

Finally, on the human rights issue in Colombia and in the region, it remains a top item in our agenda of cooperation, especially in Colombia. Programs have made progress. Trials and convictions of Colombian military guilty of human rights abuses, operational excesses in capturing paramilitary members, leaders and financial supporters are all to the credit of the government of Colombia, but we and they know more is necessary. We have programs and we hope to work with you, sir, to do that.

Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF RAND BEERS

Good afternoon, Mr. Chairman, Members of the Committee. I am pleased to be here today to discuss with you the Department of State's programs envisioned under the Administration's proposed Andean Regional Initiative, or ARI.

First, I'd like to provide you background on the origin of the President's Initiative. In July 2000, Congress approved a $1.3 billion supplemental appropriation to carry out enhanced counternarcotics activities in the Andean region. Of that amount, approximately $1 billion in Function 150 funding through the State Department was the U.S. contribution to what has become known as Plan Colombia, a comprehensive, integrated, Colombian action plan to address Colombia's complex and interrelated problems. The initial two-year phase of Plan Colombia focused on the southern part of the country. It began with an intensive counternarcotics push into southern Colombia, along with the expansion of programs aimed at social action and institutional strengthening, and alternative development. Plan Colombia is now well underway and showing good early results. In addition to stemming the flow of narcotics entering the U.S., our assistance is intended to support institutional and judicial reform, as well as economic advancement, in one of this hemisphere's oldest democracies.

Members of Congress, the NGO community, and other interested observers had previously expressed concerns regarding aspects of U.S. Government support to Plan Colombia. Those concerns focused particularly on three areas: that we did not consult widely enough in putting together our support package; that we focused too much on security and law enforcement, and not enough on development and institutional reform; and that our assistance was too heavily oriented toward Colombia as compared to the rest of the region.

The Administration has taken to heart those concerns in formulating the President's proposed Andean Regional Initiative (ARI). ARI is the product of consultations with the staffs of committees and Members of Congress, with the governments of the region, and with other potential donor countries and international financial institutions. ARI addresses the three issues that lie at the heart of the challenges facing the region: democracy, development, and drugs. ARI balances the need to address the continuing challenges in Colombia with the competing priority of working with the rest of the region to prevent a further spreading of Colombia's problems or backsliding in areas where progress already has been made.

The President has proposed $882 million in Function 150 programs for the ARI. $731 million of the $882 million in ARI is for the Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) funding of the Andean Counterdrug Initiative (ACI). The ARI also includes funding for relevant Economic Support Funds (ESF), Developmental Assistance (DA), and Child Survival and Disease (CSD) programs, plus a small amount of Foreign Military Financing (FMF). The ARI covers programs in Bolivia, Colombia, Ecuador, Peru, and Venezuela, and those areas and programs in Panama and Brazil most affected by the region's problems and those where our assistance can best make a difference. In addition to being balanced geographically, our budget will likewise be balanced programmatically. About 50 percent of the ARI budget will be devoted to programs focused on development and support for democratic institutions. Integral to ARI as well are the economic development and job creation afforded by expanded trade opportunities. The Free Trade Area of the Americas (FTAA) can help the entire region

through increased investment and job creation. More immediately, renewal and enhancement of the Andean Trade Preferences Act (ATPA) can provide real alternatives to drug production and trafficking for farmers and workers desperate for the means to support their families.

Our support to Plan Colombia was the first step in responding to the crisis underway in Colombia. The Andean Regional Initiative is the next stage of a long-term effort to address the threat of narcotics and the underlying causes of the narcotics industry and violence in Colombia, while assisting Colombia's neighbors to ward off those same dangers in their own countries. Their success is vital to our own national interests in promoting the spread of strong democratic institutions, the enhancement of trade and investment opportunities for U.S. businesses and workers, and the reduction of narcotics production and trafficking that threaten our society.

My USAID colleague will describe in detail the status of our alternative development projects. However, I want to point out that alternative development is an integral part of our plan for weeding out illicit coca and poppy cultivation in the Andes. We have had large alternative development programs in Bolivia and Peru for many years, and they have been quite successful, combining with aggressive eradication and interdiction programs to produce significant declines in the coca crops of those countries. Colombia is trying to replicate that success in Plan Colombia, combining a substantially expanded alternative development program with aerial eradication and interdiction activities in southern Colombia, currently the largest concentration of coca cultivation in the world.

I am pleased to report that the Department is moving quickly to implement our support to Plan Colombia. Below, I will discuss delivery of helicopters, aerial spray aircraft, and other equipment which is proceeding smoothly. I will also describe our support for the Colombian Government's aerial spraying program.

I'd then like to discuss the proposal we have submitted in our fiscal year 2002 budget request for INL's $731 million Andean Counterdrug Initiative (ACI), as part of the larger $882 million ARI. This initiative addresses holistically—providing assistance for social and economic development as well as for counternarcotics and security efforts—the narcotics scourge throughout the Andean region. We are hopeful that this macro-approach will eliminate the "balloon effect" which we observe when programs are developed country by country.

Finally, I will note our support for the ATPA.

STATUS OF SPENDING ON PLAN COLOMBIA

In less than one year, the Department has "committed" approximately 75 percent of the $1.018 billion two-year Plan Colombia Supplemental. By "committed," we mean that we have contracted for equipment or services, signed reimbursable agreements with other agencies or bureaus within the Department, and contributed to the UN. Taken together, these "commitments" total more than $760 million of the Supplemental.

STATUS OF EQUIPMENT DELIVERIES

Turning now to our equipment deliveries, I can say that they have proceeded smoothly, generally adhering to the anticipated schedules. Some have even been accelerated from their original estimates. As of July 10, 2001, the status of UH–60, UH–1N, Huey–II and spray planes is as follows:

COLAR and CNP Black Hawks.—A contract was signed with Sikorsky on December 15th for 14 Black Hawks for the Colombian Army (COLAR) and two helicopters for the Colombian National Police (CNP). Specifications for the aircraft configuration were based on SOUTHCOM recommendations with input from respective Colombian organizations. Arrangements are being made for delivery by the end of this month of the two CNP aircraft and the first COLAR aircraft. Remaining deliveries will be made in increments through December of this year. The contract includes one year of contractor logistics support (CLS). We expect to extend this contract pending availability of fiscal year 2002 funding.

COLAR UH–1Ns.—The UH–1Ns supplied to Colombia earlier continue to provide air mobility support to the troops of the Counterdrug Brigade.

CNP Huey-IIs.—INL and the CNP agreed to use the $20.6 million CNP Huey-II and $5 million CNP aircraft upgrade budget lines from the Supplemental to modify nine additional aircraft to desired specifications and retrofit 22 of the earlier produced Huey-IIs to include additional options, such as floor armor and passive infrared (IR) countermeasures. A delivery order has been issued for four modifications to be accomplished by U.S. Helicopter (completion expected approximately August/September), and the other five modifications will be done by CNP in-country with

kits furnished by INL. (Note: 25 Huey-II helicopters have been delivered to the CNP from previous fiscal year 1998 and fiscal year 1999 funding.)

Colar Huey-IIs.—SOUTHCOM presented their recommendations on the configuration of the Colar Huey-IIs on February 22nd. An interagency team then selected a configuration that includes a passive IR engine exhaust system, floor armor, M60D door guns, secure radios, and a radar altimeter, along with other standard equipment. We estimate that 25 Huey-IIs modified to this standard, along with individual crew equipment (NVGs, survival vests, helmets, etc.) and some spares will be possible within the $60 million line item of the Supplemental Appropriation. We have established a contract delivery order for the accomplishment of the initial 20 modifications, with options for additional aircraft. Work is in progress on these aircraft and we believe that aircraft deliveries to Colombia can begin by approximately January 2002.

Additional OV–10D Spray Planes.—Three aircraft are currently undergoing refurbishment/modification at Patrick Air Force Base and are expected to be completed in August of this year.

Additional Ayres Turbo-Thrush Spray Planes.—A contract is in place for nine additional agricultural spray planes. The first aircraft should be delivered in August, with the balance phased in through February 2002.

AERIAL SPRAYING

Plan Colombia-related aerial spray operations began on December 19, 2000, in the southern department of Caqueta and moved into neighboring Putumayo on December 22. Operations later shifted to the northern and eastern parts of the country.

Some allege that the glyphosate used in the spray program results in health side-effects to exposed populations. First, let me stress that glyphosate is one of the least harmful herbicides available on the world market. Glyphosate has been the subject of an exhaustive body of scientific literature which has shown that it is not a health risk to humans. It is used throughout the United States and over 100 other countries and has been rigorously tested for safety for animals and humans. Nonetheless, we feel compelled to probe assertions that it is making people sick. The Narcotics Affairs Section (NAS), with assistance from our regional EPA representative in Embassy Lima, is sponsoring a study on the issue. A NAS-contracted physician—Colombia's leading toxicologist—completed evaluation and treatment of several hundred individuals in Putumayo on June 20. His report is not complete, since the evaluations were so recently done. However, the same physician completed a similar study in Narino Department in May, concerning the same types of health problems as alleged in Putumayo, and found the several cases that he reviewed to be inconsistent with glyphosate exposure. He also discovered that, in fact, many of the cases were reported well before any aerial spraying was conducted in the area.

The timing of spray operations in Putumayo was based on a number of factors. Some were operational concerns, such as seasonal weather conditions. The timing of operations was also meant to discourage the return of an itinerant labor pool (coca leaf pickers or "raspachines") who generally spend the December holidays at their homes in other parts of the country. Importantly, the timing also corresponded with efforts to recruit communities to enroll in development programs. While the intent of the Colombian Government to conduct eradication in southern Colombia was well publicized, coca growing communities in the region initially showed little interest in participating in development programs, preferring instead to continue their illicit activity. Only after those initial spray efforts in Putumayo, which demonstrated the Government of Colombia's resolve to address the growing problem of coca cultivation in the region, did these communities express real interest in abandoning their illegal activities in exchange for assistance. Funding was already in place for these programs at the time spray operations began and, as each community signed up for the program, the process began to tailor community-specific assistance packages.

Many safeguards are built into the selection of spray targets and further improvements are constantly being made to the system. And while the Department of State does not select the spray locations, (those decisions are made by the Government of Colombia), the Department, through the Narcotics Affairs Section (NAS) of U.S. Embassy Bogota, does consult on the selection and supports the Colombian National Police (CNP) efforts.

According to Colombian law, an Inter-Institutional Technical Committee (ITC) of Colombian Government officials determines what areas of the country may or may not be sprayed. The CNP generates quarterly estimates of the illicit coca crop by flying over coca growing regions on at least a quarterly basis to search for new growth and to generate an estimate of the illicit coca crop. This information is re-

viewed for accuracy by technical/environmental auditors and is passed on to the ITC. The Directorate of Dangerous Drugs (DNE) chairs the ITC, which includes representatives from the Anti-Narcotics Police, Ministry of the Environment, the National Institute of Health, the National Institute of Agriculture, the National Plan for Alternative Development (PLANTE), regional environmental agencies, and technical/environmental auditors. The CNP notifies the NAS Aviation Office of all decisions as to which areas may not be sprayed. Spray operations are then coordinated and conducted in approved areas only.

Generally, reconnaissance flights are conducted over areas identified by the CNP in their quarterly coca crop estimates. With the use of SATLOC, an aircraft-mounted global positioning system, these flights identify the precise geographical coordinates where coca is being grown. Areas with large concentrations of coca are then plotted, and a computer program sets up precise flight lines, calibrated for the width of the spray swath of the spray plane to be used. Once the Government of Colombia has approved spraying in a given area, spray pilots then fly down those prescribed flight lines and spray the coca located there.

Also, every effort is made to protect legitimate farming operations from possible damage from the aerial spray program. The spray aircraft apply glyphosate at low altitude against predetermined fields, identified by earlier reconnaissance. The planes carry computerized GPS monitoring equipment that records their position and the use of the spray equipment. This system serves to verify that glyphosate is being accurately applied to intended areas. After spraying, combined U.S.-Colombian teams also visit randomly chosen fields, security permitting, to verify that the treated plants were indeed coca. To further aid in the identification of fields not subject to aerial eradication, the government of Colombia is currently working to produce a comprehensive digitized map indicating exempted areas.

Furthermore, the Government of Colombia maintains a system to compensate farmers for damages caused by the program. Over the past few months, we have encouraged the Colombian Government to streamline the process and efforts have begun to better educate the public about that option.

Recent field visits encountered evidence that coca growers in southern Colombia are using dangerous chemicals, such as paraquat. That is a concern to us as it presents a very real risk to the people of the region. The traffickers' utter disregard for human health and environmental security that pervades the illegal drug industry goes beyond the obvious examples of poisoning millions of drug consumers with their illegal products. It includes the clear cutting of rain forest; the contamination of soil and watersheds with acids and chemical salts; and the exposure of their workers and themselves to potentially deadly chemicals—all in the name of profit.

For example, the expansion of coca cultivation, production, and trafficking in Peru, Bolivia, and Colombia has resulted in the destruction of, at an absolute minimum, 2.4 million hectares of the fragile tropical forest in the Andean region over the last 20 years. In addition, the very act of refining raw coca leaves into finished cocaine creates significant environmental damage because of the irresponsible disposal of large amounts of toxic chemicals used in the process. A study conducted by the U.S. Drug Enforcement Administration (DEA) in 1993 of cocaine production in the Chapare region of Bolivia showed that production of one kilo of cocaine base required the use of three liters of concentrated sulfuric acid, ten kilos of lime, 60 to 80 liters of kerosene, 200 grams of potassium permanganate, and one liter of concentrated ammonia. Processors discard these poisonous waste products indiscriminately, often dumping them into the nearest waterway, where the extent of damage is greatly increased. They also may dump these chemicals on the ground, where as point sources, they may infiltrate through the soil to groundwater. A report from the National Agrarian University in Lima, Peru estimated that as much as 600 million liters of so-called precursor chemicals are used annually in South America for cocaine production. This translates to more than two metric tons of chemical waste generated for each hectare of coca processed to produce cocaine.

These environmental concerns are another reason why we must continue in our efforts to help the governments of the Andean region in their ongoing struggle against the narcotics industry.

HUMAN RIGHTS PROGRESS

The Government of Colombia's inability to prevent violence by the three illegal armed groups (the FARC, ELN, and the paramilitary AUC) is at the root of Colombia's human rights woes. Despite continuing institutional weakness, the Pastrana Administration has made a far greater effort than previous governments to improve the state's human rights performance. The Government of Colombia has instituted greater human rights accountability for human rights crimes committed by military

personnel. It has tackled the challenge of severing covert links between security force personnel and paramilitaries. Recently, Colombian security forces have scored significant successes against paramilitaries, shattering armed columns, arresting key leaders, and targeting major AUC financial backers for investigation. Indeed, these Colombian successes may have provoked recent AUC internal discord between those factions advocating retaliation against the Government of Colombia, and those which prefer to continue the AUC's general practice of not targeting Colombian troops, police, or officials. AUC leader Carlos Castano resigned from overall military command of the AUC to become the co-leader of its political arm, possibly hoping to distance himself from continuing atrocities by AUC elements.

In spite of some significant recent successes against the paramilitaries, continued engagement with the Government of Colombia on paramilitary impunity and other human rights issues is necessary. Pastrana's appointment of Vice President Gustavo Bell to serve concurrently as Defense Minister received plaudits from many, including the U.S. due to Bell's vice presidential experience coordinating Colombian human rights policy. Still, given his relative inexperience with military matters, Bell's overall effectiveness remains to be seen.

INL'S PROPOSED ANDEAN COUNTERDRUG INITIATIVE (ACI)

The Andean region represents a significant challenge and opportunity for U.S. foreign policy in the next few years. Important U.S. national interests are at stake. Democracy is under pressure in all of the countries of the Andes. Economic development is slow and progress towards liberalization is inconsistent. The Andes produces virtually all of the world's cocaine, and an increasing amount of heroin; thus representing a direct threat to our public health and national security. All of these problems are inter-related. Sluggish economies produce political unrest that threatens democracy and provides ready manpower for narcotics traffickers and illegal armed groups. Weak democratic institutions, corruption and political instability discourage investment, contribute to slow economic growth and provide fertile ground for drug traffickers and other outlaw groups to flourish. The drug trade has a corrupting influence that undermines democratic institutions, fuels illegal armed groups and distorts the economy, discouraging legitimate investment. None of the region's problems can be addressed in isolation.

Of the $882 million Andean Regional Initiative (ARI) request, $731 million is for INL's Andean Counterdrug Initiative (ACI). Our goals in the Andes are to:

—Promote and support democracy and democratic institutions

—Foster sustainable economic development and trade liberalization

—Significantly reduce the supply of illegal drugs to the U.S. at the source

Just as Plan Colombia represented an improved approach by considering drug trafficking as part of Colombia's larger crisis, the Andean Counterdrug Initiative benefits from its appreciation of the illegal drug industry as part of something bigger. Drug trafficking is a problem that does not respect national borders and that both feeds and feeds upon the other social and economic difficulties with which the Andean region is struggling.

No nation in the region is free of trafficking or the attendant ills of other crime forms and corruption. To combat these ills, we propose a regional versus Colombia-centric policy and a comprehensive and integrated package that brings together democracy and development as well as drug initiatives.

For this reason, we plan to allocate almost one-half of the requested $731 million for this initiative to countries other than Colombia. In so doing, we intend to bolster the successful efforts and tremendous progress we have made in counternarcotics in countries such as Peru and Bolivia, while preventing the further expansion of the drug trafficking problem into other countries of the region, such as Brazil, Panama, Venezuela, and Ecuador.

In addition to ensuring regional balance, the ACI also spans all three of our stated goals—counternarcotics, economic development, and support for democratic institutions. The full ARI budget of $882 million breaks into an approximately 50/50 split between counternarcotics and alternative development/institution-building programs. Its ACI component ($731 million) breaks into a 60/40 (counternarcotics vs. development/democracy) split. $293 million of the ACI budget will be devoted to programs focused on alternative development and support for democratic institutions.

All of Colombia's neighbors are worried about the possibility of "spillover," specifically that the pressure applied by the Government of Colombia (GOC) in southern Colombia will result in the flight of refugees, guerrillas, paramilitaries, and/or narcotics traffickers across porous borders into other countries. We will work with the countries of the region to strengthen their capacity to cope with potential outflows. In Peru and Bolivia, we will work with those governments to continue their reduc-

tions in coca through a combination of eradication, interdiction, and alternative development. In all countries, we will work to strengthen democracy and local institutions in order to attack trafficking networks which move precursors, money, fraudulent documents, and people.

Since we believe Plan Colombia will result in major disruption of the cocaine industry, ACI's regional approach becomes even more of an imperative. Traffickers will undoubtedly try to relocate as their operations in southern Colombia are disrupted. We believe they will first try to migrate to other areas inside Colombia, then try to return to traditional growing areas in Peru and Bolivia. But if those options are forestalled, they may well seek to move more cultivation, processing and/or trafficking routes into other countries such as Ecuador, Brazil, or Venezuela.

The nations of the region are already heavily committed in all three of the major areas of concern: democratization, economic development, and counternarcotics. All devote significant percentages of their annual budgets to these areas and are willing to work with us in the design and integration of successful programs. Exact figures are impossible to come by, but the nations of the region in total are committing billions of dollars to economic development, democratization and counternarcotics efforts. For example, Ecuador has established a Northern Border Initiative to promote better security and development in the region bordering Colombia. Brazil has launched Operation Cobra, a law enforcement effort concentrated in the Dog's Head region bordering Colombia. Bolivia has been attacking drug production through its Dignity Plan and is developing a comprehensive poverty reduction strategy. Colombia continues to pursue its commitments under Plan Colombia. Panama has taken concrete steps to improve security and development in the Darien region. The new Peruvian Government has made reform of democratic institutions a national priority, and continues to pursue aggressively the counternarcotics missions. In Venezuela, local authorities have cooperated admirably on drug interdiction, exemplified by last year's record multi-ton seizure during Operation Orinoco.

Programs to provide humanitarian relief for displaced persons, to help small farmers and low-level coca workers find legitimate alternatives to the drug trade, and to strengthen governance, the rule of law, and human rights will also be incorporated into the ACI.

ATPA RENEWAL

Renewal of the Andean Trade Preferences Act (ATPA) is perhaps the single largest short-term contribution to economic growth and prosperity in the Andes. By renewing the Act and expanding its benefits, we can continue to provide economic alternatives to narcotics trafficking in Bolivia, Peru, Ecuador, and Colombia. The Act has already succeeded in doing so without adverse economic impact for the United States. The original justification for the legislation still stands, but it expires at the end of the year, and should clearly be renewed at the earliest possible date. ATPA renewal would serve to strengthen the credibility of democratically-elected governments in the region and provide them with a clear demonstration of the benefits of continuing to cooperate on counternarcotics. It would also halt a potentially crippling exodus of U.S. industries that relocated to the region when ATPA was established.

I appreciate the opportunity you have given me to speak to you today, and I look forward to responding to questions which Members of the Committee may have.

Senator LEAHY. We will go specifically into that. I also want to ask you about the spraying, about the Colombian system for compensating people whose crops have been destroyed, legitimate ones. We will go into that.

But first, if we could hear from Mr. Deal, and then we will open up to questions. Mr. Deal.

STATEMENT OF MICHAEL DEAL, ACTING SENIOR DEPUTY ASSISTANT ADMINISTRATOR, BUREAU FOR LATIN AMERICA AND THE CARIBBEAN, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. DEAL. Thank you, Mr. Chairman, members of the subcommittee. I am pleased to be here to briefly summarize the U.S. Agency for International Development's role in the Andean Regional Initiative and progress to date in implementing Plan Colombia.

USAID's program directly supports a comprehensive integrated approach to our Andean counterdrug strategy by balancing the interdiction and eradication efforts of other agencies with social and economic development assistance. Our experience demonstrates that no single facet of our counterdrug program can be successful without the other two being effectively applied.

The Andean Regional Initiative, like our support for Plan Colombia, maintains a belief that the problem of drugs and violence will not be solved in any sustained way unless the fundamental causes of these problems are also addressed. Democracy institutions must become stronger, more responsive, more inclusive, and more transparent. The presence of government in rural areas must increase and provide better services to the rural poor and give them a stake in the future and improve the quality of life.

The justice system must be more accessible and efficient, must reduce impunity, and the human rights environment must improve. Unless the problem of widespread corruption is solved and legal employment opportunities are created to absorb the high number of unemployed, these fundamental causes and their effects on the region and on America's national interests will be with us for a long time to come.

But addressing these tough issues is going to take time. They will require a sustained commitment and interest on the part of the U.S. Government.

The Andean Regional Initiative proposes that USAID manage $390 million in fiscal year 2002 funds. This initiative expands many of our existing programs in response to the changing circumstances in the region. USAID assistance will be directed to three main areas: first, strengthening democracy; second, economic growth through trade enhancement and poverty reduction; and third, alternative development.

In order to strengthen democracy in the region, we propose to commit $59 million in fiscal year 2002. USAID will assist in court administration and training of judges, institutionalizing the public defender system, and working with NGO's and other interested groups to provide greater oversight and participation in judicial reform.

We are helping human rights groups increase their capacity to document abuses and monitor individual cases. In Colombia, our activities are designed to help prevent massacres with the development of an early warning system. We also have programs directly aimed at the protection of human rights workers and union leaders. A $2.5 million program for ex-combatant children strengthens Colombian initiatives to clarify the legal status of these children, extend them appropriate treatment, and provide support for their re-integration into society.

We are and will continue to strengthen local governments by training mayors and council members. We are working to strengthen the ability to expose corrupt practices and investigate and prosecute corrupt officials and, very importantly, make citizens realize they have the right to demand accountability from their governments.

The second major area of emphasis for USAID assistance will be economic growth, trade enhancement, and poverty reduction, for

which we propose $123 million. All of the economies in the region have struggled over the last few years and continue to be vulnerable to setbacks. USAID assistance will directly support the countries' poverty reduction strategies, including macroeconomic policy and banking reform, employment generation, support for microenterprise, and trade capacity development.

We will also continue health programs in Peru and Bolivia and will pay specific attention to education, including an Andean regional center for excellence for teacher training, as announced by the President in Quebec at the summit of the Americas. Protection of their natural resources and helping rehabilitate environmental damage from coca cultivation will also receive attention.

Our third and largest area of attention is expanding our work in alternative development, for which we are proposing $207 million. After a decade of work in Bolivia and Peru, we know that alternative development works. In Colombia we are seeing that the risk of illegal coca production is credible, as evidenced by the fact that over 24,000 farmers have lined up to sign coca crop eradication agreements in just the last 3 months.

In Peru and Bolivia, we are concentrating on sustaining the dramatic advances made in these countries in coca eradication. We want to help these governments and these farmers withstand the temptation to slide back into the shadow of narcotics production.

In Ecuador, USAID will expand two key initiatives along the northern border with Colombia.

PREPARED STATEMENT

Let me conclude by saying that the Andean Regional Initiative should be viewed as the national program in each of the affected countries, responding to their priorities and problems. They are the ones that are going to have to make this work. Our role is one of facilitating the process and we will be working along with them over the next several years in this effort.

Thank you for giving me this opportunity to outline our programs. I would be pleased to respond to any of your questions.

[The statement follows:]

PREPARED STATEMENT OF MICHAEL DEAL

Mr. Chairman, Members of the Subcommittee, I am pleased to be here to speak about the U.S. Agency for International Development's (USAID) role in the Administration's proposed Andean Regional Initiative and progress to date in implementing Plan Colombia.

USAID's program directly supports a comprehensive, integrated approach to our Andean counter drug strategy by balancing the interdiction and eradication efforts of other agencies with social and economic development assistance. Our experience demonstrates that no single facet of our counter drug program can be successful without the other two also being effectively applied.

The Andean Region faces a wide range of challenges. There are growing doubts among significant numbers of the region's populations whether democratic government can deliver essential services and a better life. Sluggish economies produce political unrest that threatens democracy and, in turn, weak democratic institutions; corruption and political instability discourages investment, and contributes to slow economic growth. This vicious cycle provides fertile ground for drug traffickers and other illegal groups to flourish, and forces large segments of the population to rely on crime, insurgency and the drug economy to survive.

The Andean Regional Initiative, like our support for Plan Colombia, maintains a belief that the problems of drugs and violence in the Andean region will not be solved in any sustained way unless the fundamental causes of these problems are

also addressed. Democratic institutions in the region must become stronger, more responsive, more inclusive and more transparent. The presence of governments (both national and local) in rural areas must increase and provide better services to the rural poor, and give them a stake in the future, and improve the quality of life. The justice system must be more accessible and efficient, must reduce impunity, and the human rights environment must improve. Unless the problem of widespread corruption is solved, and legal employment opportunities are created to absorb the high number of unemployed, these fundamental causes and their effects on the region and on America's national interests will be with us for a long time to come.

Helping address these tough social and economic issues is going to take time. They will require a sustained commitment and interest on the part of the U.S. Government. The Andean Regional Initiative, which builds upon the fiscal year 2000 supplemental funding for Plan Colombia, proposes that USAID manage $390 million in fiscal year 2002 funds. This initiative expands many of our existing programs in response to the changing circumstances in the region. USAID assistance will be directed in three main areas: first, strengthening democracy; second, economic growth through trade enhancement and poverty reduction; and third, alternative development.

STRENGTHENING DEMOCRACY

In order to strengthen democracy in the region, we propose to commit $59.3 million in fiscal year 2002. This assistance will help address the problems of fledgling institutions, political instability and corruption which lessen popular support for democracy at a time when most economies are under-performing.

USAID will assist in improving the administration of justice by helping to make justice systems work, make them more modern and efficient, more transparent, and more accessible. An independent and vigorous judicial system is vital to the observance of human rights, the defeat of narcotics trafficking, and the decrease of white collar and street crime. Working with the U.S. Department of Justice in Colombia, for example, we are helping move from an inquisitorial to a more open, accusatorial judicial process. We are strengthening court administration and training of judges, institutionalizing the public defender system, and working with NGOs and other interested groups to provide greater oversight and participation in judicial reform. Part of that program provides access to justice for the poor through one stop legal offices called "Casas de Justicia" (Houses of Justice), in the poorer neighborhoods of major cities. We are doing this now in Colombia and Peru with very good results. In Colombia, 18 "Casas de Justicia" have been established thus far, each hearing 150 cases per day and using alternative dispute resolution techniques to resolve problems.

We also have a program that is designed to help improve the observance of human rights which will continue. We are strengthening human rights institutions and groups, increasing their capacity to document human rights abuses and monitor individual cases. In Colombia, our activities are designed to help prevent killings with the development of an early warning system that works with the human rights ombudsman and channels information up the line to law enforcement and the military. We also have programs directly aimed at the protection of human rights workers and union leaders. In Peru, we will continue to promote increased observance of human rights through informal mechanisms for the resolution of disputes, with support to legal clinics and conciliation centers, which provided assistance for 145,000 cases in 2000.

We are and will continue to strengthen local governments in rural areas of Peru, Ecuador, Bolivia, Colombia, and Panama where the lack of basic institutional and social services has marginalized rural populations. Where the state is present, it is in the form of an overly centralized, unresponsive bureaucracy that does not necessarily work or understand the local interests of a community. Thus, we are training mayors and council members in identifying and monitoring projects, setting priorities, and handling financial resources in a more accountable, transparent way. It is a very important part of bringing democracy to rural areas. And it is an indispensable part of any program where local empowerment and ownership of national goals—such as the war against drug cultivation—will be required to assure the continued enforcement of agreed upon eradication agreements.

With USAID assistance and through policy dialogue, the decentralization process in Bolivia helps targeted municipal governments to develop and carry out action plans in a participatory fashion, engaging civil society at the local and regional level in the process. As a result, citizen participation in government has increased, and municipalities have organized themselves into a nationwide Federation, with departmental associations and an association of women council members.

Corruption is another very serious problem. The ongoing corruption scandal from the Fujimori era in Peru has shaken public confidence in the government institutions of the country. We will work closely with the incoming administration to strengthen democratic institutions and promote good government. Similar problems are being encountered throughout the region, where we are working to strengthen the ability to expose corrupt practices and investigate and prosecute corrupt officials and very importantly, make citizens realize they have the right to demand accountability from their governments.

SOCIAL AND ECONOMIC DEVELOPMENT

The second major area of emphasis for USAID assistance will be economic growth, trade enhancement and poverty reduction, for which we propose $123 million in fiscal year 2002 funding. All of the economies in the region have struggled over the last few years, and continue to be vulnerable to setbacks. Each of the Andean countries has a large divide between a small wealthy elite and a large impoverished class, frequently indigenous in origin. Some lack the mix of policies necessary to promote growth. Others have constructive policies, but lack the popular support necessary to sustain them over the long run.

USAID assistance will directly support the poverty reduction strategies of Ecuador and Bolivia, and will also address macroeconomic policy and banking reform in Ecuador. After an intense economic crisis in 1999, recent increases in oil prices have helped Ecuador's economy and contributed to a successful dollarization that has restored confidence in the economy. However, important and necessary structural reforms are still pending, particularly in the banking sector, for a sustainable recovery. In both countries, our assistance will promote employment generation and access to private lending capital through support to microenterprise.

Support for trade capacity development will be strengthened to help these countries develop WTO consistent trade regimes. The Administration has endorsed an extension of the Andean Trade Preference Act and a desire to move aggressively toward creation of a Free Trade Area for the Americas by January 2005. USAID Administrator Natsios has consulted with Trade Representative Zoellick as to how we can advance these trade liberalization measures. Early in June, my staff presented a range of options for promoting free trade to our Andean country Mission Directors. We look forward to helping our cooperating governments analyze their existing trade regimes and prepare themselves for discussion of competition policy and other issues. We will also assist cooperating governments in bringing civil society into the process to ensure, not only that there are economic and social development benefits from globalization, but that there is also a broader understanding of those benefits.

We will also continue health programs in Peru and Bolivia, and we will pay specific attention to education, including an Andean regional Center for Excellence for teacher training as announced by the President in Quebec at the Summit of the Americas.

Protection of their natural resources, preserving their unique ecological diversity, and helping rehabilitate environmental damage from the use of harsh and persistent chemicals for producing illicit drugs will also receive attention. Cultivation of illicit crops has a devastating effect on the environment, both in the high mountains where poppy is grown and in the lower altitudes where coca is produced. In both cases, delicate forests are cleared and their fragile soils degraded by the illegal crop. Even after the coca or poppy is eliminated, the land remains exposed and environmentally sound production systems must be adopted for sustainable conversion to pasture or agriculture. As part of our commitment to the Amazon, we have encouraged the Government of Colombia's decision to support sound livestock production systems within alternative development areas. Our Parks in Peril program extends from Mexico through Colombia, Ecuador, Peru, and Bolivia, providing practical assistance in protected area management. Also, we continue to manage local funds created under the America's Fund and the Tropical Forestry Conservation Act that underwrite the programs of local environmental NGOs.

ALTERNATIVE DEVELOPMENT

Our third and largest area of attention is expanding our work in alternative development for which we are proposing $207.5 million for fiscal year 2002. We know that alternative development works. After a decade of work in Bolivia and in Peru, we have seen conclusively that a three-pronged strategy of eradication, interdiction, and alternative development has dramatically reduced coca cultivation in both of those countries. There is nothing as economically profitable as coca. The incentive to get out of coca on a voluntary basis is not economic. Rather, it is the threat of involuntary eradication or interdiction because drug production is illegal. There has

to be a credible threat and a risk of continuing to stay in coca in order for our alternative development approach to work.

In Colombia, we are seeing that the risk of illegal coca production is credible, as evidenced by the fact that over 24,000 farmers have lined up to sign coca crop eradication agreements in just the last three months. But this is not the only ingredient. Once eradicated, production has to cease. It cannot be allowed to grow back and farmers cannot move down the road to replant the same crop. To make elimination sustainable, farmers have to have credible alternatives and local governments and organizations have to apply pressure and provide incentives for the entire community to stay out of illicit production.

Our alternative development approach is basically the same in all of the Andean countries. Groups of small farmers, communities, or farmer associations sign agreements with the government, agreeing to voluntarily reduce their coca crop in exchange for a package of benefits both at the farmer level and at the community level. At the farmer level, the benefits help get them involved in legal income-producing alternatives, and at the community level, the Government agrees to provide basic infrastructure such as schools, health clinics, public water systems, and rural roads.

Last year USAID set a target in Colombia for voluntary eradication of 30,000 hectares of coca and 3,000 hectares of opium poppy within five years. We have started in the Department of Putumayo, which presents a particularly challenging situation. Compared to the coca areas in Peru and Bolivia, the climate is harsher, the soils are poorer, the access to markets is more difficult, the infrastructure is not as good, and of course the security situation presents an additional complication for legitimate agricultural activity. Despite these challenges, the turnout of farmers who are voluntarily agreeing to sign these pacts and eradicate coca has been quite promising. Our pre-Plan Colombia opium poppy eradication program has already eliminated 675 hectares of poppy and produced 600 hectares of productive, licit crops benefiting 770 families in the highlands of Tolima, Huila and Cauca.

In Peru, where coca production has dropped from a high of 129,000 hectares to just over 38,000, we will concentrate our efforts in the Huallaga valley. Here we intend to put into practice our beliefs that local ownership of the coca eradication goals and local empowerment to make decisions regarding the economic and social life of the region will create the environment to deter a minority from going into, or back into, coca production. In coca producing valleys, more than 27,000 hectares of crops such as coffee, cacao, palm heart and pineapple have generated around 10,000 full time jobs. Niche industries and global link-ups with international groups have been promoted in the chocolate and specialty coffee areas.

In Bolivia, coca cultivation in the once notorious region of the Chapare has all but been eliminated. Where once over 44,000 hectares of coca grew, there are now over 114,000 hectares of licit crops and pastureland. Last year alone the value of licit crops in this region exceeded $49 million. Our agricultural programs have enabled Bolivian products such as bananas, canned palm hearts and dried fruit to enter the highest quality markets, such as Germany, Switzerland and Chile. Last year, Chapare exports represented $5.7 million, an increase of 68 percent over the previous year. We intend to consolidate these successes by providing agricultural services used for coca growers to other farmers who have not yet benefited from the program but who are susceptible to offers from drug networks.

In Ecuador, USAID will continue two key border initiatives begun with Plan Colombia supplemental funding and expand the northern initiative along the Colombian border. Support will be provided to community organizations working on land-titling, social and infrastructure services, income earning activities, integrated farming activities for indigenous populations, irrigation, potable water and sanitation projects. Recognizing that support for local initiatives and institutions can help extend the presence of the state and its accountability to citizens, we will introduce activities to strengthen the capacity of local governments both on the southern border, as well as throughout the country.

Since beginning work in January, Plan Colombia has already began implementation of 23 projects valued at $5.0 million and benefiting 117,000 people. They include potable water systems, sewers, bridges, roads, land titling, income generation, and human rights. We have special programs with indigenous communities in Carchi province and an innovative approach to assisting the 24,000 Afro-Ecuadorans who live in northwestern Esmereldas province.

Status of Plan Colombia Implementation

Mr. Chairman and Members of the Subcommittee: I would also like to take a moment to review, specifically, some of our progress in Colombia. While the task is complex, and even dangerous, and requires extraordinary coordination among many

actors, we are pleased with our start-up activities and the progress we have made to date.

Because of our close collaboration with international organizations and NGOs prior to receiving Plan Colombia funds, we were able to sign $25 million of our displaced person monies almost immediately upon receiving the funds. By renegotiating certain contracts funded prior to Plan Colombia, we were able to "jump start" the important southern Colombia elements of the program. Because of the size of other aspects of the program and the interest of the U.S. private sector, it took several months to compete and sign our initial contracts. All USAID commitments to contractors and subcontractors for reintegrating and resettling internally displaced persons have been made, and to date, all contractors have mobilized in the field. These efforts have resulted in tangible successes on the ground

I have already mentioned our successes in opium poppy eradication. In the Plan Colombia phase of our program, I can report that, as of June 11th of this year, 29 coca elimination pacts have been signed. Those pacts are pledges to the Colombian Government by small farm families to eradicate coca in exchange for short and long term assistance in substitute production, and these 29 pacts represent promises to eradicate over 29,000 hectares of illicit coca crops by the end of next year.

Supporting the program has been our local governance strengthening effort in southern Colombia. USAID and the 13 municipal mayors of Putumayo are building schools and laying pipes for potable water. These social infrastructure activities engage scores of small farmers in their villages in Southern Colombia, providing many of them with the first tangible evidence of government concern regarding their economic and social development. The Government of Colombia is also investing in Putumayo, paving roads, stringing electric wires, and refurbishing schools. The Colombian Government has delivered food assistance since December to 9,800 families in Putumayo.

In democracy strengthening, 6 of 12 planned pilot courtrooms have been established to demonstrate the efficiency and fairness of oral trials in helping to move Colombia from an inquisitorial to an accusatorial judicial system. USAID has supported institutional development of the national Judicial School, which has trained 3,400 judges in oral advocacy, legal evidence gathering, and courtroom management procedures. USAID has also worked with NGOs and other civil society actors to analyze remaining needed reforms, increase coalition building and support full implementation of the modernization process in the justice sector.

In our highly successful effort to promote justice through alternative dispute resolution, 18 of a targeted 40 *casas de justicia* or houses of justice have been established. These "casas" are neighborhood judicial centers in underserved communities which bring together a variety of services in one location, giving residents "one stop" access to legal services.

Protection of human rights workers remains a major concern. In addition to having selected a long term local contractor to help design and implement a management information system for the Ministry of the Interior to monitor abuses and progress, to date 197 individuals have received some sort of protection from the program. We are pleased to say that 38 individuals received needed relocation assistance within Colombia and two were relocated internationally under the program.

We have also made grants to seven human rights NGOs in Colombia totaling over $575,000 to help improve delivery of human rights services.

Concerning our efforts to respond to the needs of displaced persons, we can report that over 176,000 individuals have received or are receiving direct USAID assistance in the areas of housing, employment generation, health-care or education. This figure exceeds by about 70 percent our target of 100,000 individual recipients by this time—which was considered to be very optimistic during our planning of this vitally important activity.

USAID also supports a $2.5 million program for Ex-Combatant Children which strengthens Colombian initiatives in clarifying the legal status of these children, extend them appropriate treatment and provides concrete and durable reintegration solutions. In preparation for a large-scale release of child soldiers by an illegal armed group, USAID is preparing a network of decentralized organizations to respond to such a release, as well as to assist individual cases where children must be rehabilitated after exposure to combat conditions. The Program aims to benefit directly 800 ex-combatant children through January 2003.

It is important to underscore the enormous commitment that the Colombians have shown in the various efforts we are supporting. Our efforts are complemented by $62 million that the Colombian Government has contributed this year through the sale of government "peace bonds" and an additional "peace tax". Major roads within Putamayo and connecting southern Colombia to national and international markets are already underway, as are smaller social and infrastructure projects, such as the

Casas de Justicia, health clinics and schools. There have been problems at times given the need for coordination with the large number of agencies involved, and the Government of Colombia's complex procurement procedures, but these were not unexpected and have not been serious obstacles. When issues have surfaced, we have worked with the Colombians to improve the process.

I should note the special dedication of the people such as the Ombudsman's office representatives in the field, who face serious risks to their own personal safety as well. Their efforts are also supported by other members of the international community. European donors have pledged over $300 million to assist Colombia's effort, and the Japanese have offered $175 million. The World Bank has offered $1.4 billion and the Interamerican Development Bank has offered $1.7 billion in loans.

Let me conclude by saying that just as in Colombia, the Andean Regional Initiative should be viewed as the national program in each of the affected countries, responding to their priorities and problems. They are the ones that are going to have to make this work. Our role is one of facilitating the process, and we will be working along with them over the next several years in this effort.

Senator LEAHY. Thank you very much.

Let me begin with a few questions. I am trying to make sure we have time for everybody. I should also note, normal procedure, the record will stay open just in case other Senators have questions for the record. Also, after you see the transcript of your own responses if you realize there are things you left out or want to add to, you can certainly feel free to do it.

Secretary Beers, you have had the assignment of looking into the April 20 shootdown of the missionaries' plane in Peru. That was the one, you know of course, but others will recall, where a mother and a young child, wife of a missionary, were killed. Now, the Peruvian officials said in their comments that procedures were followed, as they said, "to the letter" by the pilot.

If the procedures were followed to the letter, certainly as a layman I look at that and wonder what in heaven's name those procedures are. Were the procedures adequate or did they not follow adequate procedures? Is it true that the Peruvian pilot strafed the survivors when they were clinging to the burning wreckage? Obviously they are not going to go anywhere. The plane has crashed, it is burning, it is in the Amazon River. Are the reports true that the Peruvians then came down and strafed the people on the ground?

Mr. BEERS. Sir, with respect to the second question, no, that is not true. There was a mistaken report that came out that there was strafing by the Peruvians after the plane was in the water burning. That did not happen.

With respect to the larger issue which you ask regarding this very, very horrible tragedy, I am currently under an injunction not to disclose the results of our investigation pending the completion of the full review which is currently under way within the administration.

Senator LEAHY. When do you think that will be completed?

Mr. BEERS. In talking with the individual who is managing the remainder of the review, his intention is to complete it by the end, by the latter half of this month and have it go to senior levels of the U.S. government for final decision as to whether or not the programs with appropriate safeguards in both Peru and Colombia ought to be re-initiated or not.

The report on what happened in this particular incident is a central element of that particular study and that is why I have been asked to remain silent.

Senator LEAHY. You understand this committee will request the report when it is completed?

Mr. BEERS. Sir, we will brief you as quickly as we possibly can. I have made that pledge to your staff and other committee staffs in other committees. We intend to fully brief that.

Senator LEAHY. I understand the injunction you are under and I respect it, but just so everybody understands, once it is completed we will be asking the questions.

Last year we appropriated $19.5 million for support of the Colombia air interdiction program. Could I ask you this. Are the procedures in Colombia different from the aerial interdiction procedures in Peru?

Mr. BEERS. That is another element of this report, which I myself did not do. I can say as a general proposition they are similar, but they are not the same. That is the heart of the larger investigation, which is to look at both Colombian procedures and Peruvian procedures to ensure whether or not they are adequate and whether the risk of proceeding with them is sufficiently small that this government and those governments are ready to proceed.

Senator LEAHY. Do you know how much of that $19.5 million has been spent?

Mr. BEERS. No, sir, I do not have that figure, but I can get that for the record.

[The information follows:]

In less than one year, the Department has "committed" approximately 75 percent of the $1.018 billion two-year Plan Colombia Supplemental. By "committed," we mean that we have contracted for equipment or services, signed reimbursable agreements with other agencies or bureaus within the Department, and contributed to the U.N. Taken together, these "commitments" total more than $760M of the Supplemental.

$12,494,949 of the $19.5M appropriated for support of the Colombia Air Interdiction program has been committed. This includes purchase orders and contracts for FLIRs for Schweizers and C–26's; maintenance and spares for aircraft; upgrades of 13 Colombian Air Force helicopters; and other air maintenance support and spares.

In addition:

—$59,700,000 of the $81M appropriated for "Support for Alternative and Economic Development in Colombia," has been committed.

—INL transferred all of the $30M appropriated for "Voluntary Eradication Programs" to USAID.

—INL transferred $19.5M of the $22.5M appropriated for "Assistance for Internally Displaced Persons" to USAID. INL provided the remaining $3M to the Bureau of Population, Refugees and Migration.

—$111,583,882 of the $122M appropriated for "Support for Human Rights and Judicial Reform in Colombia" has been committed.

—$108,548,715 of the $180M appropriated for "Regional Programs" has been committed.

AS OF JUNE 15, 2001

	Appropriated	Committed	Uncommitted
Push into Southern Colombia	$390,500,000	$343,539,363	$46,960,637
Interdiction Efforts	129,400,000	64,742,698	64,657,302
Colombian National Police	115,600,000	74,290,061	41,309,939
Alternative & Economic Development	81,000,000	59,700,000	21,300,000
Human Rights & Judicial Reform	122,000,000	111,583,882	10,416,118
Regional	180,000,000	108,548,715	71,451,285
Total	1,018,500,000	762,404,719	256,095,281
Percent		74.9	

Senator LEAHY. Thank you.

Last year we appropriated $390 million for the push into southern Colombia. $208 million of that was for Blackhawk helicopters. How much of that $390 million has been disbursed?

Mr. BEERS. In terms of disbursal, I will have to get you the precise amount of that figure, sir. The money has been obligated, but not all of it has been disbursed.

[The information follows:]

$343,539,363 of the $390.5M appropriated for the "Push into Southern Colombia" has been committed. The entire $208M appropriated for UH–60 Black Hawks has been committed and put into contracts by DOD for the purchase of the Black Hawks. All money has been committed, but not all has been disbursed.

Senator LEAHY. We appropriated $129 million for support for interdiction efforts, with $68 million to upgrade U.S. Customs Service P–3 aircraft radar systems. Do you know how much of that $129 million has been disbursed?

Mr. BEERS. No, I will have to get you that figure also, sir.

[The information follows:]

$64,742,698 of the $129.4M appropriated for "Interdiction Efforts" has been committed.

As of March 31, $17.3M of the $68M to upgrade U.S. Customs Service P–3 aircraft radar systems has been committed.

Senator LEAHY. We appropriated $115.6 million for support for the Colombian National Police, of which $20.6 million is to upgrade 12 UH–1H helicopters. Do you know how much of that $115.6 million has been disbursed?

Mr. BEERS. I will have to submit that for the record also, sir.

[The information follows:]

$74,290,061 of the $115.6M appropriated for "Support for Colombian National Police" has been committed.

The entire $26M appropriated for CNP Black Hawk Procurement and Support has been committed and put into contracts by DOD for the purchase of the Black Hawks. All money has been committed, but not all has been disbursed.

$17,339,140 of the $20.6M appropriated for "Upgrade to Huey II Configuration" for the CNP has been committed and disbursed.

Senator LEAHY. Of the entire $1.3 billion that we appropriated last year, only $81 million of that was for alternative and economic development. Of that $81 million, $30 million was for voluntary eradication programs to assist coca farmers who voluntarily destroy their coca plants. Do you know how many coca farmers have volunteered for this program?

Mr. BEERS. It is my understanding at this point in time 29,000 farm families have volunteered for this program.

Senator LEAHY. How many families have actually benefited from it?

Mr. BEERS. Mike? I do not know the answer to that.

Mr. DEAL. To this date, of those families that have signed the pacts, approximately 1800 families have begun to receive the assistance, including tools and seeds and farm animals. Another 10,000 families in Putamayo have received emergency food assistance.

Senator LEAHY. Well, Mr. Deal, how much of the $30 million has been spent?

Mr. DEAL. I will have to provide that for the record as well. Our data is good as of March 31. We are trying to get June 30 data for you.

[The information follows:]

PLAN COLOMBIA SUPPLEMENTAL APPROPRIATION, ALTERNATIVE DEVELOPMENT, CUMULATIVE EXPENDITURES THROUGH JUNE 30, 2001

	Obligated	Expended
Licit Economic Production	$40,000,000	
Environmental Management	2,500,000	
Total	42,500,000	$249,808

Senator LEAHY. Only a small amount actually seems to be directly to help the people, the farmers and others. $22.5 million was appropriated for assistance to internally displaced persons. How many people are internally displaced?

Mr. DEAL. Our assistance has gone to help approximately 176,000 internally displaced persons thus far. Our target under assistance is to reach 250,000 people altogether.

Senator LEAHY. Mr. Vivanco's written testimony says 319,000 have been displaced. Does that figure seem accurate to you?

Mr. DEAL. I cannot——

Senator LEAHY. Well, check it for the record and get back to us on that.

[The information follows:]

INTERNALLY DISPLACED PERSONS

There is no reliable official estimate, but it is generally accepted that at least 1.2 million persons have become internally displaced due to violence since 1991. In 2000, approximately 225,000 persons, mostly from rural areas, are estimated to have left their homes seeking safer conditions.

Senator LEAHY. Do you know how much of the $22 million for internally displaced persons has been spent?

Mr. DEAL. We signed up five grants back in September. I am sorry, I do not have a specific figure as to what has been spent to date. We are ahead of our schedule. We are about 60 percent ahead of where we expected to be in assistance for internally displaced persons at this point.

Senator LEAHY. Does that include the $10 million appropriated for community level alternative development?

Mr. DEAL. No, it does not.

Senator LEAHY. Will you give me figures on that, how much of that has been spent and on whom it has been spent?

Mr. DEAL. Yes, we will.

[The information follows:]

INTERNALLY DISPLACED PERSONS EXPENDITURES

USAID states for the record that an agreement has been reached with the organizations that have received funds under the Plan Colombia supplemental, that the names of the organizations will not be used in public. This agreement reflects the difficult security conditions under which the organizations carry out their work.

Plan Colombia Supplemental Appropriation, Internally Displaced Persons, Cumulative Expenditures through June 30, 2001

Total grant	$30,000,000
Expenditures	6,468,284

Senator LEAHY. Thank you.

Senator McConnell.

Senator MCCONNELL. Thank you, Mr. Chairman.

I want to ask some questions about DynCorp, which has been awarded the contract for aerial spraying in Colombia. As you know, aircraft used in spraying operations have been shot at and hit by guerrillas guarding their coca fields. American pilots are flying some of these missions.

First, in what danger is DynCorp placing its contractors and is it conceivable that an American pilot may be shot down and captured by narcotraffickers or insurgents?

Mr. BEERS. Sir, with respect to the aerial eradication effort, there is without question the risk. There have been planes which have been hit. Fortunately, we have not yet had a plane which has been shot down.

In order to ameliorate that risk both for the DynCorp employees and the Colombian National Police employees what fly these aircraft, we undertake a survey of the areas that we intend to spray. We overlay those areas against known concentrations of insurgent activity. We plan those missions so that the pilots know where they are going on any given day. We do not go back to the same area on a given day. In fact, we generally wait at least a week before we go back even into the vicinity of where we have sprayed before.

Our patterns of aerial eradication are designed in a relatively random fashion in order that they are not predictable. That obviously does not remove the risk, but we have found that it substantially reduces the risk.

With respect to flying in the hot zone, if you want to call it that, in Putamayo, in addition to all of this planning, the Colombian military has put forces on the ground in the vicinity where those operations were to be conducted and during that particular phase there were no aircraft that were shot at when there were Colombian ground troops in the area.

Senator MCCONNELL. What would be the administration's response to a shootdown involving a U.S. citizen?

Mr. BEERS. Involving a U.S. citizen? The first thing we would do if a U.S. citizen were shot down is what anyone would do, which is to go in and recover the individuals that were involved, if they were in need of medical assistance to provide that, if they were killed to remove the bodies and get them back to the families.

Senator MCCONNELL. Let me ask you, what do you consider acceptable risks for Americans on the front lines of Plan Colombia, whether they are contractor pilots or U.S. soldiers training counterdrug battalions?

Mr. BEERS. Sir, with respect to acceptable risk, it is our policy to have as little risk as possible and to do everything possible to prevent any risk. But I cannot in any way tell you that there is no risk. There is a risk in the air and there is a risk on the ground. There is a risk for any U.S. officials anywhere in Colombia and we cannot deny that.

Senator MCCONNELL. What is the status of the DynCorp training program for Colombian pilots and when do you expect Colombian pilots to be in the cockpits of all spraying aircraft?

Mr. BEERS. We have currently under contract a significant increase in the number of spray aircraft that will be available for use in Colombia, moving from 11 to 23 by the beginning of the next calendar year. Our first objective is that there will be only Colombian pilots in all of the new cockpits that are provided.

Senator MCCONNELL. By when?

Mr. BEERS. As they come on line. That is, we will not add U.S. pilots to the cockpits of the new spray aircraft that are coming on line. So our first objective is to put Colombian pilots in the new aircraft, and we will then go back and replace——

Senator MCCONNELL. Let me try again. At what point in the future do you expect only Colombian pilots to be making these flights?

Mr. BEERS. At this particular point in time, sir, it is some time around the end of calendar year 2002.

Senator MCCONNELL. A May 29 Washington Post article detailed abuses by DynCorp contractors in the International Police Task Force program in Bosnia. What steps are being taken to prevent similar abuses by DynCorp contractors in Colombia?

Mr. BEERS. The program of work with DynCorp has very strict guidelines about misconduct and it is the policy of this aspect of the DynCorp contract, as in Bosnia, to upon substantiation of the allegations of misconduct to remove the individuals from the program and from the country.

Senator MCCONNELL. I am not going to ask you to list them today, but I would like to know all the contracts that were awarded to DynCorp by the Bureau of International Narcotics and Law Enforcement Affairs. Please submit that list for the record.

Mr. BEERS. Yes, sir.

[The information follows:]

INL has three contracts with DynCorp as follows:

1. For support services of pilots, mechanics and administrative support personnel for the Colombian National Police. Base year contract with two option years. Base year was $4.5M. First option year which began on July 1, 2001 is estimated at $6.7M. Second option year is estimated at $7M.

2. Air Wing contract with DynCorp provides aviation support services for INL's Office of Aviation in support of counternarcotics programs. These services are in association with aerial eradication, training, interdiction support, aircraft maintenance, logistics and other activities occurring in Bolivia, Colombia, Peru, other temporary deployment sites, and a supporting main base at Patrick AFB, Florida. The value of the contract for the current contract year is $53.99M.

3. CivPol contract with DynCorp funds recruitment, training, equipment, salaries, and field support for American police participation in civilian police components of international peacekeeping missions, and support for local police development, in Bosnia, Kosovo, and East Timor. The estimated annual cost for these activities at current levels, including approximately 850 police, is $95M.

Senator MCCONNELL. Let me go back to the hypothetical I was raising again about the possibility of a U.S. citizen being captured. Who would go to the rescue if an American citizen were captured?

Mr. BEERS. Sir, I am not in a position to tell you who would go to the rescue of a U.S. citizen. At that time we would have to make that decision based on the knowledge of what is at that particular time.

Senator MCCONNELL. And if the FARC were to take a U.S. pilot prisoner, how would we respond?

Mr. BEERS. That same condition would prevail in that situation, sir, just as we have tried to defend American citizens who have been kidnapped by the FARC as a general proposition, whether they are government or nongovernmental individuals.

Senator MCCONNELL. At the rate we are going, I think I heard you say a minute ago we will not have 100 percent Colombian pilots until the end of next year.

Mr. BEERS. That is correct. But if I could clarify that for just a minute. When we talk about the number of U.S. pilots in cockpits that are flying in Colombia as a proportion of the aircraft which we are providing to the government of Colombia, we are talking at this particular point in time of a fleet of six OV–10 aircraft out of currently 11 spray planes and 33 UH–1 helicopters in the military and over 50 helicopters in the Colombian National Police, as well as fixed wing aircraft, all of which we support, all of which we help them maintain and fly.

So while I do not mean to diminish the risk to Americans and our effort to remove Americans from that risk, it is not a large proportion of the program.

Senator MCCONNELL. Well, I see my time in this round is up. I thank you, Mr. Chairman.

Senator LEAHY. Thank you.

Senator Campbell.

Senator CAMPBELL. Thanks, Mr. Chairman.

I will just maybe proceed with additional questions along the line that Senator McConnell was asking. You said this aircraft, of the planes that we provided—these are all unarmed airplanes?

Mr. BEERS. No, sir. They are armed with defensive armaments in the case of the helicopters. The spray aircraft are not armed, sir.

Senator CAMPBELL. I am not a scientist and I do not know much about some of the stuff that is sprayed, but I read your testimony, Mr. Deal's testimony and yours too, Mr. Beers. This chemical called glyphosate——

Mr. BEERS. Yes, sir.

Senator CAMPBELL [continuing]. Your statement said is not harmful to humans. Maybe it is not. I do not know anything about this stuff. But I can remember for 20 years the military said the same thing about Agent Orange in Vietnam until some undeniable studies were done, independent studies that proved in fact it was harmful.

How does this stuff differ and what does it do? Does it just defoliate?

Mr. BEERS. Yes, sir. Glyphosate is an herbicide which is commonly used in the United States and a number of countries around the world, including Colombia. It has been tested in this country and certified by EPA twice, once in the seventies and once in the nineties. It has been tested in Colombia and used there since 1994.

What it does in the dosage in which it is delivered—and it is essential to deliver it in an appropriate dosage. Obviously, as a material, if you were handling the raw substance in concentrated form it would be harmful and people who do that wear gloves and coveralls and things like that in order to protect themselves.

But it is then put in terms of a solution into a larger amount of water, and there are some other additives which help stabilize and disperse it within that. So that on an acre of land we are probably distributing about three and a quarter gallons. On a square meter of land, in terms of the herbicide itself it is probably about a milliliter of that.

Senator CAMPBELL. Does it kill everything else, too?

Mr. BEERS. It will kill plants of the coca bush variety or less substantial plants. It will not—it will defoliate, but it will not kill rain forest. The rain forest root systems are substantial enough that by and large those plants, if there is an overspray, will refoliate.

In terms of what happens to it when it hits, it takes about 24 hours without being washed off for the defoliant to in fact affect the root system and begin to kill the plant. you can replant in that field in about 48 hours after the spray in terms of coming forth with another kind of crop if that is what you wish to do. So it biodegrades in the soil fairly quickly.

That said, with all of these tests, we are committed to continuing to test the safety of this product within Colombia, within this program. But interestingly enough, 90 percent of the glyphosate used in Colombia is used in commercial agriculture.

Senator CAMPBELL. Thanks. Let me move on to a couple of others before my time runs out.

What other countries are making either material or financial contributions to the Andean initiative?

Mr. BEERS. In terms of——

Senator CAMPBELL. Colombia is and Bolivia is in their own countries.

Mr. BEERS. Yes, sir.

Senator CAMPBELL. But are there other?

Mr. BEERS. Internationally, outside of the region? The Inter-American Development Bank, the European Union, the U.K., Spain, and there are some smaller amounts from other countries. In terms of the total amount, I will submit for the record the current up to date list of what we believe those contributions are.

[The information follows:]

Total EU, European bilateral, Canadian and Japanese programs, and UN support, totals $550–600M. Over half comes from just the EU, Spain and Japan. While some programs are underway or nearly so, the majority of EU and bilateral programs are still in the planning stages. The following list is our best compilation, taken from all available sources, including the EU, IDB, local embassies, the Government of Colombia and post reporting.

INTERNATIONAL SUPPORT FOR COLOMBIA

$175.0M—Japan.—($100M in soft loans and credits for small banks to support crop substitution, not yet drawn down; $70M in yen loans for an irrigation project which is underway; and $5M grant to international organizations involved in humanitarian relief and economic development)

$131.0M—United Nations.—(The U.N. counts its normal operating budget for 17 agencies carrying out programs in Colombia)

$100.0M—Spain.—(mixed credit and grant 70/30, planning for $10M of this for small business loans already advanced)

$95.0M—European Union.—(E105M, for programs 2001–2006; EU has sent study teams to Colombia to determine spending. Another $9M possibly available under ECHO program for humanitarian aid)

$40.0M—Canada.—(Our records show $10.0M, GOC says $40M grant from Bogota conference but no further info)

$25.5M—Sweden.—(grant, IDB reports $9.5M; Stockholm says $6M for human rights, civil society, and peace negotiations. Washington embassy says $20M for 2001–2003 and willing to increase to $30M if conditions warrant; GOC counts $25.5M)

$24.0M—Netherlands.—(grant 3 years)

$20.0M—Norway.—(grant, 2000–2002)

$18.0M—France.—(E20M to be disbursed on a project by project basis; three-fourths education, cultural and one-fourth on crop substitution, rule of law)

$18.0M—Germany.—(grant)

$15.0M—Italy.—($5M grant, $10M loan)

$12.0M—Switzerland.—(grant, peace process, humanitarian aid over next 3 years)

$1.8M—UK.—(grant, does not include projections of $5.9M for bilateral programs, $1.65M to EU programs and expected $570,000 per year to NGOs. Not clear what IDB figure of $1.8M represents)

$9.0M—Belgium.—(E10M, all channeled to NGOs)

$4.0M—Finland.—(grants)

$0.66M—Austria.—(Brussels, grant, not confirmed)

$0.45M—Ireland.—(grant)

$.25M—Portugal.—(grant)

$6.5B—International Financial Institutions.—$2.7B from the IMF; $1.7B from the IDB; $1.4B from the World Bank and $700M from the Andean Development Corporation

Of these funds, the GOC intends to allocate $900M to Plan Colombia programs for social development projects such as employment creation, support for poor families and youth job training. Reportedly, agreements have already been signed for over $550M. (Note that the Colombians count this as part of their contribution. In order to avoid double counting, we acknowledge IFI programs, but include it below as part of the GOC contribution.)

GOVERNMENT OF COLOMBIA CONTRIBUTIONS

The $4.5B Colombia input consists of three elements:

—approximately $3 billion from the GOC's normal revenues, i.e. income tax, value added tax, customs duties, etc.

—$900M in new loans from international financial institutions (IFI's).

—$600M from mandatory internal "Peace Bonds".

Senator CAMPBELL. I would like to see that. Mr. Chairman, just by chance we just returned the day before yesterday, 16 House Members and 3 of us from the Senate side, from the OSCE in France. One of the big things that generated a lot of resolutions this year, it is the Helsinki Commission, was based on international crime which was related to the drug flow, and a lot of that drug flow in Europe originates in Colombia and Bolivia, too.

I would be interested in knowing that, what contributions they make, too.

Mr. BEERS. Yes, sir.

Senator CAMPBELL. Maybe a last question, too. Mr. Deal, in your comments you talked about the number of farmers that have lined up to sign these coca crop eradication agreements and that we give them some benefits. Do the benefits provided mean we are helping them with alternative crops? I did notice later in your comments you talked about bananas and coffee and pineapple and some other things that are being planted.

Mr. DEAL. That is correct.

Senator CAMPBELL. We provide the expertise, the seed, the whatever?

Mr. DEAL. Yes, we provide assistance in alternative crops, also in marketing assistance. For example, there has been a heart of palm plant that was recently opened with our support.

Senator CAMPBELL. Well, I guess that is what I was getting to, that if you do provide that what do they do with it after they grow

it, if you were providing some mechanism in which they could market. But that is all part of the deal?

Mr. DEAL. That is correct.

Senator CAMPBELL. Do you do that through coops or individually help with the farmers, or how?

Mr. DEAL. Yes, we do that through both mechanisms, working with the communities. To the extent that coops can be formed, that will certainly be one of the mechanisms. At this time there are very few coops in that region, but that is envisioned as one of the options to improve their marketing.

Also, the government of Colombia is working to improve the road system, to improve the marketing ability of products from that region.

Senator CAMPBELL. You also in your comments mention the number of hectares that have been taken out of production. I do not suppose you have any way of knowing how many new hectares have been put into production someplace else?

Mr. DEAL. No, I am sorry, I do not have that information.

Mr. BEERS. Sir, we normally get that information at the end of the calendar—well, in the first quarter of the next calendar year for the preceding calendar year. That is, new cultivation versus cultivation taken out of production.

Senator CAMPBELL. When you get that could you provide that for the committee?

Mr. BEERS. Yes, sir.

Senator CAMPBELL. Thank you, Mr. Chairman. I have no further questions.

Senator LEAHY. Thank you.

Senator Campbell, you raised a very good point on the discussion with the Europeans. I understand the EU has made a lot of pledges on helping Plan Colombia, but have they actually contributed anything?

Mr. BEERS. No, sir.

Senator LEAHY. Or is this a case of the check is in the mail or something?

Mr. BEERS. Yes, sir.

Senator LEAHY. I thought so.

Senator CAMPBELL. What is new.

Senator LEAHY. Mr. Deal, last year we appropriated $122 million, I believe it was, for human rights and judicial reform programs in Colombia. Now, $4 million of that was for the protection of human rights workers. Another $10 million was for the security of witnesses and judges in human rights cases. How much has been spent and have any of the people responsible for ordering the killings of human rights workers been prosecuted?

Mr. DEAL. I do not have information on the second question. With respect to the first, I do not have a specific figure of what has been spent. We have provided grants to seven human rights NGOs for a total of approximately $575,000. The witnesses and judge protection program that you mentioned is a program managed by the Department of Justice.

[The information follows:]

HUMAN RIGHTS EXPENDITURES—PLAN COLOMBIA SUPPLEMENTAL APPROPRIATION—DEMOCRACY

[Cumulative expenditures through June 30, 2001]

	Total grant	Expenditures
Administration of Justice	$8,000,000	
Anticorruption	3,000,000	
Human rights—Protection of Human Rights Workers	4,000,000	
NGO Support—Early Warning System	11,000,000	
Local Government Strengthening	22,000,000	
Conflict Management	3,000,000	
Total	47,000,000	$1,534,693

Senator LEAHY. Let us see if we can get some figures on that. We provided $7 million to strengthen human rights institutions. Mr. Vivanco's written testimony says the only U.S. assistance the attorney general's human rights unit has received so far was to send prosecutors to the United States to learn about our justice system. Is that correct?

Mr. BEERS. No, sir. That is an accurate reflection of one of the instances of training, but in terms of the overall training program we have begun training a series of satellite human rights units which involve both investigators and fiscales around the country. Cali, Naeva, Villa Vicenzio were three of the first four that were trained.

We have also been training instructors for a larger training program.

Senator LEAHY. These are under the attorney general's office in Colombia?

Mr. BEERS. These are in combination between the ministry of justice and the fiscale general there. There is also a forensics, a series of forensics courses that have had at least two different training courses; and we are now in the process of setting up those four satellite offices in each of the locations that they will be set up in.

Senator LEAHY. So how many units are presently set up? Are any human rights units presently set up or is it these four that are going to be set up?

Mr. BEERS. Delivery is expected on 18 July to the two units that are in Cali and on 25 July to the two units in Via Vicenzia and Naeva. The units are there. The office equipment and support is on the way.

Senator LEAHY. Do they have some way of getting to the—I understand that these atrocities that happen are often in rural areas. Sometimes the only way of getting there with any kind of speed is by helicopters. Do they have any ability to call on that kind of help?

Mr. BEERS. They have the ability——

Senator LEAHY. I am talking about getting there before all the evidence is gone.

Mr. BEERS. I understand, sir. There are normally fiscales accompanying—not necessarily from this unit—accompanying operations, both counternarcotics and military operations, if there is evidence to be taken. What we have not succeeded in finalizing yet is a specific arrangement that would also ensure that these human rights advocates are able to move as freely in the country.

I know it is a concern of yours and we are trying to finalize that arrangement with the military and the police to ensure that they can go anywhere they need to go in a timely fashion.

Senator LEAHY. As kind of a side note, is the U.S. Government paying a Washington, D.C., public relations firm to advise the Colombian ministry of defense or any U.S. public relations firm to advise them? Do either of you two gentlemen know?

Mr. BEERS. I know of that contract relationship. To the best of my knowledge, the U.S. Government is not paying that contract relationship.

Senator LEAHY. So it is not coming either directly——

Mr. BEERS. It is not coming out of our money, not coming out.

Senator LEAHY. It is not coming out of this AID money, Mr. Deal?

Mr. DEAL. No, it is not.

Mr. BEERS. No, it is not our money.

Senator LEAHY. Is there one being paid by somebody?

Mr. BEERS. Sir, I do not want to label anybody as responsible, but, as you know, we are not the only pot of money that is going to Colombia. There are other agencies.

Senator LEAHY. It is quite a big pot. That is why I am asking some of the specifics about where the money is going, and I am hoping I can get some of the answers back, because I suspect that it has at least freed up enough money so that some money can go to pay a public relations firm.

Mr. BEERS. Sir, I cannot argue with your point that at some level there is a fungibility issue here. May I comment specifically on what that firm is doing, however?

Senator LEAHY. Sure.

Mr. BEERS. The intent of that firm, at least the contract that I am aware of is for the purpose of advising the ministry of defense with how to deal with issues concerning human rights in the public affairs arena, not to cover over them, but to get information out in a timely and transparent fashion.

Senator LEAHY. Let me talk to you a little bit about that, then, because I have, along with a lot of others here, discussed the paramilitary problems with President Pastrana and the Colombian foreign minister, Army General Tapias, and a number of others down there. But yet we find the number of the paramilitaries has doubled in the past couple of years, the number of atrocities have exceeded any previous year. The State Department reports the paramilitaries have a ready support base within the military and the police.

Now, I am told that everybody wants to make it better, but it seems to keep getting worse. We are told that the Pastrana administration has not moved aggressively to acknowledge military-paramilitary collaboration. Last year the administration, the previous administration, supported waiving the human rights conditions on Plan Colombia.

I wonder, do you really think if we have less pressure from the U.S. Congress on human rights that we are going to have an improvement in the paramilitary situation? It seems that we bring pressure, people say all the right things, some of them maybe through this PR company, but the paramilitaries increase, the

atrocities increase, we waive the human rights conditions on Plan Colombia, nothing gets better.

Why should we, in this new legislation, why should we remove those conditions?

Mr. BEERS. Sir, as a general matter this administration and I believe previous administrations which I have also represented are generally opposed to conditions on assistance. Having said that, we are certainly prepared to work with you in the Congress in order to produce an effective and forceful human rights program, to make clear to the government of Colombia, to the Colombian military, that we are serious about these issues, and that progress in these areas is absolutely essential to the continuation of our public and financial support for their efforts.

I am not attempting to apologize for the Colombian military and your remarks about the paramilitaries are certainly true in terms of their increases. But I think it is also fair to say that over the course of the last several months the efforts on the part of the Colombian military and police to go after the paramilitaries have increased and that something is going on within the paramilitaries that has caused the split between the former head, Carlos Castana, and the rest of his organization, that has caused him to stand down and move off into another area within that organization as opposed to being the leader.

I am not in any way attempting to claim victory, but I am, I think, saying that we see some progress and we want to continue to work with a solid engagement with the government of Colombia to move this issue forward favorably.

Senator LEAHY. My time has expired. I am going to follow up on this, as you can well imagine.

Senator Specter.

OPENING STATEMENT OF SENATOR ARLEN SPECTER

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

Mr. Beers, when the $1.3 billion package was before the subcommittee last year and then the full committee and the Senate, I opposed it because of my concerns that, notwithstanding all of the money we have put into Colombia, that we have not seen tangible results.

I admire what President Pastrana is trying to do. I have made many trips to Colombia and the neighboring countries, going back 15 years into the mid-1980's. I sponsored the first legislation on use of military for interdiction. But when we have an imbalance of about $2 for enforcement for the so-called supply side to try to discourage production of drugs, stop the importation into the United States, for every $1 on rehabilitation and education, it would seem to me that we have not been getting the value for the dollar.

My question to you is what evidence is there of value to the United States in ameliorating our drug problem with the $1.3 billion we appropriated last year?

Mr. BEERS. Sir, first let me say, as I said to Senator Leahy at the beginning, I think everybody who sits on this side of a Congressional hearing who speaks on the drug issue is in full agreement that we also need to support the demand reduction program. I only speak for the supply side.

Senator SPECTER. But how about a better proportion? I have been fighting for two decades for a 50–50 split, which I think would be minimal, since rehabilitation and education has held some real promise, whereas the efforts to reduce the supply side—I think we have to maintain drug enforcement on the streets. I did that as Philadelphia's DA.

But come to the question of what have we gotten for our $1.3 billion.

Mr. BEERS. Sir, with respect to that, in terms of the activities to date, we have conducted spray operations in Colombia which have sprayed approximately 50,000 hectares. This is well in advance of any previous year's effort. We will, however, only in the second half of this calendar year begin to receive the bulk of the resources delivered into Colombia, as opposed to acquired, and be able to put them to use.

We will double the number of spray aircraft from 11 to 23 by the beginning of next calendar year.

Senator SPECTER. Do you think that will stop the supply of drugs coming into the United States?

Mr. BEERS. I think it represents——

Senator SPECTER. Or reduce it?

Mr. BEERS. I think as a matter of program that, together with the mobility forces for the Colombian military and police to allow them to move out aggressively in the field to protect the spray effort and to protect the companion alternative development effort, represent the real heart of this program. As we have said publicly, it is our objective by the end of this calendar year to cap the growth of coca cultivation in Colombia and by the end of next calendar year to have a 30 percent reduction in coca cultivation in Colombia.

Senator SPECTER. Let me shift to a related area, and that is the efforts which have been made to get Castro's cooperation in Cuba. I made a trip to Havana 2 years ago and had extensive discussions with Castro about a number of subjects—human rights, the missile crisis, Oswald and the possible implications of Cuba's involvement there, and what they are doing in medical research.

On the issue of drug interdiction, Castro was willing to cooperate with the United States on overflights and help on drug interdiction. But we have steadfastly not developed that kind of a relationship because of our general hostility toward Castro in an earlier day when there was a real problem about Castro destabilizing Latin America with the spread of communism and when he was entertaining the Soviets with Soviet missiles. This goes back 39 years.

What efforts are being made in your department, international narcotics and law enforcement to utilize Castro's willingness to cooperate in drug interdiction as it goes into the Cuban area?

Mr. BEERS. About 2 years ago, sir, there was an agreement between Cuba and ourselves to add a drug liaison office, a Coast Guard officer, to the U.S. interest section in Cuba in order that we would be able to pass verbally rather than by fax information regarding flights or boats that were flying over or seeking to sail around Cuba in order that Cuban forces might on their own be able to undertake activities against those drug trafficking efforts.

Senator SPECTER. You are saying a single liaison officer?

Mr. BEERS. Yes, sir, having available information that our enforcement and intelligence community might be able to provide.

But I would add, sir, to that that in terms of the patterns of drug flows to the United States that either overfly or sail around Cuba, at the present time they are minuscule to nonexistent. It is true 2, more importantly 3 and 4, years ago we observed a large number of overflights and boats going around. But traffickers adjust to——

Senator SPECTER. Let me interrupt you because my yellow light is on and I want to ask you a couple more questions which I would like you to submit for the record. I would like an evaluation from your Department as to what more could be done with Castro's cooperation beyond the single individual whom you have referred to.

I would like for the record, because my time has expired, what the spraying will cost. You referred to spraying. Out of the $1.3 billion, how much will that cost? What do you expect it to produce, and is there any reason to believe that if you eradicate those crops in Colombia that they will not spring up in Bolivia or Peru or some adjacent fields?

Thank you, Mr. Chairman.

[The information follows:]

THE COST OF SPRAY OPERATIONS

For the most recently completed contract year (1 Feb. 2000 through 31 Jan. 2001), cost of spray operations totaled $11.7M. This figure includes material costs (such as repair parts), as well as fuel, herbicide and pilot salaries related to spray aircraft.

There are also security and other related costs associated with these spray flights. If we include all eradication related costs (escort aircraft, all labor categories, travel, facilities, insurance, overheads & fees, etc.) the estimated cost of spray operations in Colombia for the most recently completed contract year (1 Feb. 2000 through 31 Jan. 2001) is $26.5M (inclusive of the $11.7M mentioned above).

ANTICIPATED RESULTS

The goal is to achieve, through a combination of aerial and voluntary eradication, a 30 percent reduction in illegal drug cultivation in Colombia by the end of calendar year 2002. In Putumayo, the area of most concentrated cultivation, we hope to achieve a 50 percent reduction in illegal drug cultivation during the same period.

MOVEMENT OF COCA CULTIVATION TO OTHER AREAS

Since we believe Plan Colombia will result in major disruption of the cocaine industry, the Andean Counterdrug Initiative's (ACI) regional approach becomes even more of an imperative. Traffickers will undoubtedly try to relocate as their operations in southern Colombia are disrupted. We believe they will first try to migrate to other areas inside Colombia, then try to return to traditional growing areas in Peru and Bolivia. But if those options are forestalled, they may well seek to move more cultivation, processing and/or trafficking routes into other countries such as Ecuador, Brazil, or Venezuela.

For this reason, we plan to allocate almost one-half of the requested $731M for this initiative to countries other than Colombia. In so doing, we intend to bolster the successful efforts and tremendous progress we have made in counternarcotics in countries such as Peru and Bolivia, while preventing the further expansion of the drug trafficking problem into other countries of the region, such as Brazil, Panama, Venezuela and Ecuador.

Senator LEAHY. Excellent questions. I will be anxious to see the answers.

Senator McConnell.

Senator MCCONNELL. Unlike Senator Specter, I have not been to Colombia frequently. I did go once about 3 years ago. I had the lasting impression that this whole problem is never going to be solved as long as the insurgency was as strong as it was. I would

like for you, Mr. Beers, to give me an update on where you think the current negotiations between the Pastrana Government and the FARC stand. Is there any ray of hope that you can point to that there might be some kind of settlement in the future?

Mr. BEERS. The ray of hope, and that is all it is, is the recent prisoner exchange in terms of first wounded and then other prisoners held by the FARC and the government. I cannot give you any sense that there will be any larger agreement between the government of Colombia and the FARC in the near future. The FARC seem unwilling to participate in a peace process leading to real goals and objectives.

Senator MCCONNELL. To what extent does that compound all of these other efforts; compound the problem in all these other ways that we have been discussing here this morning?

Mr. BEERS. As long as the FARC remains in the field active in the drug trade, our counternarcotics effort will be more difficult than it is, for example, in a country like Bolivia, where, while there is campesino resistance, but not an organized insurgency, or in Peru, where the same is also true.

Senator MCCONNELL. Well, I thank you.

Mr. Chairman, I have a number of other questions which I would like to submit in writing, in the hopes that the witnesses could respond to them, and I thank you for my opportunity to have a turn.

Senator LEAHY. Thank you very much.

I, speaking of FARC, am just beginning to read through the Human Rights Watch report on FARC that was just released, and I am sure you are, too. It is extremely critical of FARC and appears to well substantiate the criticism. If you would like, after you or your office has looked at that, if you would like to give me your views in a letter or further material——

Mr. BEERS. Yes, sir, we would like to submit that for the record.

Senator LEAHY. It is both too new and too detailed. It would not be fair to ask you to go into it today. But I would like the have your feelings on that. We will go into that with Mr. Vivanco.

[The information follows:]

The Human Rights Watch report reflects many aspects of the human rights problems in Colombia of which we have been aware and on which the State Department has reported.

The State Department's 2000 Human Rights Report on Colombia noted that, "(i)n the absence of both a state presence and international verification (in the demilitarized zone), FARC human rights abuses inside the zone, as well as outside of it, continued."

It is gratifying that an international organization with the stature and credibility of Human Rights Watch has come to a similar conclusion as the United States—that FARC is guilty of widespread human rights abuse in areas where it exercise de facto quasi-governmental authority.

We have worked diligently with the Government of Colombia to assist it in overcoming some human rights problems of the past. The U.S. Government has no official contacts with FARC, but we have repeatedly urged that it cease its terror campaigns against civilians.

Perhaps, with the publishing of the Human Rights Watch letter, those in the international community who might be sympathetic toward FARC's political agenda will urge FARC put its own house in order with regards to human rights violations. Since a resolution of Colombia's long-running civil conflict is the only long-term solution to human rights problems in Colombia, we would hope that the Human Rights Watch letter to FARC commander Marulanda will cause a re-assessment of the cost of the conflict and persuade the FARC to engage in a genuine dialogue with the Government of Colombia on a viable peace.

Until a peace accord can be reached, however, we would join with Human Rights Watch in urging FARC to:

—cease extrajudicial killing;
—release, unconditionally, all hostages;
—cease recruiting and utilizing child soldiers, while demobilizing current child soldiers;
—cease holding trials;
—treat captured soldiers in accordance with internationally recognized rules for the treatment of POWs;
—cease the use of indiscriminate terror weapons; and
—cease attacks on non-combatants, including aid workers.

Senator LEAHY. But let me ask you, Mr. Secretary. To follow up on what we were saying before, the Colombian Government dismissed 388 soldiers and we are told that this shows they are dealing with the human rights problems. I then asked the Colombian government what offenses these individuals were dismissed for, whether they were human rights violations as opposed to getting drunk on duty or getting in a fight or something like that. They have refused to say.

I understand the State Department has also tried without success to get this information. Do you know, of these 388 people dismissed, were any of them involved in human rights violations?

Mr. BEERS. Sir, I cannot tell you with any credible information yes or no to that question because, as you, we also have been unable to obtain that information, regrettably.

Senator LEAHY. Do we know if any of them have been prosecuted for anything?

Mr. BEERS. It is my understanding that there have been some, but I would have to get you for the record any more detail than that, sir.

[The information follows:]

The U.S. Embassy in Bogota has requested information about the 388, but Ministry of Defense officials continue to argue that to release any information at all would open the way to potential lawsuits by discharged service members.

Press reports, which the Embassy has been unable to confirm, indicated that as many as 40 of these 388 may have been discharged for human rights-related crimes.

Senator LEAHY. We do not know, we do not know whether any of them went back in the military or joined the paramilitaries? By the same reason, we would not have any way of knowing that?

Mr. BEERS. Right. I mean, there have certainly been reports in the media that that is the case, at least with respect to going into the paramilitaries. But I cannot tell you specifically.

Senator LEAHY. Here is something that you may want to get back to me on, and we will give you a copy of this letter. Let me just read it to you. I received it from a Colombian woman named Maria Vilez, whose husband was killed, she believes, by the 14th Brigade of the Colombian Army. This is not an untypical letter, and you can understand why a number of us get very disturbed. It says:

DEAR SENATOR LEAHY: This letter is to inform you about my situation. My husband, Mr. Carlos Ramirez, was dedicated to his work in agriculture, cattle, and lumber. On February 15, troops of the Poligua battalion of the 14th Brigade were in our home. They destroyed our personal belongings and wrote on our walls saying they were going to kill my husband, that they were going to saw him with a chain saw.

On March 19 my husband went to buy some sugar cane and did not come back. On April 1st some campesinos found where the army had left my husband's body. They had cut his legs off and killed him.

My husband had been in the region for 30 years, working in the countryside. He was neither a guerrilla nor a guerrilla collaborator. I ask your help that justice may be done. The attorney general's office in Bogota has exhumed the body and the police have opened an investigation.

Sincerely,

MARIA VILEZ.

Will you get that letter and there might be those from your office what are in contact with them; ask them what has happened.

Mr. BEERS. We would be happy to do that, sir.

[The information follows:]

I believe that this question refers to the case of Carlos Ramirez, a "campesino" allegedly killed in March by members of the Palagua batallion of the army's 14th brigade.

The U.S. Embassy has not received a letter from Mr. Ramirez's widow. The information she has provided in her letter to Senator Leahy is new to officials at the U.S. Embassy in Bogota, and does not appear to have been conveyed to them by Colombian human rights NGO's.

The U.S. Embassy has contacted NGO's for further information, and has learned that one Carlos Ramirez reportedly was detained by army troops on March 20 in the community of Santo Domingo (Valle de Cimitarra region, southern Bolivar department), during the army's "Operacion Bolivar." It seems likely, though the Embassy cannot confirm it without further information, that this is the same Mr. Ramirez.

It remains unclear whether a formal investigation is proceeding on this case, and we continue to seek more information both from the Colombian authorities and from Colombian NGO's.

Senator LEAHY. I see things like the Los Angeles Times correspondent who visited the sites of paramilitary massacres along the Naya River over the Easter weekend this year. This is what he wrote:

Paramilitaries butchered 18-year-old Gladys Appia, first slicing off her head and hands with a chain saw. Next they killed six people in a restaurant just down the trail. They shot some and stabbed others. They hacked one man to death and then burned him.

So they traveled, members of Colombia's largest ultra-right paramilitary group, the United Self-Defense Forces of Colombia. Holy Week became a procession of death as the forces hiked 60 miles from the Naya River's headquarters in the high Andes toward its outlet in the lowland jungles, stopping to slaughter at hamlets along the way.

The Colombian people's advocate's office later reported that the paramilitaries murdered as many as 40 people and at least a thousand people fled their homes. The public advocate's report said: "it is inexplicable how approximately 500 paramilitaries could carry out an operation of this type without being challenged in any way, especially since the area these men entered is only 20 minutes from the village of Timbo, where a base operated by the Colombian army is located and has been staffed since March 30th of this year."

Do we have any reason to believe the army did not know what was going on?

Mr. BEERS. Sir, I am not specifically familiar with that particular incident, but we will submit for the record a response to that.

[The information follows:]

Eighteen-year-old Gladys Troches Mesa (whose name was erroneously reported as Apia in early reports) was one of 20 victims during a large-scale incursion by up to 300 AUC (United Self-Defense Forces of Colombia) paramilitaries who invaded the Alto Naya region April 12, 2001. Embassy officers traveled to the Valle del Cauca department following the massacre and extensively interviewed survivors and displaced.

According to Prosecutor General's office ("Fiscalia") investigators, Ms. Troches was brutally tortured and murdered in the community of El Ceral (Cauca department), which is located northeast of Timba. Contrary to NGO and press reports, physical evidence indicates no chainsaw was used to kill any of the 19 victims whose bodies have been recovered, but several witnesses reported being threatened with one. Ms. Troches' wounds, as did those of some of the other victims, indicated that she was killed with a machete. The 18 other victims whose bodies have been recovered were murdered, some with machetes and some with guns, in and around the communities of El Playon, Patio Bonito, El Crucero and El Placer, as paramilitaries swung in a loop northeast of Timba before leaving the area. The body of the 12th victim, reportedly a mentally ill woman who was raped and killed, has not been recovered due to guerrilla presence in the area.

The Army says that it has no base in Timba, although there were soldiers from the army's Pichincha battalion stationed in Timba at the time of the massacre. Witnesses also told the Prosecutor General that they saw soldiers in the community of Jamundi, north of Timba and not far from the massacre sites. Army troops also are stationed at La Selvajena base, to protect an electric plant south of Timba.

It remains unclear what security forces knew, and when. Both the Attorney General's office (which has an investigative function) and the Prosecutor General's office are investigating the possibility of military omission in this case. Meanwhile, 74 paramilitaries captured by joint marine-navy operations following the massacre remain under arrest and under investigation. While most of the paramilitaries are former professional soldiers, no active service members have been implicated in these murders.

Although NGO's and indigenous groups reported that as many as 100 victims were killed, only 20 formal complaints have been filed. Colombian authorities have told Embassy officials that they do not expect more. Prosecutors attribute the high estimate to the general confusion following the massacre.

Senator LEAHY. I realize, Mr. Secretary, that some of these questions, there is no way that you could have the answers and that they will have to be submitted for the record. But I tell you, as a parent and an American, obviously I want to see the ravages caused by drug addiction stopped in our country, but I worry when we put our imprimatur on operations through our foreign aid assistance. We are also putting our imprimatur on terrible human rights violations.

In some ways, more and more we have—not you, sir, but more and more we have people who seem to think that the solutions to our home problems are somewhere else. Aside from whether that is an arrogant or misguided policy, it is one that does not work.

It is interesting, the drug war has become in many ways like some of the real excesses of the cold war. In the cold war we—and I mean both Democratic and Republican administrations—would support some of the worst dictators around the world if they would say they were anti-communist and would support us against the Soviet Union, which was fast crumbling from within anyway. So we propped up dictators and we did terrible things, both overtly and covertly, and we have been paying for years in parts of the world with the instability and the lack of democracy.

The United States' image, a justly deserved image of a justice system, one of the finest in the world, a country where we have more opportunities than anywhere in the world, has been tarnished.

As for the drug problem, I would hope, whether it is Colombia or anywhere else, that we do not end up doing the same thing, where our money, military expertise, intelligence, weaponry, and everything else create a situation of human rights violations in other parts of the world, saying that we are doing this to protect our children on the school grounds of America.

We have got to go to the school grounds of America to try to talk people out of wanting to use drugs, and maybe that would enable us to stand for the things that are best about our justice system. I am not suggesting that I have an automatic answer. But there are concerns. They are not concerns just of this Senator, but concerns of members on both sides of the aisle, as you have heard from the questions today.

I am so proud of our country, but I am not proud of our country when our aid ends up directly or indirectly supporting people who are evil. I am not in any way ignoring the terrible dangers that FARC has presented, as this report shows and as a lot of the press reports have shown and a lot of the work from your own Department have shown.

Frankly, I think we have created a monster in our own country and we seem to want to get rid of that monster by supporting a different kind of monster in other parts of the world.

Thank you both, gentlemen. The record will stay open for further questions for both these witnesses. I appreciate you coming.

We will take a 3-minute break before we go to the next panel.

Mr. BEERS. Thank you, sir.

NONDEPARTMENTAL WITNESS

STATEMENT OF JOSÉ MIGEL VIVANCO, EXECUTIVE DIRECTOR, AMERICANS DIVISION, HUMAN RIGHTS WATCH

Senator LEAHY. Mr. Vivanco, I appreciate you being here. As I said to the other witnesses, we had to move things around yesterday, and I appreciate you making it possible to be here today. As it turned out, had we tried to do this hearing yesterday we never would have been able to without interruptions.

You have been able to hear all the testimony today, but please go ahead and give us your statement. Your full statement, of course, will be in the record, but go ahead and say whatever you would like. Then I am going to ask you some questions, some based on questions that have already been asked, but also feel free to add in any way to it.

Again, like the earlier witnesses, you will have a transcript of your testimony and theirs, and you can always feel free to add any thing further to that.

So go ahead, sir.

Mr. VIVANCO. Thank you very much, Senator Leahy. Thank you for inviting me to convey to the subcommittee our concerns about the human rights situation in Colombia and the implications of the U.S. security assistance sent to Colombia to fight drugs.

I know the subcommittee is most interested in an exchange, so my remarks will be brief. I would like to submit for the record my written testimony. I also submit for the record a recent letter we addressed to the leader of the main Colombian rebel group about their violations of international humanitarian law.

Human Rights Watch believes that it is important for this committee to continue to support human rights in Colombia by including strong and workable human rights conditions in the legislation under consideration. Conditions create an effective mechanism to promote positive change for human rights in Colombia.

Second, we urge this subcommittee to include increased funds for the Colombian institutions that have a proven record of success against human rights violators in Colombia, including guerrilla members, prime among them the office of the attorney general, the internal affairs agency, and the public advocate. The AID proposal from the administration displays a greater emphasis on funding civilian initiatives, which we welcome, but much more is needed and specifically for these critical offices.

We also urge this subcommittee to press Colombia's leaders for real progress on stopping attacks against human rights defenders, human rights monitors, and ensuring accountability for past murders. Even as Colombian authorities continue to provide bulletproof glass for the offices of threatened human rights groups and bulletproof vests and bodyguards for human rights defenders who receive death threats, these brave individuals continue to be murdered by

experienced killers who continue to count on impunity for their crimes.

The human rights situation, Mr. Chairman, in Colombia has deteriorated dramatically since Public Law 106–246 was signed last year. This deterioration is the result of at least three factors: the Colombian government's continuing failure to address continuing collaboration between its forces and abusive paramilitary groups; continuing impunity for military officers implicated in gross human rights violations; and international humanitarian law violations committed by guerrillas, principally the Revolutionary Armed Forces of Colombia, the FARC.

According to the Colombian National Police, the number of massacres they recorded in the year 2000 increased by 22 percent over the previous year, most the work of paramilitaries, who continue to enjoy at the very least the tolerance the acquiescence of the Colombian armed forces. In the first 6 months of this year, the police report yet another increase, from 84 massacres registered in the first 6 months of 2000 to 98 massacres registered in the first 6 months of 2001, with a total of 568 victims.

There is a growing sense the violence will only continue to worsen in the second half of 2001. Instead of bringing hope and expectations for the future, the millennium has brought terror and an increasing sense of hopelessness to many Colombians.

Senator Leahy, I would like to, if I may, to make a couple of comments regarding the testimony of Mr. Beers, specifically on the issue of cooperation from the Colombian government in their duty to prosecute paramilitary groups. I think it is important to acknowledge that there has been some action against paramilitary groups. We have seen some progress. But it is important also to underscore that most of this progress is the result of the work of the attorney general's office, specifically the human rights unit of the attorney general's office. They deserve most of the credit.

As a matter of fact, we continue receiving information, reliable information from the highest levels from different offices in Colombia, from different governmental offices, that they argue that the main obstacle for prosecution of key paramilitary members as well as active paramilitary groups across the country is the army, specifically the reluctance of the army to cooperate in providing security for the execution of arrest warrants, outstanding arrest warrants against members of paramilitary organizations.

At this point, according to our information, more than 300 arrest warrants for suspected paramilitaries across the country, have been unable to be executed because of the refusal of the military to provide needed security for the members of the attorney general's office to go into these areas that are controlled by paramilitary organizations.

My last comment, Mr. Chairman——

Senator LEAHY. On that one, it would not be an overstatement to say that if they went in without that protection it would be basically a suicide mission?

Mr. VIVANCO. It would be extremely difficult. It is almost impossible for them to operate in certain areas of the country without the support of the military.

Senator LEAHY. Go ahead.

Mr. VIVANCO. The second point that I would like to make, Mr. Chairman, is that, according to our information, the attorney general's office remains severely underfunded. To date, the human rights unit has not received any funds, according to the latest information that we received that was yesterday at the highest level from the attorney general's office, they have not received any funds through Plan Colombia for operational expenses that are critical, funds for prosecutors to travel, to investigate cases, to protect witnesses and prosecutors, and to purchase critical equipment, vehicles that are necessary for them to carry out their mission.

PREPARED STATEMENT

As I noted in my written testimony, Mr. Chairman, so far, according to the information provided by Colombian officials, government human rights investigators have received less than $66,000 from USAID in the year 2000 and the first 3 months of the year 2001, most for travel expenses to the United States for a course on the U.S. justice system, which is very valuable, it is very important; however, given the nature of the emergency and the crisis in Colombia, we believe that it is absolutely critical to allow the human rights unit of the fiscale, the attorney general's office, to have the necessary funding to be able to carry out their mission.

[The statement follows:]

PREPARED STATEMENT OF JOSÉ MIGUEL VIVANCO

Chairman Leahy, Senator McConnell, Members of the Subcommittee: Thank you for inviting me to convey to the Subcommittee our concerns about the human rights situation in Colombia and the implications of U.S. security assistance sent to Colombia to fight drugs. I know the Subcommittee is most interested in an exchange, so my remarks will be brief. I would like to submit, for the record, my written testimony. I also submit for the record a recent letter we addressed to the leader of the main Colombian rebel group about their violations of international humanitarian law.

Human Rights Watch believes that it is important for this Subcommittee to continue to support human rights in Colombia by including strong and workable human rights conditions in the legislation under consideration. Conditions create an effective and measurable mechanism to promote positive change for human rights in Colombia.

Secondly, we urge this Subcommittee to include increased funds for the Colombian institutions that have a proven record of success against human rights violators in Colombia, prime among them the office of the Attorney General (*Fiscalía*), the Internal Affairs agency (Procuraduría), and the Public Advocate (*Defensoría*). The aid proposal from the Administration displays a greater emphasis on funding civilian initiatives, which we welcome, but much more is needed and specifically for these critical offices.

For example, in 2000 and the first three months of 2001—a period of fifteen months—the Attorney General's Human Rights Unit and advisers from the Internal Affairs agency received U.S. $65,763 from the U.S. Agency for International Development. Half was spent on flying prosecutors to the United States to learn about the American judicial system, a pursuit that does not address the desperate need for vehicles, travel funds, and other resources to investigate and prosecute a rising number of human rights violations. This works out to less than the amount of U.S. military assistance spent in Colombia in only two hours of a single day.

Finally, we urge this Subcommittee to press Colombia's leaders for real progress on stopping attacks against human rights defenders and ensuring accountability for past murders. Even as Colombian authorities continue to provide bullet-proof glass for the offices of threatened human rights groups and bullet-proof vests and body guards for human rights defenders who receive death threats, these brave individuals continue to be murdered by experienced killers who continue to count on impunity for their crimes.

Cases involving the murder of human rights defenders—among them the 1996 killing of Josué Giraldo Cardona; the 1997 killings of Mario Calderón, Elsa Alvarado, and Carlos Alvarado; the 1998 killings of Jesús Valle Jaramillo and Eduardo Umaña Mendoza; the 1999 killing of Julio Gonzalez and Everardo de Jesús Puerta; the 2000 killing of Jaime Garzón and Elizabeth Cañas, just to name a few-languish, in the best of cases with only the gunmen arrested and not the people who planned and paid for the killings.

OVERVIEW

The human rights situation in Colombia has deteriorated markedly since Public Law 106–246 was signed last year. This deterioration is the result of at least three factors: the Colombian government's continuing failure to address continuing collaboration between its forces and abusive paramilitaries; continuing impunity for military officers implicated in gross violations; and international humanitarian law violations committed by rebels, principally the Revolutionary Armed Forces of Colombia-People's Army (*Fuerzas Armadas Revolucionarias de Colombia-Ejército del Pueblo, FARC–EP*).

According to the Colombian National Police, the number of massacres they recorded in 2000 increased by 22 percent over the previous year, most the work of paramilitaries who continue to enjoy, at the very least, the tolerance of the Colombian Armed Forces. In the first six months of this year, the police report yet another increase, from 84 massacres registered in the first six months of 2000 to 98 massacres registered in the first six months of 2001, with a total of 568 victims.

Human rights defenders, trade unionists, journalists, and community leaders continue to lead the lists of people killed because of their work. Only on July 1, for example, did authorities discover the body of Alma Rosa Jaramillo Lafourie near the city of Barrancabermeja, Santander, long the home of a vibrant and broad-based human rights movement. Several days earlier, this human rights defender had been kidnaped by paramilitaries, who have been engaged in a deadly campaign against rights workers in the region. Jaramillo was a valued colleague of Father Francisco de Roux, a Jesuit priest who runs the Middle Magdalena Development and Peace Program. Some of you have met with Father De Roux, and are aware of his valuable and dangerous work in defense of local communities in the region.

Last year, an estimated 319,000 people were forced to flee their homes, the highest number of displaced persons recorded in a single year in the last five years. Thousands of Colombians are leaving the country, and there is a growing sense that violence will only continue to worsen in the latter half of 2001. Instead of bringing hope and expectation for the future, the millenium has brought terror and a spiraling sense of hopelessness to many Colombians.

MILITARY-PARAMILITARY TIES

Human Rights Watch continues to document abundant, detailed, and compelling evidence that certain Colombian army brigades and police detachments promote, work with, support, and tolerate paramilitary groups, treating them as a force allied to and compatible with their own. At their most brazen, these relationships involve active coordination during military operations between government and paramilitary units; communication via radios, cellular telephones, and beepers; the sharing of intelligence, including the names of suspected guerrilla collaborators; the sharing of fighters, including active-duty soldiers serving in paramilitary units and paramilitary commanders lodging on military bases; the sharing of vehicles, including army trucks used to transport paramilitary fighters; and the coordination of army roadblocks, which routinely let heavily-armed paramilitary fighters pass.

In particular, officers at the brigade and battalion level and in some police detachments routinely flout, ignore, or circumvent orders from above to break ties to paramilitaries. In violation of the law and the directives of their superiors, these officers continue close and regular relationships with the groups responsible for most human rights violations in Colombia.

REBEL VIOLATIONS

In our July 10 letter to the FARC–EP, we document cases involving the killings and cruel and inhuman treatment of captured combatants, abductions of civilians, hostage-taking, the use of child soldiers, grossly unfair trials, and forced displacement of civilians. Further, FARC–EP forces continue to use prohibited weapons, including gas cylinder bombs that wreak indiscriminate havoc and cause appalling injuries, and to attack medical workers and facilities in blatant disregard of international law and the most basic standards of respect for human life.

In the area ceded to rebels by the Colombian government for talks, the FARC–EP has established a pattern of abducting civilians suspected of supporting paramilitary groups, many of whom are later killed. Unlike abductions carried out for financial reasons, these abductions are often kept hidden. The FARC–EP generally does not disclose the victims' fate or even acknowledge custody. Relatives of those who are seized by the FARC–EP in these circumstances frequently are unable to obtain any information from the FARC–EP about the fate or whereabouts of their loved ones, causing enormous suffering. The victims of these abductions have no protection under the law, let alone legal remedy against false accusations and abuse, nor can their relatives invoke legal remedies on their behalf.

We detail other violations committed by guerrillas in our letter, part of our continuing effort to hold all sides in this conflict accountable for their abuses.

THE COLOMBIAN GOVERNMENT

Some government officials—the Attorney General, the members of his Human Rights Unit, investigators in the Attorney General's Technical Investigation Unit (*Cuerpo Técnico de Investigaciones,* CTI), the People's Advocate, and the Colombian National Police (CNP) leadership—have taken important action against paramilitaries. They have investigated their abuses, arrested paramilitary leaders, seized their weapons, and prevented some massacres.

It was largely due to the Attorney General's efforts, for instance, that Colombian law enforcement for the first time successfully impaired the paramilitaries' financial network. In May, a combined team of Attorney General prosecutors and CTI agents carried out an operation in the city of Montería that gathered evidence to be used to arrest and prosecute the people who finance paramilitary groups. For their security, this team was protected by an elite Colombian Army unit brought from Bogota. This is a critical and positive development that demonstrates that paramilitary groups are vulnerable and can be brought to justice.

Unfortunately, this operation remains an anomaly. To date, the good work of the Attorney General's office has been consistently and effectively undermined, canceled out, or in some cases wholly reversed by actions promoted by the military-paramilitary alliance and inaction by the Pastrana Administration.

Despite its statements to the contrary, the Pastrana Administration has not moved aggressively to acknowledge military-paramilitary collaboration and take effective action to ensure respect for human rights. To date, efforts to break these ties have been ineffective or, in some cases, wholly absent. Even as President Pastrana publicly deplores successive atrocities, each seemingly more gruesome than the last, high-ranking officers fail to take the obvious, critical steps necessary to prevent future killings by suspending suspect security force members suspected of abuses, delivering their cases to civilian judicial authorities for investigation, and pursuing and arresting paramilitaries

Eyewitnesses, municipal officials, and even the government's own investigators routinely delivered to the security forces detailed and current information about the exact location of paramilitary bases; license plates, colors and types of paramilitary vehicles; cellular telephone and beeper numbers used by paramilitaries; and the names of paramilitaries. Yet despite dozens of "early warnings" of planned atrocities, paramilitaries advanced, killed, mutilated, burned, destroyed, stole, and threatened with virtual impunity, often under the very noses of security force officers sworn to uphold public order.

Just as routinely, the security forces, in particular the military, have not moved against paramilitaries or have engaged in actions that produced only delays and allowed paramilitaries to continue their activities with impunity. Again and again, troops arrived at the sites of serious abuses committed by paramilitaries only to count bodies, photograph damages, and make familiar excuses for their failure to protect civilians and capture the paramilitaries responsible for abuses. Meanwhile, hundreds of arrest warrants against paramilitary leaders issued by the Attorney General's office remain unenforced because the military chooses not to execute them.

According to the CTI, investigators attached to the Attorney General's office, they had over 300 arrest warrants against alleged paramilitary members pending in January 2001. Among them were at least twenty-two separate warrants against Carlos Castano for massacres, killings, and the kidnaping of human rights defenders and a Colombian senator. Government investigators from four separate institutions consulted by Human Rights Watch agreed that the main obstacle to arrests was the Colombian military. The military, according to these investigators, refused to send troops to make arrests or else leaks arrest plans to paramilitaries, frustrating operations.

For its part, the military claimed that it has arrested paramilitaries. But civilian government investigators have insisted to Human Rights Watch that most of those counted as detained in military tallies were merely low-ranking fighters, not leaders and key organizers. The Attorney General's office, some times acting in coordination with the CTI and CNP, has a significantly better record of arresting paramilitary leaders.

Far from strengthening key government institutions that investigate human rights cases, the Pastrana Administration has significantly weakened them by cutting their budgets, failing to adequately protect prosecutors and investigators, and failing to provide adequate funds to protect threatened witnesses.

According to the Attorney General, decreases have been so extreme that they threaten key teams, like the Human Rights Unit, with paralysis. This was made dramatically clear to Human Rights Watch during a visit to the Human Rights Unit prosecutors in January 2001. During the interview, one prosecutor was frantically calling various officials to get a seat on an interior ministry helicopter for a colleague to investigate massacres in the department of Valle. Such incidents, he said, were commonplace.

U.S. POLICY

Human Rights Watch firmly believes that the United States has an important role to play in Colombia and can help to support human rights. There have been some positive developments in Washington and from the U.S. Embassy in Bogota. The chapter on Colombia in the annual country reports on human rights issued by the State Department continues to reflect an accurate, albeit grim picture of the worsening human rights situation. As importantly, U.S. Ambassador Anne Patterson has begun a long-overdue policy of speaking out on the human rights situation, and expressing concern over specific cases. Her timely, personal interventions in recent cases have been a critical factor in spurring the Colombian authorities to act to address the paramilitary advance.

Nevertheless, it remains clear that much more needs to be done. U.S. law prohibits military aid from going to security force units engaged in abusive behavior until effective steps are taken to bring perpetrators to justice. Last year, the U.S. Congress wisely included human rights conditions specific to Colombia in Public Law 106–246. These were conditions that we strongly supported, and this Subcommittee in particular merits recognition for ensuring that they were made part of the law.

However, on August 22, 2000, President Bill Clinton signed a waiver that lifted these conditions, allowing security assistance to be provided to the Colombian military even as the State Department reported that these forces continued to work with paramilitary groups. With one signature, the White House sent a direct message to Colombia's military leaders that overshadowed any other related to human rights.

Judged by the Colombian military's behavior in the field—not by rhetoric or public relations pamphlets—its leaders understood this message clearly. Even as Colombia's high command has agreed to scrub a few units for human rights problems, the rest of the military appears to have a virtual carte blanche for continued, active coordination with the paramilitary groups responsible for most human rights violations in Colombia.

Human Rights Watch remains convinced that the most important way that the United States can contribute to improving human rights protections in Colombia is to enforce strict and workable conditions on all military aid. These conditions should not include a waiver. Enforcement of the conditions contained in Public Law 106–246 would have contributed greatly to improving human rights protection, in my opinion.

[CLERK'S NOTE.—The Human Rights Watch letter to Manuel Maruland, FARC–EP, Commander in Chief, Violations of International Humanitarian Law, Colombia, July 9, 2001, can be found on the website: http://www.hrw.org]

Senator LEAHY. We provided last year $4 million for the protection of human rights workers, $10 million for the security of witnesses and judges in human rights cases, $25 million to establish human rights units within the attorney general's office, $7 million to strengthen human rights institutions. Apparently very little of this money has gotten anywhere; is that what you are saying?

Mr. VIVANCO. That is right.

Senator LEAHY. Your written testimony spoke about what a tiny fraction of the military assistance that is. I mean, the amount of money we spend in a couple of hours on the military could provide a great deal for the human rights workers.

Incidentally, I asked earlier about the 388 soldiers who were dismissed. We have been unable to find out what they were dismissed for, what happened to them, and whether any of them came back into the military or the paramilitary. Do you or your organization have any idea who these 388 soldiers were, whether any of them were ever prosecuted for any human rights violations?

Mr. VIVANCO. No, sir, we have no information whatsoever. We tried really hard to obtain information about the nature of the crimes that these individuals allegedly committed, their names, ranks, and so far we have been unable to establish anything for the record with regard to those ones who allegedly have been dismissed or suspended from active duty because they are involved allegedly in human rights violations.

Senator LEAHY. Do you have any response to the public advocate's report on the Naya River massacre? Apparently the public advocate made a report on the Naya River massacre. Have you seen that report?

Mr. VIVANCO. No, no, sir.

Senator LEAHY. Can you tell me about the letter you sent to the FARC leadership that was released publicly yesterday? Would you just summarize the key points of that letter, just so we could have it for the record?

Mr. VIVANCO. Senator Leahy, our organization has been monitoring human rights conditions in Colombia for several years, close to 15 years. Part of our mission is to also monitor the activities of irregular armed groups all over the world, including obviously in Colombia. We have produced several books and specific reports on violations committed by paramilitaries in Colombia, paramilitaries with close links with the government as well as guerrillas.

Since guerrilla leaders every few months publicly stated that they are interested in peace negotiations, they are interested in respect for international humanitarian law, we decided to confront their leadership and specifically the maximum leader of the guerrillas in Colombia, Mr. Marlander, with the basic principles of international humanitarian law and with some cases and evidence that shows an appalling record of systematic abuses of international humanitarian law, especially against the civilian population, as well as combatants.

That is why we conducted an on-site investigation. We visited the area that is under the control of the FARC as well as other areas in the country. After corroborating this information, we put all of this information in the form of a letter to Mr. Marulanda. We hope that with this kind of action we will be able to influence their practice.

So far we have not received any reaction from the leadership of the FARC.

Senator LEAHY. Do you think you will?

Mr. VIVANCO. Everything depends on the reaction of the Colombian people as well as the international community. It is absolutely essential from our viewpoint to inform the public about the record

of this group as well as the record of paramilitary groups and the state forces in Colombia. Based on information and based also on the actions of governments like the U.S. government and the European Union and some key governments in Latin America, especially for instance the Mexican government, we hope that some pressure could be exercised specifically with the FARC, but also with other groups in Colombia, that ends up improving human rights conditions there.

Senator LEAHY. Do you feel that the restrictions that we put on the money last year, some of which were waived by the Clinton administration, do you feel that we should keep on having restrictions, keep on tying our aid to improvements in human rights?

Mr. VIVANCO. I think if there is any hope, Senator Leahy, for improving human rights conditions in Colombia, that is clearly related to some degree of engagement with key actors in Colombia on the specific conditions that encourage them to improve their record. That is why we support human rights conditions, human rights conditions that could be feasible, workable, and within a reasonable time, and, obviously, without a waiver.

Senator LEAHY. I have written a number of letters about a case, the so-called Santo Domingo case, since December 1998. That is when a bomb exploded in a village that killed 17 people, including 5 children, and wounded 24 others. It appears the bomb was made in the United States, that it was dropped by the Colombian Air Force flying a U.S.-manufactured aircraft. The Colombian military tried to cover up responsibility, including lying to the U.S. embassy.

These are all pretty damning statements. Do you know whether a credible investigation has been done of this? Has anybody been prosecuted or punished?

Mr. VIVANCO. As far as I know, Senator Leahy, the most serious investigation has been conducted by the FBI in situ, and their conclusions corroborate our assessment that that act was the responsibility of the armed forces of Colombia. So far, the local investigation has not produced serious results.

Senator LEAHY. The Leahy law that we talked about before prohibits funds to units of security forces if there is credible evidence they have committed gross violations of human rights unless the government has taken effective measures to address those violations and bring the people responsible to justice.

Do you think the Leahy law applies to the Santo Domingo case?

Mr. VIVANCO. I believe that it should apply to the Santo Domingo case.

Senator LEAHY. Now, in the past we have talked about the links between the armed forces and the paramilitary groups. Years ago I asked the State Department about this and they said they did not see such evidence of links, but then last year they told me the Colombian government was making real efforts to sever these links, the links that they did not think existed before.

The Colombian Government tells me the same thing, that they are trying to sever the links between the armed forces and the paramilitaries groups. What is your sense of the efforts the army is making against the paramilitaries?

Mr. VIVANCO. According to the most recent information that we have as a result of investigations in Colombia, we are prepared to state, to argue that these relations in some areas, areas that are infested with paramilitary groups, still involve close and active coordination with military units, coordination and support that includes communications support via radios, cellular telephones, beepers, sharing intelligence between local military units and paramilitary organizations, including—by sharing intelligence, I mean including the names of suspected guerrilla collaborators, the sharing of fighters, including active duty soldiers serving in paramilitary units, and paramilitary commanders lodging on military bases, the sharing of vehicles, including army trucks used to transport paramilitary fighters, and the coordination of army road blocks, which routinely let heavily armed paramilitary fighters pass.

So in some areas of the country this relationship is still very close and also the evidence shows that there is active support. In other words, those ties, that relationship, has not been breaked and it is still very key for the activities of paramilitary organizations.

Senator LEAHY. I wish you were wrong, but unfortunately every bit of information I have says the same thing.

Now, I understand a new security law passed the Colombian congress and I guess President Pastrana has not signed it, but he probably will. Do you know whether the Colombian attorney general supports this security law and what effect it is going to have on the ability of civilian authorities to investigate human rights violations?

Mr. VIVANCO. This law is a very controversial piece of legislation in Colombia. Fortunately, it has not been signed yet by President Pastrana. I am not sure about the position of the current attorney general. President Pastrana just nominated a new attorney general of Colombia, so I do not know about his views on the current legislation.

But in our experience all over the region, Senator Leahy, when a civilian government allows for activities of security forces without the necessary constraints and supervision and oversight by the judicial authorities, specifically prosecutors and judges, that kind of legislational prescription is the best recipe for abuses. In a country like Colombia, where impunity is the rule, where everybody acknowledges that strengthening the judiciary and judicial control over the police as well as the military is key to move forward the country and to strengthening democracy and the rule of law, we do not believe that this legislation will help to increase respect for human rights in Colombia.

Senator LEAHY. Well, in the New York Times yesterday in an editorial, which I am sure you have seen, it took much the same position. In fact, they are saying hopefully that President Pastrana would not sign the bill. They complete the editorial by saying: "Congress and President Bush should make it easier for Mr. Pastrana to kill the bill by promising to cut military aid if he signs it."

I tend to agree, and I will put that New York Times article in the record at this point.

[The information follows:]

[From the New York Times, July 10, 2001]

LEGALIZING ABUSES IN COLOMBIA

The human rights record of Colombia's army has improved somewhat in recent years. In part this is because its abuses have been privatized—paramilitary groups with close links to many members of the armed forces are now committing the bulk of the murders of civilians. But a new law that has passed Colombia's Congress and awaits the signature of President Andres Pastrana would give the military dangerous new powers over civilians and lessen the possibility that officers would be held accountable for abusing them.

Mr. Pastrana seems likely to sign the law this week. That would be a grave mistake that would jeopardize American Congressional support for Washington's extensive aid to Colombia's military.

Colombian officials and indeed much of the nation endorse expanded powers for the military because guerrilla abuses are increasing. Yesterday Human Rights Watch accused the nation's biggest guerrilla group, the Revolutionary Armed Forces of Colombia, or FARC, of serious abuses, including executions of civilians, hostage-taking, the killing of medical workers and the use of child soldiers. Last year, according to Colombian human rights groups, the FARC killed nearly 500 civilians. Most were people the FARC accused of helping the army or paramilitaries.

The horrific abuses by the FARC and other guerrillas are driving Colombians—especially those whose income puts them at risk of kidnapping—to endorse draconian responses, such as the new security law. This reaction is misguided. While more moderate than a previous version, the bill still contains undemocratic and potentially abusive reforms. It would make authorities such as mayors and governors subordinate to military commanders. The bill would also give the military the ability in many cases to authorize raids, arrest civilians and in some cases carry out investigations. The law is inconsistent with the Colombian Constitution, which bars the military justice system from investigating civilians.

The new bill would also contribute to the impunity of the armed forces, by placing a two-month time limit on the ability of civilian authorities to open investigations of crimes committed in the course of military operations. Another part of the security law says that when people are arrested in the act of committing crimes, the military need only inform judges of their capture, instead of bringing them before the courts. There is no possible case to be made that either change would help the military win the war. Allowing officers to wait to produce detainees is an invitation to mistreat prisoners. The right to appear before a judge is partly designed to discourage abuses.

Congress and the Clinton administration approved a large hike in military aid to Colombia last year at least in part because the administration promised that the aid would go to a reformed Colombian military. Now that the money is flowing, Colombia's army has apparently decided that it can get away with shaking off oversight. President Pastrana evidently feels he needs to placate the military, another indication of the worrisome power of the armed forces. The House Appropriations Committee will meet this week to budget money for Colombia. Congress and President Bush should make it easier for Mr. Pastrana to kill the bill by promising to cut military aid if he signs it.

Senator LEAHY. Mr. Vivanco, I appreciate you coming here and I appreciate your rearranging your schedule so you could. I am looking forward to reading more thoroughly your report on the FARC. Thank you very, very much.

CONCLUSION OF HEARINGS

That concludes our hearings. The subcommittee will stand in recess subject to the call of the Chair.

[Whereupon, at 12:32 p.m., Wednesday, July 11, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR FISCAL YEAR 2002

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

NONDEPARTMENTAL WITNESSES

[CLERK'S NOTE.—The subcommittee was unable to hold hearings on nondepartmental witnesses. The statements and letters of those submitting written testimony are as follows:]

PREPARED STATEMENT OF COLUMBIA UNIVERSITY

Mr. Chairman, thank you for this opportunity to submit a written statement for the Outside Witness Hearing Record. This statement provides two recommendations that will assist AID in achieving its missions and goals in Africa. Specifically, the recommendations are:

—Provide $975,000 for the continued funding of the two site IRI climate forecasting efforts (Africa); and

—Provide $2 million the Center for Health and Food Security, designed and manned by the IRI in cooperation with country teams across Africa.

BACKGROUND

Columbia University's International Research Institute for Climate Prediction (IRI) is the primary U.S. agent in experimental climate modeling and long range (seasonal to interannual) forecasting. The IRI, funded and established through a partnership between Columbia University and the National Oceanic and Atmospheric Administration (NOAA) of the Department of Commerce, provides support for the Drought Monitoring Centre in Nairobi, Kenya. The fiscal year 2001 Appropriations Act provided continued funding for this effort and encouraged AID to establish a second site (in South Africa) with the IRI. The IRI is currently working on the logistics associated with the establishment of a second site in Africa. The estimated costs associated with this effort total $975,000 annually.

Establishment of a Center for Health and Food Security is proposed at $2 million to focus on disease and famine issues caused by the effect of climate forcing agents across Africa. This two-year effort is designed to demonstrate the effectiveness of long range forecasting and the measures that can be taken to minimize or avoid disease, plague, famine and drought associated with climate forcing agents such as El Niño and La Niña events.

The El Niño events in 1983, 1988 and 1997 have demonstrated that while there was some probability of abnormal atmospheric interaction, the certainty to take dramatic and forceful actions at the national and regional levels was lacking. The IRI has now achieved a level of accuracy in future climate driven events to the extent that forecasting and predictive capability can be utilized by private and public decision makers to avoid the high probabilities of below/above average temperature and precipitation by region. This long-range information can be converted to practical and practicable actions that can mitigate the extreme effects and damage caused by climate forcing agents around the world. The most vulnerable continent to these effects is Africa.

IRI GOALS

The IRI is an institution that seeks to link scientific research with real world applications. The IRI provides public and private decision makers with the advanced tools of climate forecasting as means of planning and preparing for extreme variations in precipitation and temperature probabilities due to climate forcing agents. With IRI assistance, AID's efforts in developing countries will be strengthened beyond current capacity. As third world countries mature toward economic stability, emerging national leaders will have familiarity with the value of climate forecasting and thus will incorporate these instruments into improved mechanisms for national planning.

Thank you again for this opportunity to submit this recommendation for AID funding.

PREPARED STATEMENT OF THE JOSLIN DIABETES CENTER

Mr. Chairman, thank you for this opportunity to present a project proposal for implementation in Egypt that addresses a growing problem in third world and developing countries: diabetes. This statement outlines an identified health problem and a mechanism of resolving the downstream complications that will inevitably follow in the known history of this disease.

Specifically, this recommendation proposes the following:

1. To reduce morbidity and mortality associated with diabetes and its complications in suburban Dakahlia and its surrounding governates. To be the core center for conducting research aimed at prevention of both type 1 and type 2 diabetes within the Egyptian population.

2. To establish a state-of-the-art comprehensive diabetes unit within Mansoura University Hospitals Complex to serve as a regional and national resource for diabetes care, education and research.

3. To use this unit as a working unit model for collaboration between U.S. and health care organizations in the Middle East that serves the educational and developmental needs using currently available technology and communication platforms. Such working unit model will serve as the core for future expansion and harmonious "regionalization" of the joint program.

The fiscal year 2002 AID cost associated with this initiative totals $2.9 million. Local and regional contributions from sources in Egypt, including Mansoura University, total approximately $10 million. The basic goal is to transfer medical technology and protocol to meet a major health care crisis.

The Problem: The Burden of Diabetes in Egypt

Diabetes has become a major, emerging clinical and public health problem and one of the leading causes of permanent disability and death in Egypt. It is currently the major risk factor for cardiovascular disease, and the leading cause of lower extremity amputation, blindness, and endstage renal failure. Because of the chronic nature of diabetes and the far-reaching complications associated with it, the costs to society are enormous.

The combined prevalence of diagnosed and undiagnosed diabetes in the Egyptian population >20 years of age was estimated to be 9.3 percent of the 67 million Egyptians, which is far higher than its prevalence in the developed countries and most of developing countries. The main reasons for high prevalence rate of diabetes in Egypt are the increased risk factors for diabetes: inheritance, obesity, bad nutritional guidance and sedentary life style.

The microvascular and neuropathic complications of diabetes area major clinical and public health problem in Egypt. In a recent study conducted by University of Michigan Medical Center, Ann Arbor, 42 percent of the Egyptian diabetic patients had retinopathy (which can lead to blindness), 21 percent had evidence of kidney damage, and 22 percent severe nerve damage. The onset of retinopathy was estimated to occur 2.6 years prior to clinical diagnosis of diabetes.

Relation between diabetes and endemic diseases in Egypt

One of the major growing endemic problems in Egypt is the infection with hepatitis C, which affects approximately 20 percent of the adult population. In a recent study conducted by H. Dabbous Department of Tropical Medicine, Ain Shams University, Cairo, the HCV seropositive patients were three times more likely to suffer from diabetes mellitus than those who were HCV.

According to a recent epidemiological study conducted last year by Department of Medical Statistics and Clinical Epidemiology, Medical Research Institute, Alexandria University, Egypt, of diabetic patients: 38 percent did not have their retinas

examined, 29 percent did not receive a neurological examination, and 24 percent did not have their feet inspected. Only 8 percent did self-examination of blood glucose and 26 percent checked glucose in urine by themselves. Furthermore, only 4 percent had their HbAlc checked in 12 months. All these practices are far behind the standard level of diabetes care. Diabetes care in suburban areas is further behind that in urban areas.

Active Role of USAID in supporting the Health Care System in Egypt

During the late 1970s and early 1980s, USAID assistance to the Government of Egypt resulted in greatly expanded access to health services. Substantial investments were made in training health personnel, upgrading the physical infrastructure, and improving the service delivery system. Some of these programs brought great benefits to the country. For example, the Egypt child survival program has been a phenomenal success in improving the health of young children, preventing more than 80,000 child deaths every year. USAID, along with the Government of Egypt, non-governmental organizations and the private sector, is working to cut mortality rates further, expand and target maternal/child health services, and improve their sustainability. This is being done through a range of mechanisms including policy reforms, the promotion of quality assurance, decentralization, better resource allocation, and increased participation by the private sector and local communities.

USAID health investments are also combating endemic and emerging diseases. One of those is the Hepatitis C virus, which causes severe liver damage, liver cancer, and increased risk of maternal mortality. USAID is responding to the urgent need for applied research to determine how to stop the spread of this deadly virus.

Mansoura University and Mansoura University Hospitals

The Faculty of Medicine was founded in 1962 as a branch of Cairo University. A presidential decree declared the establishment of East Delta University in 1972. The name was changed to University of Mansoura in 1973. The University campus covers approximately 300 acres. Mansoura University harbors the largest Medical Complex in Egypt, which includes 7 specialized centers plus the University Hospital.

The Diabetes and Endocrine Section at Mansoura University Hospital was founded in the late 1960s. It includes 10 senior specialists in the field of endocrinology and diabetes. The unit, which has become an integrated clinical, education and research entity, conducted hundreds of scientific research projects among the Egyptian diabetic population and some important epidemiological studies. The unit is also a member of the Egyptian Diabetes Association, Egyptian Society of Diabetes, Endocrinology and Metabolism, and the International Diabetes Federation.

Joslin Diabetes Center—Boston

Joslin Diabetes Center, an affiliate of Harvard Medical School headquartered in Boston's Harvard-Longwood Medical Area, is a national and international leader in diabetes treatment and research. Joslin has locations throughout the Boston metropolitan area and offers affiliated programs throughout the United States. Joslin is currently integrating its advanced telemedicine platform for comprehensive diabetes management into the DOD, VA and Indian Health Service Health Care systems.

Joslin's tradition of excellence in diabetes is reflected in the high level of satisfaction patients express in the care and education they receive. Nearly 90 percent of new patients to the Center consistently rate their experience as "very positive." Moreover, Joslin trainees chair several prestigious diabetes programs worldwide.

Joslin was established more than 100 years ago by Elliott P. Joslin, M.D. Dr. Joslin was a diabetes specialist for over 60 years, beginning in an era 25 years before the discovery of lifesaving insulin. Dr. Joslin and his colleagues were the first to use insulin in New England following its discovery.

Project Outline

The project will have two phases:

—The first phase is to establish a well-equipped diabetes unit at the recently constructed Internal Medicine Center at Mansoura University. This unit will serve as a working model for 3 years for future co-operation and partnership between Joslin Diabetes Center and Mansoura University.

—After 3 years and upon success of this working model, we expect to proceed with the second phase of establishing a diabetes center with the aim of serving the high load of diabetes population in Mansoura vicinities. This expanded center will continue with the technical and scientific partnership with Joslin Diabetes Center.

I. With the current advance in electronic communication, medical informatics and telemedicine, major centers can now work in harmony with remote units and reach a larger target population at significantly lower cost. Over the last few years, University of Mansoura invested heavily in building a communication and networking infrastructure that serves the university and its affiliated hospitals. All the university units are currently linked through high-speed fiber optic cables to the computer and Internet center in the university.

The Diabetes Unit will benefit from this infrastructure by building a telemedicine and electronic records system that will be fully integrated with Joslin Diabetes Center. The advantages of this electronic communication link are:

1. Implement an electronic medical record system which has the following advantages: (a) Modernize the level of service at the Mansoura unit. (b) Allows auditing of the quality of diabetes care. Where Joslin Diabetes Center can monitor the services at Mansoura unit in order to give much better input in improving the use of the available resources. This will ultimately help in improving the quality of diabetes care in Mansoura to the international standard. (c) These records may serve as baseline data for epidemiological and research studies and improved patient services.

2. The Telemedicine unit will provide better communication with Joslin specialists and staff and would enable: (a) Remote case studies, journal clubs and consultations; (b) Seminars and electronic meetings; and (c) Transmitting lectures and presentation held at Joslin Diabetes Center.

3. It will reduce travel costs between the two units and eliminate the unneeded interruption in the health care activities of both parties.

II. Joslin Diabetes Center will help Mansoura Diabetes Unit to establish and maintain a standard of diabetes care following the American Diabetes Association's recommendations and guidelines.

III. Joslin Diabetes Center will assist Mansoura Diabetes Unit in starting strong programs, especially those related to:

—Diabetes Care
—Diabetes Education
—Diabetes Research—with focus on issues important to Egypt
—Diabetes Prevention
—Diabetes Complications—management and prevention
—Behavioral Medicine

Joslin has a known international lead in those important fields. Egypt is deficient in these fields.

Year 1

Create Model Demonstration Unit (MDU) that can utilize the strategic educational and training program set by Joslin Diabetes Center. Prepare the task force at Mansoura unit to meet the joint collaboration goals. Start the telemedicine infrastructure and put it in demonstration mode.

Year 2

Use the MDU to educate local physicians, nurses and other health professionals. Use the MDU to develop educational material and applicable methods and test their input and audit their outcomes and analyze their effects in improving the health care delivered to diabetic patients in regional suburban areas. Finalize the telemedicine working platform to be able to utilize the training and educational goals.

Year 3

Introduce and distribute the educational materials and programs developed jointly by Joslin and Mansoura unit for diabetic patients in Mansoura and its vicinities. Implement epidemiological and health care services that fit the specific needs of the diabetic population in Egypt. Translate these services into economic benefits through better allocation of resources invested in diabetes care. Analyze the MDU for expansion of the collaborative project beyond the region.

Significance and summary

This project will be a model of International Collaboration in the twenty-first century. As the joint work progresses, we expect to capitalize on innovations such as Internet 2, hand held broadband receivers, etc. to foster an ever closer team work between dedicated professionals in Egypt and the United States. This project will bring improved care and comfort to untold numbers of patients by educating and helping caregivers and medical educators.

Thank you for this opportunity to submit this statement for the Outside Witness Hearing Record.

PREPARED STATEMENT OF THE ROBERT F. WAGNER GRADUATE SCHOOL OF PUBLIC SERVICE, NEW YORK UNIVERSITY

THE POTENTIAL OF TECHNOLOGY TO HELP MEET THE CHALLENGES OF DEMOCRATIC PUBLIC SERVICE EDUCATION

The American experiment in democratic decision-making began long ago and in simpler times, but it has many lessons to offer nations and peoples around the world. After the Allies' victory in World War II, the United States faced an enormous challenge of rebuilding in Europe and Asia. Now, having defended its democratic system and won the Cold War, the United States faces a new challenge of encouraging the development of democratic political systems and market economies around the world. The struggle for democracy and economic freedom will require new weapons, but success in this battle may depend as much on American ingenuity and technological superiority as did our previous victories.

Through its direct aid programs, its university partnership programs, its Fulbright and other scholar exchange programs, the Edmund Muskie and Ron Brown Fellows programs, and through various foreign visitor programs, our government is making a strategic investment in developing democratic, market-oriented leadership around the world. Indirectly, America's investment in it own higher education system has also paid international dividends: American universities are the most popular destination of students who study abroad. (More international students enroll at NYU than any other American university.) During their stay and time of study in the U.S., these international students are exposed to American institutions, American values, and American freedom.

MEETING THE CHALLENGE: NYU AND THE ROBERT F. WAGNER GRADUATE SCHOOL OF PUBLIC SERVICE

I represent the Robert F. Wagner Graduate School of Public Service at New York University. The Wagner School—named after a great Senator from the State of New York, and his son, the three-term mayor of New York—is the largest school of public service in the United States, including students from more than 40 countries. In the past decade, Wagner faculty and programs have provided professional education to officials throughout the Newly Independent States, Africa, Latin America, and Asia. We have current partnerships with universities in France, England, Spain, Belgium, Ukraine, Mexico, Chile, Argentina, Mozambique and South Korea. We have welcomed their students into our classrooms, sent ours to theirs, and our faculty has taught courses on their campuses. The Wagner School has been a leading participant in the U.S. funded fellowships and educational exchange, hosted Fulbright scholars, and is now carrying out two Department of State funded programs in Ukraine and Mozambique. Wagner faculty are also providing technical assistance to the World Bank and other international organizations in Cambodia, Indonesia, Columbia, Uganda, South Africa and Mozambique.

Wagner students receive very practical training. At the end of their master's degree program, they spend two semesters working in teams under faculty-supervision working for real world clients doing "capstone" projects in public policy, management, finance or urban planning. In the past three year more than 60 students have participated in international capstone projects for international organizations based in the United States such as Save the Children, UMCOR, Trickle Up, as well as a number of U.N. agencies. For example, this year five Wagner students are evaluating a humanitarian assistance project in Mozambique in cooperation with six students from our partner university in Mozambique. They coordinated their plans using email and interactive televideo conference meetings, and spent three weeks in January working in combined teams doing field work in Gaza, a province of Mozambique, which was an area most affected by last year's devastating floods.

International NGOs, many based in the United States, have become major players in responding to humanitarian crises around the world and in civil society capacity building. The service delivery parts of the United Nations system, such as UNICEF and the Department of Peacekeeping Operations, have been given new and more complex assignments. At the same time, funders are demanding greater evidence of successful performance and imposing more rigorous standards of accountability. These developments have greatly increased the need for managerial competence in international public service organizations.

The Wagner School has been deeply involved in nonprofit management capacity building in the NIS and in developing countries. The Wagner School is now creating a partnership between the first university-based nonprofit management programs in Spain (at ESADE) and in Argentina (at University of San Andres) to serve civil society capacity building in Latin America. Given the scale of the distances involve and

of the challenge, this partnership's potential is heavily dependent on developing, and using extensively, distance learning technologies.

In January 2000, The Wagner School inaugurated a new master's degree for managers of international public service organizations and is creating a new sub-field of public management education—international public service management. The first two classes of 36 students represent 24 countries. An emerging partnership between the Wagner School and the international programs at the Evans School at the University of Washington in Seattle also supports this new program. Our partner program at Korea University, the Graduate School of International Studies, has admitted five students to a dual masters degree program: first an MA in international affairs, then our MS in management next year. We are also exploring the possibility of offering a related and technologically linked version of this MS program in Geneva, Switzerland.

NEEDS EXCEEDING CAPACITY

Even as the largest school of public service, the Wagner School can enroll only a small fraction of the international students who want to pursue the fields of study offered. For many students from less economically developed parts of the world, the combined cost of tuition and books and travel to and residency in New York, constitute an impossibly high barrier to access. This barrier looms especially large for women from less developed regions of the world.

Distance learning technologies have been used to expand the reach of our programs in our partnerships with universities around the world. Building on our experience using interactive televideo conferencing in courses with Europe, Latin America, and Asia, we are now introducing this technology in our work with Mozambique. By reducing the time and financial costs of faculty and student travel in educational partnerships, we believe modern technologies will enable the Wagner School to dramatically widen and deepen its reach to build capacity for democratic public service in the nations of the world. We are increasingly working with our university partners in other nations using distance learning technologies to provide a meeting place for technical assistance and exchange between officials in specialized fields. For example, two weeks ago the Wagner School hosted a two hour meeting between solid waste management officials in Rio De Janeiro and officials and experts in New York and Paris using an interactive televideo conference. We believe that if we were properly equipped the Wagner School could multiply many times over the reach and effectiveness of its public service policy and management education efforts around the world.

The International Center for Democratic Public Service

To bring together all of the outstanding programs and resources we have to offer, Wagner is seeking to develop an International Center for Democratic Public Service. This Center will focus the vast resources found in the Wagner School, NYU and New York City on developing and supporting policy leadership and management solutions worldwide. In addition to offering a range of courses and degree programs, the International Center for Democratic Public Service will serve as a forum for American and international leaders to discuss major policy objectives, and at which public service professionals can gather to share ideas and best practices before a global audience. It will create a global network of students, scholars, and practitioners who want to better understand how to improve public service delivery throughout the world in the 21st Century.

As part of its strategic plan, the Robert F. Wagner Graduate School of Public Service intends to move its faculty and programs from their dispersed locations around Washington Square into one new integrated facility. A crucial component of this effort—and one needed to extend Wagner programs to a global economy—is the inclusion of the full range of distance learning technologies that would make the School's new home a state-of-the-art global professional education center. This is an area in which we will be seeking government support to help leverage funding from private foundations, corporations and individuals concerned with the delivery of public services worldwide.

Properly equipped classrooms and computer laboratories can facilitate a wide range of projects involving faculty, students and practitioners located in multiple sites simultaneously, and technologically advanced lecture halls can accommodate unlimited attendance spanning great distances. These are all well-developed technologies, but their initial cost is expensive. However, the cost-effectiveness of these means of professional education make them the best hope for providing democratic public service capacity building on the scale necessary to transform the societies aspiring to join the United States in the great democratic experiment.

PREPARED STATEMENT OF THE UNIVERSITY OF MIAMI

Mr. Chairman and Members of the Subcommittee: Thank you for allowing me to submit testimony concerning an important new initiative at the University of Miami and its Institute for Cuban and Cuban-American Studies.

The Castro era may be coming to an end in Cuba, if for no other reason than geriatric reality. Fidel Castro and his brother Raul are in their 70s with deteriorating health.

The passing of the Castro brothers may ensue in a period of slow and peaceful transition or may lead to fast and violent change. In either case, United States policy makers must be ready to deal with these and other scenarios that may develop in United States-Cuban relations. A migration crisis, protracted violence, the emergence of anti or pro-U.S. factions within the transition leadership, all will require careful responses from the United States.

If a pro-U.S. democratic transition regime emerges, the United States tasks may be to provide immediate humanitarian relief and to link humanitarian aid to democracy building. The United States may be called upon to assist in rebuilding civil society and beginning the task of economic reconstruction.

The transition completed and a new government installed through free, internationally supervised elections, the United States would work with other democratic countries to help rebuild Cuba's legislative, judicial, media, and educational institutions as well as to encourage the growth of independent political parties and implement military reforms.

A violent post-Castro transition or a civil war in Cuba may require the United States to deal with migration issues, an activated Cuban-American population, threats to the United States naval base at Guantanamo, pressures for United States involvement, and, possibly, even the eventual use of American military forces.

It is clear that given the proximity of Cuba to the United States; the role of the Cuban-American community; and our own vital interest in Latin America and the Caribbean region changes in Cuba will have significant impact on the United States. The United States should be prepared to deal with these changes and to respond quickly to problems and opportunities that may arise in the island.

One of the clear lessons from changes in Eastern Europe and the Soviet Union is that we were unprepared to deal with transitions in that region of the world. Unexpecting the depth of change, we were caught by surprise. Not knowing clearly what role we should play, we looked confused and indecisive.

The time to start preparing for Cuba's transition is now. We can best advance our long term goals, in the meantime, by maintaining the present policy; by waiting patiently for a regime in the island that is willing to provide meaningful and irreversible changes and then offering that regime aid, trade, tourism and investments, as a carrot to accelerate change in the island; by assisting nascent independent institutions in Cuba; by studying and learning from other transitions to democracy and by encouraging the Cuban-American community to build consensus around transitional issues.

The University of Miami seeks support to prepare United States government officials for the inevitable transition that will take place in Cuba. The Cuba Transition Project at the University of Miami is designed to provide policy makers, analysts and others with accurate information, incisive analysis and practical policy recommendations.

The Cuba Transition Project will be developed over a three-year period. Clearly, if transition were to take place in Cuba at a fast pace the products of the Cuba Transition Project will be accelerated to meet United States government and Cuba's changing needs. On the other hand if transition is slow the studies and policy recommendations will be completed within the time scheduled and these will remain as the basis for continuous studies and monitoring of the Cuba scene. Regardless of the speed of transition, the studies and the resources developed will be of invaluable assistance to United States policy makers dealing with Cuba.

During the first stage of the project (fiscal year 2002) the following objectives will be accomplished.

—Establishment of a Research Center which will include offices for researchers; facilities for holding briefings and seminars; website; database.

—Organize Research Programs. Four initial research units are planned: (1) socioeconomic conditions; (2) statistical database; (3) political system and decision-making; (4) critical issues and emergency needs.

—Organize Task Forces. Priority topics to include: Legal reform, macro-economic issues, agriculture, the future of sugar and tourism, international trade, immigration, multi-lateral financial institutions, privatization, telecommunications, basic education, United States-Cuba relations, justice and rule of law, edu-

cation, the environment, institutional reform, micro- and small business development, transportation, regulation, utilities and infrastructure, health and nutrition, AIDS, aging and social security, employment, labor markets, and social welfare policy, foreign investment, crime and corruption and the transformation of the value system generated by 40 years of communist rule.

—Organize Study Groups. Priority topics to include: civil-military issues; governability and state reform; civil society development; race, ethnicity and cultural pluralism; political culture and value transformation.

Once transition in earnest takes place in Cuba, and United States policy permits, we will emphasize a professional development and education component. This part of the Cuban Transition Project will be dedicated to direct assistance and advisement to Cuban professionals and potential policy makers. The objectives of this unit will be achieved through seminars, support groups, professional and academic exchange, and direct consulting. A special facility will be established at the University of Miami to provide distance learning capabilities able to train large numbers of Cubans in a variety of subjects. As needed, group seminars will be offered in Cuba and Miami and Cubans will be brought to the University of Miami campus for specialized training. A satellite facility will be established in Cuba as soon as politically and legally possible.

The University of Miami is uniquely qualified to assist the United States government with transitional issues in Cuba. The University is located in a multi-lingual city and community, 90 miles away from Cuba. The University has one of the largest bilingual faculties of Research I university in the nation. Its academic orientation has been, since its founding, toward Latin America and the Caribbean. Its schools of Law, Business, Medicine, and Communications will be key components in preparing and training future leaders in a democratic Cuba. The University has the finest and most extensive collection of Library materials on Cuba. The Cuban Heritage collection at the Richter Library is considered the best and most comprehensive collection worldwide.

The University of Miami has had a program of Cuban Studies since 1964. The Institute for Cuban and Cuban American Studies directed by Professor Jaime Suchlicki coordinates Cuba related activities of the University, including the Emilio Bacardi Moreau Chair in Cuban Studies; the John J. Koubek Memorial Center and other components related to Cuba and Cuban-American Studies. The Institute offers courses on Cuban history, culture, and international relations, produces publications and sponsors original research and studies. The Institute houses Cuba On-Line, the most comprehensive current and historical database on Cuba and is in the process of becoming the Secretariat of the Association for the Study of the Cuban Economy (ASCE), the most prestigious non-partisan group of academics and researchers studying Cuba and its economy.

For fiscal year 2002, the University of Miami Institute for Cuban and Cuban-American Studies seeks $3.5 million through the United States Agency for International Development to establish and develop this important new initiative, the Cuban Transition Project. Our human and physical capabilities as well as our commitment to help the U.S. government develop policy-relevant advice and programs to deal with Cuba's transition, makes the University and its Institute for Cuban and Cuban-American Studies unique to carry out this delicate and important task.

Mr. Chairman, we know that this will be a difficult year as you and Members of the Subcommittee seek to establish funding priorities in your bill. My colleagues and I at the University of Miami and the Institute for Cuban and Cuban-American Studies hope that it will be possible for you to support implementation and development of our new and vital initiative, the Cuban Transition Project.

Thank you.

PREPARED STATEMENT OF FLORIDA STATE UNIVERSITY

Mr. Chairman, I would like to thank you and the Members of the Subcommittee for the opportunity to present testimony before this Committee. I would like to take a moment to briefly acquaint you with Florida State University (FSU).

Located in Tallahassee, Florida's capitol, FSU is a comprehensive Research I university with a rapidly growing research base. The University serves as a center for advanced graduate and professional studies, exemplary research and top quality undergraduate programs. Faculty members at FSU maintain a strong commitment to quality in teaching, to performance of research and creative activities and have a strong commitment to public service. Among the faculty are numerous recipients of national and international honors, including Nobel laureates, Pulitzer Prize winners as well as several members of the National Academy of Sciences. Our scientists and

engineers do excellent research, have strong interdisciplinary interests, and often work closely with industrial partners in the commercialization of the results of their research. Having been designated as a Carnegie Research I University several years ago, Florida State University currently is approaching $125 million per year in research awards.

FSU will soon initiate a new medical school, the first in the U.S. in over two decades. Our emphasis will be on training students to become primary care physicians, with a particular focus on geriatric medicine—consistent with the demographics of our state.

Florida State attracts students from every county in Florida, every state in the nation, and more than 100 foreign countries. The University is committed to high admission standards that ensure quality in its student body, which currently includes some 192 National Merit and National Achievement scholars, as well as students with superior creative talent. We consistently rank in the top 25 among U.S. colleges and universities in attracting National Merit Scholars to our campus.

At Florida State University, we are very proud of our successes as well as our emerging reputation as one of the nation's top public universities.

Mr. Chairman, let me tell you about a project we are pursuing this year through the Agency for International Development. Florida State University has proposed to design, develop, and deliver a high quality program of instruction in basic legal principles for students and professionals in Central and Eastern Europe, the Newly Independent States of the Former Soviet Union and other emerging democracies with the cooperation of the College of Law of England and Wales and the Open University of Great Britain.

The program builds upon an existing collaboration between FSU and the European leaders in distance education with a long history of excellence in instructional design and educational methodology and enlists the collaboration of the schools to create innovative applications of educational technology. It adapts existing course materials for use in the target countries and utilizes networks that have been established by other organizations committed to reform of legal institutions in the former Communist countries.

Through existing educational institutions in the countries where the courses will be completed, programs will be delivered by established professional and academic networks and non-governmental organizations. The institutions involved have established partnerships and have used important developments in instructional technology and materials-based, supported distance learning that have an immediate and broad impact on legal education in developing countries.

Last year, $900,000 was appropriated to begin this effort. In fiscal year 2002, we are seeking language in support of second year funding at the $1.1 million level through the U.S. Agency for International Development.

Mr. Chairman this is an excellent project that will yield great rewards for our nation as well as the nations directly involved with this training and is just one of the many ways that Florida State University is making important contributions to solving some key problems and concerns our world faces today. Your support would be appreciated, and, again, thank you for an opportunity to present these views for your consideration.

PREPARED STATEMENT OF ROTARY INTERNATIONAL

Chairman McConnell, Senator Leahy, members of the Subcommittee, thank you for this opportunity to present written testimony on behalf of Rotary International in support of the polio eradication activities of the U.S. Agency for International Development (USAID). The effort to eradicate polio has been likened to a race—a race to reach the last child. As in any race, discipline, commitment, and endurance are indispensable elements of success. This race requires the discipline to remain focused on the task at hand. We cannot allow ourselves to become complacent as we approach the finish line. Though we sense victory is near, a single misstep could jeopardize all we have accomplished. This race requires the commitment to make the sacrifices necessary to achieve success. The major partners in the global polio eradication effort have joined with national governments around the world in an unprecedented demonstration of commitment to this historic public health goal. As the initiative runs its course, total victory can only be guaranteed through continued and unwavering commitment to the goal of a polio-free world. This race requires the endurance necessary to maintain our current activities. We cannot allow the great distance we have traveled to diminish our resolve. Though we may be weary from a race that has now lasted years, our adversary is weakening. The victory over polio is closer than ever!

I would like to take this opportunity to thank you Chairman McConnell, Senator Leahy, and members of the Subcommittee for your tremendous commitment to this effort. Without your support of USAID's polio eradication activities, the battle against polio would be impossible. We appreciate the long-term investment you have made through USAID to strengthen the basic health care infrastructure of many polio-endemic countries. This solid infrastructure has provided the foundation on which the polio eradication program has succeeded. Additional support of the polio eradication program further strengthens this infrastructure because it gives confidence to the health care workers, provides dramatic assistance to families who no longer suffer the ravages of polio, and provides hope that other diseases can also be eliminated.

The global eradication strategy is working. In 1985, when Rotary began its PolioPlus Program, 125 nations around the world were polio-endemic. At the end of 2000, only 20 countries remained polio-endemic. The Western Hemisphere has now been polio-free since 1991, and the Western Pacific region was certified polio-free in October of 2000. Europe will be the next block of countries to be certified polio-free with the rest of the world anticipated to be certified polio-free not later than 2005. Today polio is confined only to Sub-Saharan Africa, parts of the Middle East, and South Asia (Exhibit A).

Thanks to the polio eradication efforts over the last decade, more than three million children who might have been polio victims are walking and playing normally. Tens of thousands of public health workers have been trained to investigate cases of acute flaccid paralysis and manage immunization programs. Cold chain, transport and communications systems for immunization have been strengthened. A network of 148 polio laboratories has been established.

Significant challenges lie before us. Continued political commitment is essential in polio endemic countries, to support the acceleration of eradication activities, and in donor countries, so that the necessary human and financial resources are made available to polio-endemic countries. Access to children is needed, particularly in countries affected by conflict. Truces must be negotiated if National Immunization Days (NIDS) are to proceed in these countries. Polio-free countries must maintain high levels of routine polio immunization and surveillance. The continued leadership of the United States is critical if we are to overcome these challenges.

Rotary International is a global association of more than 29,000 Rotary clubs, with a membership of over 1.1 million business and professional leaders in 163 countries. In the United States today there are some 7,500 Rotary clubs with over 380,000 members. All of our clubs work to promote humanitarian service, high ethical standards in all vocations, and international understanding.

In the United States, Rotary has formed the USA Coalition for the Eradication of Polio, a group of committed child health advocates that includes Rotary, the March of Dimes Birth Defects Foundation, the American Academy of Pediatrics, the Task Force for Child Survival and Development, and the U.S. Committee for UNICEF. These organizations join us in expressing our gratitude to you for your staunch support of the international program to eradicate polio. This investment has helped to make the United States the leader among donor nations in the drive to eradicate this crippling disease. We remain on target for certification of eradication in 2005.

FISCAL YEAR 2002 BUDGET REQUEST

For fiscal year 2002, we are requesting that your Subcommittee specify $30 million for global polio eradication in USAID's budget. These funds will support USAID's delivery of vaccine and the development of the infrastructure necessary to maintain its Polio Eradication Initiative. This would represent a funding increase of $2.5 million from the fiscal year 2001 level, and a $5 million increase from the previous four years. This funding level will provide much-needed stability to the program and ensure that the U.S. remains a leader in the global polio eradication effort. In addition, we are seeking report language similar to that included in the fiscal year 2001 Committee report, specifying that this funding is meant to be in addition to the resources for the regular immunization program of USAID, and is intended to supplement other related activities. It is important to meet this level of funding due to the increased costs of the accelerated eradication program, and to respond to the urgent needs of countries affected by conflict. These funds will be applied to the most challenging countries, such as Angola, India, Nigeria, Bangladesh and Democratic Republic of the Congo.

ERADICATING POLIO WILL SAVE THE UNITED STATES AT LEAST $230 MILLION ANNUALLY

In 1998 the Chairman of the House Committee on International Relations commissioned the General Accounting Office to investigate the soundness of WHO cost estimates for the eradication or elimination of seven infectious diseases. The United States was a major force behind the successful eradication of the smallpox virus, and the GAO concluded that the eradication of smallpox has saved the United States some $17 billion to date. Even greater benefits will result from the eradication of polio.

Although polio-free since 1979, the United States currently spends at least $230 million annually to protect its newborns against the threat of importation of the poliovirus, in addition to its investment in international polio eradication. Globally, over $1.5 billion U.S. dollars are spent annually to immunize children against polio. This figure does not even include the cost of treatment and rehabilitation of polio victims, nor the immeasurable toll in human suffering which polio exacts from its victims and their families. Once polio is eradicated and immunization against it can be discontinued, tremendous resources will be unfettered to focus on other health priorities.

PROGRESS IN THE GLOBAL PROGRAM TO ERADICATE POLIO

Thanks to your leadership in appropriating funds, the international effort to eradicate polio has made tremendous progress.

—Since the global initiative began in 1988, more than 3 million children in the developing world, who otherwise would have become paralyzed with polio, are walking because they have been immunized.
—The number of polio cases has fallen from an estimated 350,000 in 1988 to approximately 3,500 reported cases in 2000 (Exhibit B). More than 180 countries are polio-free, including 4 of the 5 most populous countries in the world (China, U.S., Indonesia and Brazil).
—Almost 2 billion children worldwide have been immunized during NIDs in the last 5 years, including 150 million in a single day in India.
—Approximately 3,500 confirmed polio cases were reported to WHO for 2000. As a result of routine polio immunisation, NIDs and house-to-house mopping-up activities, there has been a 99 percent decline in reported polio cases since 1988.
—Of the three types of wild poliovirus, Type 2 has not been seen since October of 1999, and appears to have been eradicated.
—All polio-endemic countries in the world have conducted NIDs. The achievement of successful NIDs and implementation of APF surveillance in Somalia and Sudan shows that polio eradication strategies can be implemented even in countries affected by civil unrest.

THE ROLE OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

In April of 1996, with the support of the 104th Congress and in response to the strong urging of your Subcommittee, USAID launched its own Polio Eradication Initiative to coordinate agency-wide efforts to help eradicate polio. Over the subsequent four years, despite decreases in the overall Child Survival budget, Congress directed that $25 million be allocated to USAID's international polio eradication efforts. In fiscal year 2001, Congress increased this allocation to $27.5 million. Some of USAID's achievements in the past, and their planned Polio Eradication Initiative activities in 2001, include:

—USAID was one of the driving forces behind the eradication of polio in Latin America and the Caribbean. Since the certification of polio eradication in the Americas in 1994, USAID has turned its attention to the polio endemic countries of Africa and Asia, and to finding ways to use American expertise to enhance immunization services globally. A major breakthrough was the development of the heat-sensitive vaccine vial monitor, which is saving an estimated $10 million annually by reducing vaccine wastage. USAID developed the monitor in conjunction with a private U.S. firm at the request of WHO and UNICEF. The monitor is now used on every vial of oral polio vaccine used worldwide.
—Through technical assistance projects and financial support to international organizations, USAID supports national and sub-national immunization days (NIDs and SNIDs), mop-up campaigns, surveillance, the laboratory network, and the training and social mobilization that make these programs succeed.
—USAID joined forces with Voice of America (VOA) in 1997 to take advantage of their radio broadcasting network to raise awareness of polio eradication and to expand community-level participation. To date more than 900 broadcasts

supporting eradication have been heard in 22 countries, reaching scores of listeners in remote areas. These broadcasts include radio dramas and contests of various kinds, all in local languages. In 1998, WORLDNET TV received funds to add TV broadcasts to further spread the message about polio eradication and the importance of routine immunization.

—USAID is supporting Surveillance Medical Officer positions in Bangladesh, India, and Nepal; and the officers already in place have had a significant and rapid impact. The quality of laboratory sample collection and testing has also markedly improved.

—USAID is supporting NIDs, surveillance, labs, social mobilization, microplanning, training, monitoring and evaluation in Africa and India, and surveillance and labs in Latin America.

OTHER BENEFITS OF POLIO ERADICATION

Increased political and financial support for childhood immunization has many documented long-term benefits. Polio eradication is helping countries to develop public health and disease surveillance systems useful in the control of other vaccine-preventable infectious diseases. Already, much of Latin America is free of measles, due in part to improvements in the public health infrastructure implemented during the war on polio. The disease surveillance system—the network of laboratories and trained personnel built up during the Polio Eradication Initiative—is now being used to track measles, Chagas, neonatal tetanus, and other deadly infectious diseases. NIDs have been used as an opportunity to give children essential vitamin A, as well as polio vaccine. The campaign to eliminate polio from communities has led to increased publiawareness of the benefits of immunization, creating a "culture of immunization" and resulting in increased usage of primary health care and higher immunization rates for other vaccines. It has improved public health communications and taught nations important lessons about vaccine storage and distribution, and the logistics of organizing nation-wide health programs. Additionally, the unprecedented cooperation between the public and private sectors serves as a model for other public health initiatives. Polio eradication is the most cost-effective public health investment, as its benefits accrue forever. The world will begin to "break even" on its investment in polio eradication only two years after the virus has been vanquished.

RESOURCES NEEDED TO FINISH THE JOB OF POLIO ERADICATION

The World Health Organization estimates that $1 billion is needed from donors for the period 2001–2005 to help polio-endemic countries carry out the polio eradication strategy. Of this total approximately $550 million has been committed, leaving a funding gap of approximately $450 million. In the Americas, some 80 percent of the cost of polio eradication efforts were borne by the national governments themselves. However, as the battle against polio is taken to the poorest, least-developed nations on earth, and those in the midst of civil conflict, many of the remaining polio-endemic nations can contribute only a small percentage of the needed funds. In some countries, up to 100 percent of the NID and other polio eradication costs must be met by external donor sources. We are asking that the United States continue to take the leadership role in meeting this funding gap.

The United States' commitment to polio eradication has stimulated other countries to increase their support (Exhibit C). Belgium, Canada, Germany, and Italy are among those countries that have followed America's lead and made special grants for the global Polio Eradication Initiative. Japan has also expanded its support to polio eradication efforts in Africa. Germany has made major grants that will help India eradicate polio. In 1999 the United Kingdom announced two grants totaling U.S. $94.6 million for polio eradication efforts in India and Africa. In the last year, the Netherlands has committed nearly $50 million for global polio eradication. The Dutch Government pledged $8.4 million for surveillance in India, Pakistan and the Democratic Republic of the Congo, followed by a year-end allocation of $40 million for surveillance in 2000.

By the time polio has been eradicated, Rotary International expects to have expended approximately $500 million on the effort—the largest private contribution to a public health initiative ever. Of this, $402 million has already been allocated for polio vaccine, operational costs, laboratory surveillance, cold chain, training and social mobilization in 122 countries. More importantly, we have mobilized tens of thousands of Rotarians to work together with their national ministries of health, UNICEF and WHO, and with health providers at the grassroots level in thousands of communities.

Your discipline, commitment and endurance have brought us to the brink of victory in the great race against this ancient scourge. Polio cripples and kills. It deprives our children of the capacity to run, walk and play. Other great health crises loom on the horizon. The work you have done and that which we ask you to continue will ensure that today's children possess the strength and vitality to run the race on behalf of future generations.

Thank you for this opportunity to present written testimony.

Exhibit A

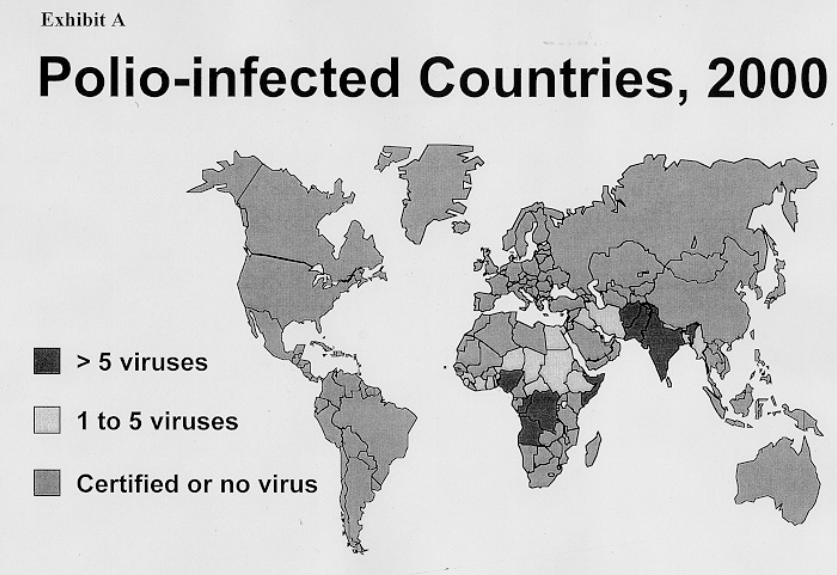

Exhibit B

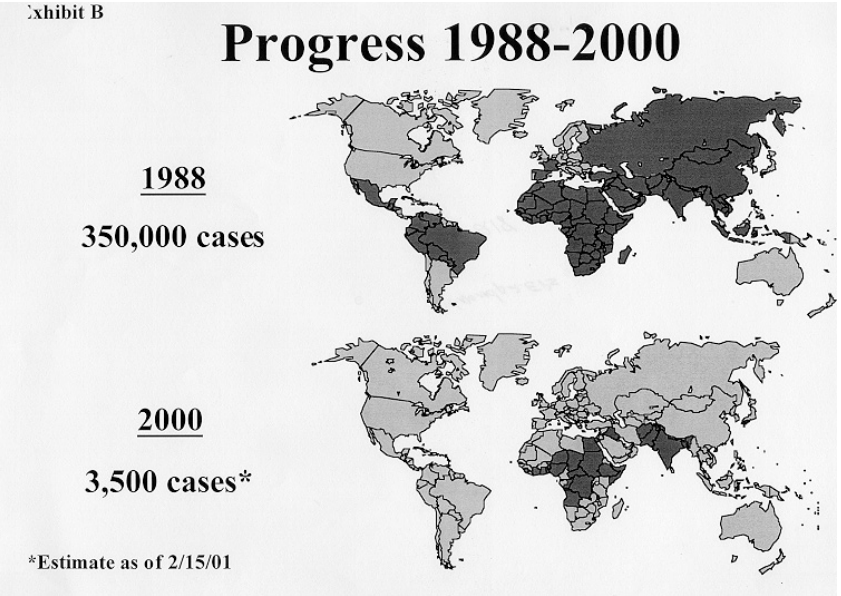

Exhibit C

MAJOR POLIO-SPECIFIC GRANTS*

(in US dollars)

1996 – 2001

(by fiscal year announced)

	1996	1997	1998	1999	2000	2001	Total
Australia	938,000	2,795,000	171,500				3,904,500
Belgium	5,100,000			1,516,000			6,616,000
Canada	1,400,000		40,740,000	4,100,000			46,240,000
Denmark	40,000,000	6,000,000					46,000,000
European Union	704,000	400,000		6,000,000			7,104,000
Finland	330,000		100,000				430,000
Germany		451,000	24,000,000				24,451,000
Italy	750,000	100,000		1,000,000			1,850,000
Japan	22,430,000	25,720,000	13,040,000	23,720,000			84,910,000
Korea			900,000				900,000
Netherlands		248,000			8,400,000	40,000,000	48,648,000
Norway	2,120,000	700,000	208,500				3,028,500
Portugal					400,000		400,000
Sweden	481,000	400,000					881,000
Switzerland	177,000	1,300,000					1,477,000
Taiwan				5,000,000			5,000,000
United Kingdom	78,600,000	1,550,000	31,160,000	94,668,000	50,000,000		255,978,000
USA	47,200,000	72,200,000	81,200,000	94,839,000	127,200,000	118,900,000	541,539,000
Public Sector Total	**200,230,000**	**111,864,000**	**191,520,000**	**230,843,000**	**186,000,000**	**158,900,000**	**1,079,357,000**
Private Sector Total**	**9,000,000**	**342,000**	**3,090,000**	**82,700,000**			**95,132,000**
GRANTS TOTAL	**209,230,000**	**112,206,000**	**194,610,000**	**313,543,000**	**186,000,000**	**158,900,000**	**$1,174,489,000**

*Grants in excess of US$100,000 intended primarily for polio eradication activities. These may be direct bilateral grants to polio-endemic nations, or multi-lateral grants through international organizations such as WHO or UNICEF. Some are for multiple years.

**Donations from 4 vaccine manufacturers, ACIH, United Nations Foundation, DeBeers, and the Gates Foundation

In addition to these polio-specific grants, many countries are supporting the WHO Expanded Programme on Immunization, which combats several infectious diseases, among them polio.

Since 1985, Rotary International's PolioPlus Program has committed $402 million to global polio eradication. **Revised January 2001**

PREPARED STATEMENT OF THE AMERICAN SOCIETY OF TROPICAL MEDICINE AND HYGIENE

The American Society of Tropical Medicine and Hygiene (ASTMH) appreciates the opportunity to submit testimony to present our views on fiscal year 2002 funding priorities to the Subcommittee.

The ASTMH is a professional society of 3,500 researchers and practitioners dedicated to the prevention and treatment of infectious and tropical diseases. The collective experience of our members is in the areas of basic science, medicine, vector control, epidemiology, and public health.

The Society thanks the members of this Subcommittee for their previous commitment and support for the programs administered by the U.S. Agency for International Development (USAID) targeted to combating the global burden of tropical and infectious disease. Your support for these important programs has resulted in tremendous progress in combating disease. World health experts estimate that USAID's child survival programs—which include critical activities in developing nation's to prevent and treat infectious diseases, such as vector control strategies, improving the capacity of the public health infrastructure through training programs and technical assistance, providing immunizations, oral rehydration therapy, vitamin A supplementation, and HIV/AIDS prevention and treatment activities—have helped drop infant mortality rates in the developing world to their lowest levels ever, and since 1985, have saved over 25 million children's lives.

Despite this progress, every member of the Subcommittee would agree, that the global burden of tropical and infectious diseases remains staggering and poses a tremendous threat to global health. According to the World Health Organization (WHO), infectious diseases account for more than 13 million deaths a year (25 percent of all deaths worldwide in 1999). Twenty well-known diseases—including tuberculosis (TB), malaria, and cholera—have reemerged or spread geographically since 1973, often in more virulent and drug-resistant forms. At least 30 previously unknown disease agents have been identified in this period—including HIV, Ebola, and hepatitis C—for which little or no therapy is available. Infectious diseases represent not only a humanitarian concern, but also a bona fide threat to the national security of the United States. Our borders remain porous to infectious and tropical diseases, including most recently the West Nile Virus, which was recently found right here in Washington, DC. Other diseases still largely confined to the tropics, like malaria, pose a major threat to American travelers and especially to our military.

Last year the CIA's National Intelligence Council issued a hard-hitting report entitled "The Global Infectious Disease Threat and Its Implications for the United States." The report concluded that infectious diseases are likely to account for more military hospital admissions than battlefield injuries. The report also assessed the global threat of infectious disease, stating "New and reemerging infectious diseases will pose a rising global health threat and will endanger U.S. citizens at home and abroad, threaten U.S. armed forces deployed overseas, and exacerbate social and political instability in key countries and regions in which the United States has significant interests."

The USAID programs targeted to the prevention, treatment, and control of tropical and infectious diseases are now more important than ever to the nation's foreign policy objectives and U.S. strategic interests.

USAID CHILD SURVIVAL AND DISEASE FUND

The Society thanks this Committee for placing a high priority on USAID's Child Survival and Disease Programs which have long been at the forefront of international efforts to alleviate morbidity and mortality among the world's most vulnerable populations—children under five years of age.

The Society urges you to continue your efforts in the fiscal year 2002 budget, by strongly supporting these activities. The Society applauds the Committee's support for USAID to establish coordinated centers of excellence of malaria research, focusing on tropical and subtropical regions in fiscal year 2001. We seek additional funds for this effort and stand ready to work with the Committee to facilitate these and other malaria prevention and control activities.

ASTMH believes substantial increases for these important activities are a cost-effective, sound investment towards improving global health and protecting the health and well-being of Americans at home and abroad, given the enormous human and economic costs we face as a nation with the spread of emerging and re-emerging infectious diseases and the burden of disease on developing countries. We urge the Subcommittee to provide the highest possible funding level for the USAID Child Survival and Disease Fund programs to help achieve this goal.

The ASTMH also thanks the Committee for its support in the current fiscal year for programs and initiatives to encourage research and development on vaccines and drugs to combat malaria, tuberculosis, HIV/AIDS and other infectious diseases causing enormous suffering and many millions of deaths annually. Your support has helped to ensure that these products are accessible to populations in developing countries most impacted by these diseases. Your efforts are critical to enhancing partnerships with federal agencies, industry, non-profit organizations, the World Bank, and other international organizations to combat the scourge of infectious diseases.

Your support for the International AIDS Vaccine Initiative and the International AIDS Trust Fund administered by the World Bank will help advance the clinical research progress towards developing a successful HIV/AIDS vaccine and deliver proven therapies to the countless number of impoverished people suffering with the HIV virus that currently have no hope of receiving effective treatments.

The Society requests your continued support for contributions to international organizations such as the Global Alliance for Vaccines and Immunizations (GAVI) for the purchase and distribution of vaccines and drugs in developing countries. We also urge your continued support for activities that will improve the public health infrastructure in developing countries in order to expand immunizations, prevent and treat infectious diseases, and build effective delivery systems for basic health services.

We know you understand the need for greater resources to be directed to tropical and infectious disease programs, and we understand that you face many difficult decisions as you develop the funding priorities that will be reflected in your fiscal year 2002 bill.

In the 21st century we find ourselves with many opportunities to expand our efforts at controlling and preventing tropical and infectious diseases. Control of global infectious disease threats is not just a development issue, it is also a national security issue for the United States and a health concern for every American. Investments in global infectious disease programs are clearly a win-win for the country—by helping others we are also launching the best defense to protect the health of our nation.

The American Society of Tropical Medicine and Hygiene appreciates the opportunity to present its views. Thank you for your consideration of these requests.

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