

**FOREIGN OPERATIONS, EXPORT FINANCING,  
AND RELATED PROGRAMS APPROPRIATIONS  
FOR FISCAL YEAR 2005**

---

**THURSDAY, APRIL 8, 2004**

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

The subcommittee met at 2:30 p.m., in room SD-124, Dirksen Senate Office Building, Hon. Mitch McConnell (chairman) presiding.

Present: Senators McConnell, Specter, Bennett, DeWine, Stevens, Leahy, Harkin, Durbin, Landrieu, and Byrd.

DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

**STATEMENT OF HON. COLIN L. POWELL, SECRETARY**

OPENING STATEMENT OF SENATOR MITCH MCCONNELL

Senator MCCONNELL. This hearing will come to order. We want to welcome the Secretary of State. After a couple of false starts, we are pleased to hold the first of three hearings on the fiscal 2005 budget request.

On April 21, USAID Administrator Natsios and State Counterterrorism Coordinator Cofer Black will testify on foreign assistance and international terrorism. On April 28, HIV-AIDS Coordinator Tobias will appear before the subcommittee to discuss the fiscal year 2005 HIV-AIDS request.

In the interest of time, Senator Leahy and I will make brief opening remarks, and I would request Secretary Powell, as usual, to summarize his testimony, which will be included in the record in its entirety. We will then move to 5-minute rounds of questioning, and the record will be kept open to ensure that all senators have an opportunity to have their questions addressed.

Mr. Secretary, I want to begin by thanking you and the President's foreign policy team for your collective efforts to promote freedom across the globe and, in my judgment, nowhere is this more apparent than in Iraq and Afghanistan.

Having traveled to the Middle East and South Asia myself, about 6 months ago, I can attest that the citizens of those countries are clearly better off today than they were under the repressive misrule of Saddam Hussein and the Taliban, respectively.

## IRAQ

The recent BBC/ABC poll results in Iraq are fascinating. I wish Americans were as upbeat about America as Iraqis are about Iraq. If you watched U.S. television every day, you would think nothing but bad things are happening in Iraq, and surely the Iraqi people would be depressed about that. However, in the BBC/ABC poll—which was taken from February 9 to February 28—in answer to the question, “How are things going today, good or bad, in Iraq?”, 70 percent said good, 29 percent said bad. That is a question the President would love to see answered that way here. Compared to a year ago before the war in Iraq: 56 percent responded things are better; the same, 23 percent; worse, 19 percent.

In terms of the optimism factor, that is, how they will be a year from now, 71 percent of Iraqis thought things would be better, only 9 percent thought they would be the same, and only 7 percent thought they would be worse. I think that pretty well sums up the results of a professional poll about how Iraqis themselves—those who experienced the murders of 300,000 of their own citizens during the Saddam Hussein regime—feel about their prospects, Mr. Secretary, as a result of your leadership and that of the President and others in liberating that country from the regime that had terrorized not only its own citizens but its neighbors for well over a quarter of a century.

To be sure, the Islamic extremists are working hard to undermine the new-found freedoms; and, in desperation, are attacking soft targets: innocent men, women, and children. These terrorists know that each step toward democracy is yet another step in the death march for their hateful and intolerant ideology.

In Iraq, we should expect increased terrorist activities in the days and months before the June 30 transition. We have been seeing that lately.

Beginning July 1, and under your watchful eye at the State Department, I am confident that the Iraqi people will not only stay the course but continue to further consolidate the significant gains they have achieved in a relatively short period of time.

However, freedom is not free. And we thank the many soldiers and civilians serving on the front lines of the global war on terrorism; whether American, Iraqi, or Afghani.

Today's hearing affords this subcommittee an opportunity to glean additional information on the President's \$21 billion budget request for the next fiscal year. And it would be helpful, Mr. Secretary, to have your insights as chairman of the Millennium Challenge Corporation.

I know several of my colleagues share a concern with the proposed funding levels for SEED and FSA accounts. While we support graduation of countries from U.S. foreign assistance, we are troubled by developments in such places as Russia and Serbia. I want to commend you for giving voice to these shared concerns during your trip to Russia earlier this year, and for not certifying Serbia's cooperation on war crimes issues last week.

## U.S. EMERGENCY FUND

It would also be useful to have your views on the proposed \$100 million U.S. Emergency Fund for Complex Foreign Crises. This strikes me as a good idea, given the need to respond with maximum flexibility to unanticipated events and opportunities, particularly in the Middle East and on the African continent. Libya comes readily to mind.

Just a couple of observations, which will not surprise you, relating to Burma. Congress will begin the process of sanctions renewal in the next few weeks. I deeply appreciate the President's continued interest and leadership on this issue, as well as your own. I know we will be able to count on your support for continued sanctions, given the total absence of irreversible progress toward democracy in that country.

It is simply not enough for Aung San Suu Kyi to be released or that she be given a last-minute seat at the table. We can pretend that the State Peace and Development Council is serious about a constitutional convention—as Thailand seems to be intent on doing—but I hope we will not have short or selective memories when it comes to that subject.

Justice is certainly due for the May 30 attack on Suu Kyi and the NLD, and the regime ought to be held accountable for its actions.

## PREPARED STATEMENT

In that regard I would encourage you to renew and reinvigorate efforts to secure sanctions regimes from the European Union and other professed supporters of freedom around the world. Unfortunately, we are hearing that international financial institutions, particularly the World Bank and the Asian Development Bank, are keen on re-engaging in Burma. They do so at their own risks and should begin finding other funding sources for the upcoming fiscal year, because none will be forthcoming from this subcommittee.

[The statement follows:]

## PREPARED STATEMENT OF SENATOR MITCH MCCONNELL

Mr. Secretary, I want to begin my remarks this afternoon by thanking you and the President's foreign policy team for your collective efforts to promote freedom across the globe. Nowhere is this more apparent than in Iraq and Afghanistan.

Having traveled to the Middle East and South Asia some six months ago, I can attest that the citizens of those countries are better off today than they were under the repressive misrule of Saddam Hussein and the Taliban, respectively.

I saw this firsthand through bustling, free commerce in the streets, freedom of expression that takes many forms, and through the words of grateful Iraqis and Afghans whose once bleak future now holds promise and hope.

To be sure, Islamic extremists are working hard to undermine these new-found freedoms and in desperation are increasingly attacking soft targets: innocent men, women and children. These terrorists know that each step toward democracy is a yet another step in the death march for their hateful and intolerant ideology.

In Iraq, we should expect increased terrorist activities in the days and months before the June 30 transition. Beginning July 1—and under your watchful eye at the State Department—I am confident that the Iraqi people will not only stay the course but continue to further consolidate the significant gains they have achieved in such a short time.

However, freedom is not free. This Senator thanks the many soldiers and civilians serving on the front lines of the global war on terrorism—whether American, Iraqi or Afghani.

Today's hearing affords this Subcommittee an opportunity to glean additional information on the President's \$21 billion, fiscal year 2005 budget request for foreign operations. It would be helpful to have your insights into the request, both as Secretary of State and Chairman of the Millennium Challenge Corporation.

I know several of my colleagues share my concern with the proposed funding levels for the SEED and FSA accounts, and while we support graduation of countries from U.S. foreign assistance we are troubled by developments in such places as Russia and Serbia. I want to commend you for giving voice to shared concerns during your trip to Russia earlier this year, and for not certifying Serbia's cooperation on war crimes issues last week.

It would also be useful to have your views on the proposed \$100 million U.S. Emergency Fund for Complex Foreign Crises. This strikes me as a good idea given the need to respond with maximum flexibility to unanticipated events and opportunities, particularly in the Middle East and on the African continent. Libya comes readily to mind.

Let me close with a few comments on Burma.

Congress will begin the process of sanctions renewal in the next few weeks, and I deeply appreciate the President's continued interest and leadership on this issue. I hope—and expect—that we can count on your support, Mr. Secretary, for continued sanctions, given the total absence of irreversible progress toward democracy in that country.

It is simply not enough that Aung San Suu Kyi be released, or that she be given a last minute seat at the table. We can pretend that the State Peace and Development Council (SPDC) is serious about a constitutional convention—as Thailand seems intent on doing—but we should not have short or selective memories.

Justice is due for the May 30 attack on Suu Kyi and the NLD, and the SPDC must be held accountable for its actions.

I encourage you to renew and reinvigorate efforts to secure sanction regimes from the European Union and other professed supporters of freedom around the world. Unfortunately, I am hearing that international financial institutions—particularly the World Bank and the Asian Development Bank—are keen on re-engaging Burma. They do so at their own risks, and should begin finding other funding sources for the upcoming fiscal year because none will be forthcoming from this Subcommittee.

Again, welcome Mr. Secretary. I look forward to your testimony.

Senator MCCONNELL. With that, I turn to my friend from Vermont.

#### OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Thank you, Mr. Chairman, I am glad you are scheduling this hearing. Incidentally, I would urge the members of this subcommittee to read the Op-ed piece that Senator McConnell had in the Washington Post yesterday about Egypt. I think that one does not have to be a great analyst to understand that there may be some changes in our approach to foreign aid there. And I commend the chairman for his article.

Senator MCCONNELL. Thank you.

Senator LEAHY. And, Mr. Secretary, of course, thank you for being here. You are one of the Cabinet members who regularly comes before our committees; not all of your colleagues are willing to and I am delighted that you do.

We have a lot to talk about. Obviously, the situation in Iraq is of great concern. We had a discussion earlier this morning when we went over the violence and the number of casualties; and, of course, you have to feel for the families of our brave soldiers, and marines, who are over there. They are facing horrendous dangers.

Your background is in the military. You have a better idea than all of us of what they are going through in combat; and also what their families go through when they are either killed or sometimes severely injured with lifetime injuries.

## IRAQ RECONSTRUCTION

We have appropriated more than \$20 billion to rebuild Iraq. And that is, of course, in addition to the hundreds of billions of dollars we are spending there on the military operations.

Last October, the President said the reconstruction money in the Iraq supplemental was an emergency. And we were told by the administration that the President needed every dime, he needed it immediately. And when some Members on both sides of the aisle tried to look at it, maybe split it up, here in the Appropriations Committee, we were told we had to pass it immediately.

Five months later, only about a ninth of the money has actually been spent. In the meantime, the violence is spreading and we hear, as a strategy, only about sending more troops.

Mr. Secretary, this is an election year and like all election years, partisanship up here is at a high—although I must say in my 29 years here, it is at an all-time high. But the situation in Iraq is not about Democrats or Republicans. It is a problem for all Americans. We need to work together to solve it.

You and I have known each other for, I think, a couple of decades now. And I have always considered you as somebody who can bring people of different political persuasions together. I have seen you do that at meetings, where you have had people across the political spectrum. Well, we need unity today. We need it between the Congress and the White House. We need it among the American people. And we need it with our allies.

I believe that the majority of Iraqis reject violence. They want to rebuild their country. But I do not think our strategy is working.

Our forces can quash this latest uprising; they will. But what is happening in Iraq today does not bode well for the future. Just “staying the course” is not a viable strategy at this point, at least not to me.

Using more force, or simply sending more troops, will not solve the problem, nor simply replacing the CPA with a giant U.S. Embassy.

We need a broader, multilateral approach that has the support of a majority of the American people and the Iraqi people, as well as our allies and the international community, including as many Arab and Muslim nations as possible.

## STRATEGY OPTIONS

Let me suggest just a couple of ideas. I believe the President should immediately convene a bipartisan summit of his key Cabinet officials and bipartisan Members of the congressional leadership at the White House to discuss the strategy options for the coming months.

Second, I believe the President should address the American people, explain his strategy in some detail and the difficult road ahead, and tell our families how long we can expect our soldiers to be in Iraq.

Third, I believe the President should convene a summit of the world's major democracies, including those that opposed his decision to go to war. Because rebuilding Iraq poses a challenge not only for the United States, but for the rest of the world. And if civil

war takes hold there, we know how disastrous the consequences could be.

Fourth, the President should send you, Mr. Secretary, back to the U.N. Security Council, to seek a new resolution calling for increased support from other nations, aimed specifically at addressing the deteriorating security situation.

That resolution, I believe, should also call for the appointment, by June 30, of a U.N. Administrator under the auspices of the Security Council, to work closely with the Iraqi Provisional Government to make clear that this is not simply a puppet government that answers to the United States.

Finally, armed with a U.N. Security Council resolution, I believe the President should go back to NATO to ask our allies for additional troops and resources.

Mr. Secretary, you may not agree with any of these suggestions but I hope you will at least consider them and give me your thoughts; because as the top diplomat in the government I believe you should be playing a bigger role.

#### PREPARED STATEMENT

I do not offer these ideas as a Democrat or Republican. I offer these as somebody who has been in the U.S. Senate for 29 years. And I have worked on a lot of things with a lot of different administrations in both parties. I really think this is the time to bring people together.

Mr. Chairman, I have a lot more in my statement.

Senator MCCONNELL. Thank you.

Senator LEAHY. I will put that in the record.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Mr. Chairman, thank you for scheduling this hearing, and thank you Mr. Secretary for being here.

We have a lot to discuss today but the situation in Iraq is of great concern. We have all been shocked by the violence and the number of casualties in the past few days, and our deepest condolences go out to the families of those who have died.

We have appropriated more than \$20 billion to rebuild Iraq. That is in addition to the hundreds of billions of dollars we will spend on our military operations there.

Last October, the President said the reconstruction money in the Iraq supplemental was an emergency. He said he needed every dime immediately. Five months later, only about one-ninth of the money has been spent. In the meantime, the violence is spreading and it is not clear what our strategy is, except possibly sending more troops.

Mr. Secretary, this is an election year and partisanship up here is at an all time high. But the situation in Iraq isn't about Democrats or Republicans. It is a problem for all Americans and we need to work together to try to solve it.

You and I have known each other for a couple of decades. I have always considered you someone who can bring people of all political persuasions together. We need unity today, between Congress and the White House, among the American people, and with our allies.

I believe the majority of Iraqis reject violence and want to rebuild their country. But I don't think the President's strategy is working. Our forces can quash this latest uprising, but what is happening in Iraq today does not bode well for the future. Just "staying the course" is not a viable strategy at this point, at least not to me. Using more force, or simply sending more troops, will not solve the problem, nor will simply replacing the CPA with a U.S. Embassy.

We need a broader, multilateral approach that has the support of a majority of the American people and the Iraqi people, as well as our allies and the international community, including as many Arab and other Muslim nations as possible.

Let me suggest a couple of possible ideas.

First, I believe the President should convene a bipartisan summit of his key Cabinet officials and Congressional leaders at the White House to discuss strategy options for the coming months.

Second, the President should address the American people, explain his strategy and the difficult road ahead, including how long we can expect our soldiers to be in Iraq.

Third, the President should convene a summit of the world's major democracies, including those that opposed his decision to go to war. Rebuilding Iraq poses a challenge not only for the United States, but for the rest of the world. If civil war takes hold there, we know how disastrous the consequences could be.

Fourth, the President should send you, Mr. Secretary, back to the U.N. Security Council, to seek a new resolution calling for increased support from other nations, aimed specifically at addressing the deteriorating security situation. That resolution should also call for the appointment, by June 30, of a U.N. Administrator, under the auspices of the Security Council, to work closely with the Iraqi Provisional Government to make clear that this is not simply a puppet government that answers to the United States.

Finally, armed with a U.N. Security Council resolution, the President should go back to NATO to ask our allies for additional troops and resources.

Mr. Secretary, you may not agree with any of these suggestions. But I hope you will at least consider them and give me your thoughts, because as the top diplomat in this government I believe you need to be playing a bigger role.

Mr. Chairman, I have a longer statement that highlights a number of my other concerns, but in the interest of saving time I will ask that you include it in the record. Mr. Secretary, I hope you will take the time to review it.

Recently, the Pew Research Center released the results of its survey on the way the United States is regarded around the world, more than two years after 9/11 when we were the focus of so much sympathy and good will. I am sure you know the results. In country after country, the majority of people have a negative opinion of the United States.

Another Pew poll showed that support among the American people for the President's policy in Iraq has steadily declined. I think these polls are a telling measure of the shortcomings of this Administration's strategy against terrorism, and also of the unilateralism and high handedness that have too often characterized our dealings with the rest of the world.

Turning to the fiscal year 2005 budget, the President's request would cut vital programs like Child Survival and Health which have strong bipartisan support. But not only that, it is doubtful we will receive an allocation from the Appropriations Committee that matches even the President's request.

What this means is that we will, once again, have to rob Peter to pay Paul in order to restore the cuts the President made, because it is a zero sum game. This will cause problems for you and the people in our embassies who carry out the foreign policies of this country. Whatever you, the OMB Director, and the President can do to convince the Republican leadership here about the importance of this Subcommittee's allocation will be time well spent.

I want to say how concerned I am by this Administration's handling of the Israeli-Palestinian conflict. I am sure you disagree with those who criticize the Administration for abandoning the Middle East peace process, but the fact is that neither we, nor Israelis, nor Palestinians have any reason to believe that President Bush will expend any political capital to move the process forward any time soon. Not only does this mean more bloodshed that might be avoided, but we will not succeed in stopping terrorism as long as we ignore this problem.

You also know of my disappointment about the Administration's new landmine policy, which amounts to a pledge to get rid of, in 2010, a type of mine we haven't used since Vietnam, including in Korea. At the same time, it abandons the commitments I worked out with the Pentagon six years ago. It is another example, I believe, of unilateral arrogance in the place of leadership and international cooperation, and another reason why no one should be surprised by the results of the Pew survey.

I want to commend you for not certifying that Serbia has cooperated with the Hague Tribunal. It sent an important message. On the other hand, I think you made the wrong decision on Colombia. I support President Uribe, but you have consistently certified Colombia's performance on human rights despite serious, continuing problems.

Similarly, Charles Taylor must be brought before the Special Court for Sierra Leone. The United States supported the establishment of the Court, including proposing and voting for Security Council resolution 1315. The Bush Administration has made an issue about the enforcement of U.N. resolutions, and the State Depart-

ment, in a letter to me, said it is confident that Mr. Taylor will be brought before the Court. We need to make this happen, sooner rather than later, as the Court could close down as early as next summer.

Finally, is the issue of corruption. Corruption is like a cancer. It is the biggest obstacle to development—from Indonesia to Guatemala, from Nigeria to Pakistan. For years we ignored it. But there are some leaders who are standing up to it, like President Bolanos of Nicaragua. I think we should do everything we can to support him and people like him, and make clear that there are severe consequences for government officials who engage in this conduct.

Mr. Secretary, despite my disappointment with some of this Administration's policies, I join others here in commending you and your staff, who rarely get the credit they deserve.

Thank you Mr. Chairman.

Senator MCCONNELL. Thank you, Senator Leahy. I see that our full committee chairman is here, Senator Stevens. Do you have any comments to make, Mr. Chairman?

Senator STEVENS. I am here to greet my old friend and cousin sitting at the table, and I am pleased to listen to him.

Senator MCCONNELL. Let me just inform everybody the vote on the pensions bill is at 2:45. I think what we will do, Mr. Secretary, is go ahead and get started.

I am going to catch the vote right at the beginning, and hopefully we can just plow right on through. So, welcome, and we will look forward to hearing from you.

#### SUMMARY STATEMENT OF HON. COLIN L. POWELL

Secretary POWELL. Thank you very much, Mr. Chairman, Senator Leahy. Thank you for your welcome and for your opening remarks.

Uncle Ted, it is always a pleasure to see you in attendance, sir.

Senator STEVENS. Good to see you.

Secretary POWELL. Did you get the Flat Stanley picture I sent you, Uncle? Good.

Senator STEVENS. I will tell the committee, he did. He was gracious enough to have his photo taken with my granddaughter's Flat Stanley. If you do not know what a Flat Stanley is, go to his website.

Secretary POWELL. To show you how modern we are trying to be at the State Department, my website has a picture of Senator Stevens and me and Senator Hollings and a Flat Stanley. For those of you who do not know what a Flat Stanley is, if you want to yield any part of your 5 minutes of time, I will be happy to describe what a Flat Stanley is to you.

But it is a wonderful children's story about a little boy who gets run over by a steamroller and becomes Flat Stanley, and who travels all over the world in an envelope. And Senator Stevens, in the spirit of the Flat Stanley doll, took the Flat Stanley to Asia on a recent trip.

I met up with the good Senator in Pakistan and we took a picture of his traveling Stanley, and now children all over the world are going to the State Department website, [www.state.gov](http://www.state.gov) for anybody watching, to take a look at Senator Stevens's Flat Stanley.

With that serendipitous opening to my presentation, let me seriously thank all the members of the committee for the support you have provided to me and to the State Department over the last 3 years. I feel it is a privilege to be able to come before you to express

my thanks; and also to lay before you what the President has asked for fiscal year 2005, and what the needs of the Department and the wonderful men and women of the Department need to do their jobs for the American people in fiscal year 2005.

I might, before encapsulating my remarks, just say a word about Iraq. Senator McConnell, I did see that poll that you mentioned and they were very interesting numbers. The people of Iraq, what we want for them—they want for themselves. They want democracy. They want peace. They are so glad to be rid of this regime that filled mass graves, that murdered people, that had rape rooms and torture rooms. And they are through with it and it isn't coming back.

Now, there are these remnants that will be dealt with and I can assure you of that. And I will continue, when Senator Leahy comes back, on the specific comments that the Senator was asking me about or questions he was posing to me. But for other members of the committee, let me just get started with my presentation.

The President's fiscal year 2005 International Affairs Budget request for the Department of State, USAID, and other Foreign Affairs agencies totals \$31.5 billion, broken down as follows: Foreign Operations, \$21.3 billion; State Operations, \$8.4 billion; Public Law 480 Food Aid, \$1.2 billion; International Broadcasting, \$569 million; and the United States Institute for Peace, \$22 million.

#### WINNING THE WAR ON TERRORISM

President Bush's top foreign policy priority is winning the war on terrorism. Winning on the battlefield with our superb military forces is just one part of this strategy. To eradicate terrorism altogether, the United States must help stable governments and nations that once supported terrorism, like Iraq, like Afghanistan; and we must go after terrorist support mechanisms as well as the terrorists themselves. And we must help alleviate conditions in the world that enable terrorists to find and bring in new recruits.

To these ends, the 2005 budget will continue to focus on the reconstruction of Iraq and Afghanistan. We will continue to support our coalition partners to further our counter-terrorism, law enforcement, and intelligence cooperation. And we will continue to expand democracy and help generate prosperity, especially in the Middle East.

Mr. Chairman, 48 percent of the President's Budget for Foreign Affairs supports the war on terrorism. For example, \$1.2 billion supports Afghanistan reconstruction, security, and democracy-building activities. More than \$5.7 billion provides assistance to countries around the world that have joined us in the war on terrorism. Some \$3.5 billion indirectly supports the war on terrorism by strengthening our ability to respond to emergencies and conflict situations. And finally, \$190 million is aimed at expanding democracy in the Greater Middle East, which is crucial if we are to attack successfully the motivation behind people engaging in terrorism.

Mr. Chairman, two of the greatest challenges confronting us today are the reconstruction of Iraq and Afghanistan. Let me begin with Iraq.

Despite the headlines of the last several days, the Coalition Provisional Authorities (CPA) and the Iraqi Governing Council have made great strides in the area of security, in the area of economic stability and growth and democratization. Iraqi security forces now comprise more than half of the total security forces in the country.

In addition, the CPA has established a new Iraqi army; still an army in its infancy but an army that will grow and become strengthened in the years ahead. They have issued a new currency, which is very stable, and refurbished and equipped schools and hospitals throughout the country. And as you know, the CPA is taking steps to help the Iraqis form a fully sovereign government this summer. We will keep to this time table, as the President indicated earlier this week.

But much more work needs to be done. Working with our coalition partners, we will continue to train Iraqi police, border guards, the civil defense corps, and the army in order to ensure the country's security as we effect a timely transition to democratic self-governance and to a stable future.

At the same time, we are helping provide critical infrastructure, including clean water, electricity, reliable telecommunications systems. These are all essential for meeting basic human needs, as well as for economic and democratic development within the country.

As a definitive example of this progress, on March 8, the Iraqi Governing Council formally signed the Transitional Administrative Law, essentially an interim constitution for Iraq, and this was a remarkable milestone. The administrative law recognizes freedom of religion and expression, the right to assemble and to organize political parties, and other fundamentally democratic principles; as well, as at the same time, prohibiting discrimination of any kind based on gender, nationality, or religion.

This is a huge step for the people of Iraq and for the region, a step towards constitutional democracy. It is a step that just a year ago, Iraqis would not have imagined possible; and with the poll results, the results that Senator McConnell mentioned earlier, you can see that they now believe that this is a real possibility for them in the future.

The United Nations Secretary General's Special Advisor, Lakhdar Brahimi, is in Iraq now, having been invited to return by the Interim Governing Council. Working with the CPA, he will help the Iraqis determine what sort of transitional Iraqi Government will be developed and to prepare for elections that will be held at the end of this year or early in the next year.

Creating a democratic government in Iraq will be an enormous challenge; but Ambassador Bremer, working with the Iraqi Governing Council, and with the United Nations and our coalition partners, is committed to success, and when the State Department assumes the lead role this summer in representing and managing U.S. interests in Iraq, we will carry on that commitment.

We are already thoroughly involved. I was in Baghdad 3 weeks ago. I met with Ambassador Bremer, with members of the Iraqi Governing Council, and spoke to some of our troops as well. I know how committed we all are, how committed they all are, and we will succeed.

The recent rise in United States and coalition casualties is disquieting. We are saddened at every death but we will not be dissuaded or driven out. Whether we are confronted by an outlaw and his mobs claiming to themselves the mantle of religion, or by disgruntled members of the former tyrants' regime, or by foreign terrorists, we will deal with them.

In that way, we are resolute. And Mr. Chairman, the coalition is resolute. I believe the vast majority of Iraqis feel the same way; the polls indicate such. They want livelihoods. They want security. They want freedom. They want to strive for their nation's democratic future within the best traditions of tolerance and harmony. And that is why we will win.

Mr. Chairman, I know that many of the members are concerned about the transition from CPA under the Defense Department to a U.S. mission under the State Department. I can tell you that we have made significant progress in planning for this transition and in working on the challenges we will confront.

To make sure we act in accord with your intent, we will be sending a number of members of my staff to the Congress over the coming weeks to brief you and to answer your questions. Before we make our final recommendations to the President, you will be kept fully informed and your advice and counsel will be sought.

#### AFGHANISTAN

Afghanistan is another high priority for this administration. The United States is committed to helping build a stable and democratic Afghanistan that is free from terror and no longer harbors threats to our security. After we and our coalition partners defeated the Taliban government, we faced the daunting task of helping the Afghan people rebuild their country.

We have demonstrated our commitment to this effort by providing over \$3.7 billion in economic and security assistance for Afghanistan since 2001. Through our assistance and the assistance of the international community, the Government of Afghanistan is successfully navigating the transition that began in October 2001.

Afghanistan adopted a constitution earlier this year and is preparing for democratic national elections this September. With technical assistance from the United States, Afghanistan successfully introduced a new and still stable currency in October 2002, and is working to improve revenue collection in the provinces.

The lives of women and girls are improving as women pursue economic and political opportunities and as girls return to school. Since 2001, the United States has rehabilitated 205 schools and 140 health clinics, and trained 15 battalions of the Afghan National Army, battalions that are out now in action helping to secure the countryside.

Also, President Bush's commitment to de-mine and re-pave the entire stretch of the Kabul/Kandahar highway was fulfilled. The road had not been functional for over 20 years. What was once a 30-hour journey can be accomplished in just 5 or 6 hours.

This fundamentally changes all kinds of dynamics within Afghanistan. People can move around. The country can be brought back together with the simple act of completing this road. In the next building season, we will extend the road out to the west, as

well as to the north, and try to create a ring road in this Central Asian nation that, then, can connect to the other Central Asian nations: to Pakistan, and through Pakistan, ultimately to India, which will put the Silk Road back into operation after so many years of misuse and no use.

While the Afghanistan of today is very different from the Afghanistan of September 2001, there is still much left to accomplish. In the near term, the United States will assist the Government of Afghanistan in its preparations for elections this September to ensure that they are free and fair.

The 2005 Budget contains \$1.2 billion in assistance for Afghanistan, as I mentioned; and that money will concentrate on education, health, infrastructure, and assistance to the Afghan National Army.

For example, the U.S. assistance efforts will focus on rehabilitation and construction of an additional 275 schools, 150 health clinics, all by June 2004, and complete equipping of the 15 Afghan Army battalions, extend the road to Herat, as I mentioned.

I might also mention that last week I attended a donors conference on Afghanistan that was hosted by our German friends in Berlin. There we raised \$4.5 billion for President Karzai's fiscal year budget, 102 percent of what he sought.

So I feel confident of our ability, working with the international community, to continue making progress in the reconstruction of that country.

Mr. Chairman, the challenges we face in Iraq and Afghanistan are hugely complex, daunting and dangerous, and security and stability are two of our greatest needs. It is hard to rebuild with one hand and fight off attacks with the other. But we are making progress and we will continue until we have reached our objective: two countries that are on their way to good governance, tolerance, and economic recovery.

#### HIV/AIDS

Mr. Chairman, as important as waging the war on terrorism is to America, there are many other priorities that are contained within this budget that are vital to our foreign policy agenda. Africa, for example, is high on our foreign policy agenda, particularly with respect to the devastating HIV/AIDS pandemic. When people are dying in the millions, particularly people of working age and younger, it is extremely difficult to make economic improvements in your society, in your country. It is President Bush's intent to fight even more aggressively against the pandemic of HIV/AIDS.

Over the past year, we have worked with Congress to pass legislation laying the groundwork for this fight. Marking our progress, last month Ambassador Tobias, Secretary Thompson, USAID Administrator Natsios and I rolled out the strategy for this plan and announced the first dispensation of dollars. Some \$350 million is now being applied to the fight by NGOs and PVOs, private organizations who are working at the grass-roots level.

As a crucial next step, the 2005 budget request expands on the President's plan with \$2.8 billion to combat AIDS in the most afflicted countries in Africa and the Caribbean.

Together, the Department of State, USAID and the Department of Health and Human Services, will use the significantly increased resources quickly and effectively to achieve the President's ambitious goals in the fight against global AIDS.

#### MILLENNIUM CHALLENGE ACCOUNT

Of course, there are other dimensions of economic success in Africa and around the globe; and they, too, are a part of our foreign policy agenda. For example, an innovative program, that you know full well, is the Millennium Challenge Account (MCA). In February 2003, we sent the Congress a budget request for the MCA and legislation to authorize creation of a corporation to administer these monies.

The corporation designed to support our new and innovative development strategies and to ensure accountability, is now up and running. And as you know, I am the chairman of the board of that corporation, Under Secretary Al Larson is the interim CEO, and Mr. Paul Applegarth has been nominated by the President to be the approved CEO, and we're waiting for congressional action on his nomination now.

Congress appropriated \$1 billion for MCA for 2004. The 2005 budget request of \$2.5 billion makes a significant second year increase to the MCA, and paves the way to reaching the President's commitment of \$5 billion in 2006. With these dollars, we will help those countries committed to helping themselves, commitment demonstrated by the fact that their governments govern justly, invest in their people, and encourage economic freedom.

Mr. Chairman, these are two important accounts: the HIV/AIDS account and the Millennium Challenge Account. We know that we are asking for significant funding in this second year of their existence. But the world is watching to see whether we are serious about HIV/AIDS, whether we are serious about this new way of providing development assistance. And I strongly encourage that you approve the amounts requested for both HIV/AIDS and for the Millennium Challenge Account.

Of course, Mr. Chairman, gentlemen, we can't deal with any of our foreign policy priorities successfully if State operations are not funded appropriately. I know that such operations are not this subcommittee's specific oversight responsibility, but the full Appropriations Committee will have to consider this funding.

#### DIPLOMATIC READINESS INITIATIVE

So, just to touch on a few things that are of interest to me. First, the Diplomatic Readiness Initiative to hire new foreign and civil service employees. We have had great success in getting wonderful young men and women to apply for the Foreign Service and to come into the Department, and also to apply for the Civil Service and come into the Department. It is the first time in years that we invested in the manpower needs of the Department, and I ask for your continued support for the Diplomatic Readiness Initiative.

We have also had tremendous success with our information technology upgrade, and I am very proud of what we have done to put the internet in every office everywhere in the world that a State Department officer is located in.

I am also very pleased that we have done a great job in using the money given to us for securing our embassies. New embassy construction has been accelerated. We are going to bring 150 embassies and consulates up to standards over the next 14 years for a total cost of \$17 billion.

We owe our employees a safe environment in which to work, and we want to do more than just protect the embassy, but protect some of the other facilities we occupy in the cities in which we are located, to include schools, places of residence and other facilities that we use.

Mr. Chairman and members of the committee, let me stop, at this point. You have my prepared testimony and I am ready for your questions. But before going to those questions, let me just say a word about the strategy that we are pursuing in Iraq, to follow up to Senator Leahy's comments a few moments ago.

#### NATO

The strategy has a number of dimensions to it. First of all, we do believe that the international community must play a significant and important and vital role in our efforts in Iraq. If you look at NATO, 17 of the 26 nations of NATO are in Iraq, standing alongside of us. They can't make as large a military contribution as we can but they are there within the limits of their capability. That, I think, is a statement of the international community.

When I went to NATO last week for meetings, the NAC, North Atlantic Council, met at the foreign minister level. We talked about what NATO could do in these two places that are of such interest to us: Afghanistan and Iraq. In Afghanistan, NATO has taken over. NATO has shown its willingness to step forward. NATO is going to expand its presence as we get closer to the elections.

NATO is also willing to consider a role for itself in Iraq. Afghanistan is its first priority but they are starting to look at Iraq. And I think that, in due course, we will be able to structure a role for NATO that may add to the number of nations that are there; but more significantly, will give a collective tone, an alliance tone, to what we are doing.

Exactly what that is going to look like, I cannot tell you yet. But not one member of the Alliance, not one of the 25 other members of the Alliance, has said, "No, we will not consider it." Many of them are very enthusiastic about it.

Some who were not with us a year ago—France and Germany, to be direct—are not opposing a NATO role. They are not sure whether they would actually send troops or how they might participate, but they are willing to listen to ideas. Especially after sovereignty transfers on the 1st of July, I think all sorts of new opportunities open up for NATO to participate, as well as, perhaps, other countries and organizations that are not part of NATO.

We are interested, as we move forward toward the 1st of July and we get deeper into the process of setting up an interim government for the Iraqi people, we want the United Nations to play a more vital and important role.

## U.N. RESOLUTION

I have had conversations with the Secretary General about designating a senior representative of the Secretary General to perform that role, and we are starting to look at what resolution might be appropriate: a new U.N. resolution that would extend a hand to the new Iraqi government, that would deal with reconstruction activities of the whole international community, that would encourage other nations to get involved, that would structure a role for the United Nations.

We are not resisting the United Nations. The President has said clearly, he has been saying it for quite a while, we want the United Nations to play a "vital role." And we spend a great deal of time with the United Nations. I spoke to Lakhdar Brahimi this morning to see how he was doing in Baghdad, and his conversations with respect to the creation of an interim government.

So, we want the international community to be involved. We are working on it. The President speaks to the American people on a regular basis about what his intentions are with respect to Iraq.

It is a challenging environment right now because of these remnants, these terrorists, these individuals who do not want to see the Iraqi people achieve their dreams. They are not in this 70 percent and 56 percent and 71 percent you talk about, Senator McConnell, but we are doing this for that 70 percent, for that 56 percent and for that 71 percent. They deserve it and we are going to see that they get it. And we are not alone.

## PREPARED STATEMENT

We have coalition partners with us who are staying the course, even under the most difficult set of circumstances. And I think that over the next days and weeks, you will see that our superb armed forces will deal with the threats they are facing now. And when these insurgents have been cleared away, and then we can get back on track and continue the work that we have laid out: the creation of an interim government, a U.N. resolution, involvement of NATO and other organizations in transition from a CPA to an American mission.

Mr. Chairman, members of the committee, let me stop at that point and make myself available for your questions.

[The statement follows:]

## PREPARED STATEMENT OF HON. COLIN L. POWELL

Mr. Chairman, members of the subcommittee, thank you for the opportunity to testify on the State Department's portion of the President's Budget Request for fiscal year 2005. Let me give you the overall budget picture first and, then, outline our foreign policy priorities. Finally, because the Department cannot carry out its foreign policy function without adequate funding for its own operations, I want to give you a summary of our highest priorities for State operations.

The President's fiscal year 2005 International Affairs Budget for the Department of State, USAID, and other foreign affairs agencies totals \$31.5 billion, broken down as follows:

- Foreign Operations—\$211.3 billion
- State Operations—\$8.4 billion
- Public Law 480 Food Aid—\$1.2 billion
- International Broadcasting—\$569 million
- U.S. Institute of Peace—\$22 million

Mr. Chairman, the President's top foreign policy priority is winning the war on terrorism. Forty-eight percent of the President's budget for foreign affairs directly supports that priority by assisting our allies and strengthening the United States' diplomatic posture. For example: \$1.2 billion supports Afghanistan reconstruction, security and democracy building, and more than \$5.7 billion is provided for assistance to countries around the world that have joined us in the war on terrorism, and \$3.5 billion indirectly supports the war on terrorism by strengthening our ability to respond to emergencies and conflict situations. Moreover, \$190 million is aimed at expanding democracy in the Greater Middle East, in part to help alleviate the conditions that spawn terrorists.

In addition, \$5.3 billion is targeted for the President's bold initiatives to fight HIV/AIDS and create the Millennium Challenge Corporation, both of which will support stability and improve the quality of life for the world's poor—and, again, help to relieve conditions that cause resentment and despair.

Mr. Chairman, let me elaborate on how some of these dollars will be spent.

#### WINNING THE WAR ON TERRORISM

Winning on the battlefield with our superb military forces is just one step in defeating terrorism. To eradicate terrorism, the United States must help create stable governments in nations that once supported terrorism, go after terrorist support mechanisms as well as the terrorists themselves, and help alleviate conditions in the world that enable terrorists to bring in new recruits. To this end, in fiscal year 2005 the State Department and USAID will continue to focus on the reconstruction of Iraq and Afghanistan, support our coalition partners to further our counterterrorism, law enforcement and intelligence cooperation, and expand democracy and help generate prosperity, especially in the Middle East.

#### *Building a Free and Prosperous Iraq*

The United States faces one of its greatest challenges in developing a secure, free and prosperous Iraq. The USG is contributing almost \$21 billion in reconstruction funds and humanitarian assistance to this effort. The World Bank and the International Monetary Fund are expected to provide another \$4 to \$8 billion in loans and grants over the next three years. These resources, coupled with the growing assistance of international donors, will ease the transition from dictatorship to democracy and lay the foundation for a market economy and a political system that respects human rights and represents the voices of all Iraqis.

The Coalition Provisional Authority (CPA) and the Iraqi Governing Council (IGC) have made great strides in the areas of security, economic stability and growth, and democratization. Iraqi security forces now comprise more than half of the total security forces in the country. In addition, the CPA has established a New Iraqi Army, issued a new currency and refurbished and equipped schools and hospitals. And, as you know, the CPA is taking steps to help the Iraqi people form a fully sovereign government this summer.

Much work remains to be done. Working with our coalition partners, we will continue to train Iraqi police, border guards, the Civil Defense Corps and the Army in order to ensure the country's security as we effect a timely transition to democratic self-governance and a stable future.

At the same time, we are helping provide critical infrastructure, including clean water, electricity and reliable telecommunications systems which are essential for meeting basic human needs as well as for economic and democratic development. Thousands of brave Americans, in uniform and in mufti, are in Iraq now working tirelessly to help Iraqis succeed in this historic effort. Alongside their military colleagues, USAID, State Department and the Departments of the Treasury and Commerce are working to implement infrastructure, democracy building, education, health and economic development programs. These efforts are producing real progress in Iraq.

As a definitive example of this progress, on March 8, the IGC formally signed the Transitional Administrative Law (TAL)—essentially an interim constitution for Iraq. This was a remarkable milestone. The TAL recognizes freedom of religion and expression, the right to assemble and to organize political parties, and other fundamentally democratic principles, as well as prohibiting discrimination based on gender, nationality or religion. This is a huge step for the people of Iraq and for the region—a step toward constitutional democracy. It is a step that just a year ago, Iraqis would not have imagined possible.

The U.N. Secretary General's Special Advisor, Lakhdar Brahimi, is in Iraq now to help the Iraqis determine what sort of transitional Iraqi government will be developed and to prepare for elections at the end of this year or early in the next. Creating a democratic government in Iraq will be an enormous challenge—the re-

cent increase in casualties magnifying that challenge. But Ambassador Bremer, working with the Iraq Governing Council and with the United Nations and our coalition partners, is committed to success. And when the CPA, funded and directed by the Department of Defense, goes out of business on June 30 and the State Department assumes the lead role in representing and managing U.S. interests in Iraq, we will carry on that commitment. We are already thoroughly involved. I was just in Baghdad last month meeting with Ambassador Bremer, members of the IGC, and talking to some of our troops. I know how thoroughly involved we are. And we will all succeed.

I also know that many of the members are concerned about the transition from CPA under the Defense Department to a U.S. Mission under the State Department. I can tell you that we have made significant progress in planning for this transition and in working on the challenges we will confront. To make sure we act in accord with your intent, we will be sending a number of people to the Congress over the coming weeks to brief and to answer your questions. Before we make recommendations to the President, you will be kept fully informed and your advice and counsel will be sought.

Mr. Chairman, the recent rise in United States and coalition casualties in Iraq is disquieting and we are saddened at every death. But we will not be dissuaded or driven out. Whether we are confronted by an outlaw and his mobs claiming to themselves the mantle of religion, or by disgruntled members of the former tyrant's regime, or by foreign terrorists, we will deal with them. In that we are resolute. And Mr. Chairman, the coalition is resolute. I believe the vast majority of Iraqis feel the same way. They want livelihoods, security, freedom and the right to strive for their nation's democratic future within the best Iraqi traditions of tolerance and harmony. And that is why we will win.

#### *Winning the Peace in Afghanistan*

Mr. Chairman, Afghanistan is another high priority for this Administration. The United States is committed to helping build a stable and democratic Afghanistan that is free from terror and no longer harbors threats to our security. After we and our coalition partners defeated the Taliban government, we faced the daunting task of helping the Afghan people rebuild their country. We have demonstrated our commitment to this effort by providing over \$3.7 billion in economic and security assistance to Afghanistan since 2001.

Through our assistance and the assistance of the international community, the government of Afghanistan is successfully navigating the transition that began in October 2001. Afghanistan adopted a constitution earlier this year and is preparing for democratic national elections in September. With technical assistance from the United States, Afghanistan successfully introduced a new stable currency in October 2002 and is working to improve revenue collection in the provinces. The lives of women and girls are improving as women pursue economic and political opportunities and girls return to school. Since 2001, the United States has rehabilitated 205 schools and 140 health clinics and trained fifteen battalions of the Afghan National Army (ANA). Also, President Bush's commitment to de-mine and repave the entire stretch of the Kabul-Kandahar highway was fulfilled. The road had not been functional for over 20 years. What was once a 30-hour journey can now be accomplished in 5 or 6 hours.

While the Afghanistan of today is very different from the Afghanistan of September 2001, there is still much left to accomplish. In the near-term, the United States will assist the government of Afghanistan in its preparations for elections in September to ensure that they are free and fair. To demonstrate tangible benefits to the Afghan people, we will continue to implement assistance on an accelerated basis. The fiscal year 2005 Budget contains \$1.2 billion in assistance for Afghanistan that will be focused on education, health, infrastructure, and assistance to the ANA, including drawdown authority and Department of Defense "train and equip". For example, U.S. assistance efforts will concentrate on rehabilitation and construction of an additional 275 schools and 150 health clinics by June 2004, and complete equipping of the fifteen army battalions. The United States will also extend the Kabul-Kandahar road to Herat so that people and commerce will be linked East and West across Afghanistan with a ground transportation link between three of the largest cities.

Near the end of last month, when I was in Kabul to meet with President Karzai and his team, I had the chance to visit a voter registration site. I saw how far Afghanistan has progressed, in only two years, along the path to constitutional democracy. I saw also clear evidence of the Afghan people's commitment to continue on that path despite the many challenges ahead. I met 9 or 10 women at the site and they knew what was at stake in their country. They were eager for the free and

fair elections called for in the Bonn Agreement and I assured them that America was solidly behind them. I told them that as long as they are committed to building a new, democratic Afghanistan, we will stand shoulder to shoulder with them.

In that regard, Mr. Chairman, last week I attended the Berlin Afghanistan Conference. There, we raised \$4.5 billion for President Karzai's fiscal year budget—102 percent of what was sought. So I feel confident of our ability to continue making progress in the reconstruction of that country.

*Support for Our Coalition Partners*

As part of the war on terrorism, President Bush established a clear policy to work with other nations to meet the challenges of defeating terror networks with global reach. This commitment extends to the front-line states that have joined us in the war on terrorism and to those nations that are key to successful transitions to democracy in Iraq and Afghanistan.

Our assistance enables countries cooperating closely with the United States to prevent future attacks, improve counter-terrorism capabilities and tighten border controls. As I indicated earlier, the fiscal year 2005 Budget for International Affairs provides more than \$5.7 billion for assistance to countries around the world that have joined us in the war on terrorism, including Turkey, Jordan, Afghanistan, Pakistan, Indonesia, and the Philippines.

U.S. assistance has also resulted in unparalleled law enforcement and intelligence cooperation that has destroyed terrorist cells, disrupted terrorist operations and prevented attacks. There are many counterterrorism successes in cooperating countries and international organizations. For example:

- Pakistan has apprehended more than 500 al Qaeda terrorists and members of the Taliban through the leadership of President Musharraf, stronger border security measures and law enforcement cooperation throughout the country. Last month, Mr. Chairman, you no doubt noted the fierce fighting in the border area between Pakistan and Afghanistan and the casualties inflicted on the Pakistanis as they took the fight to the al Qaida and other terrorists in those areas. Pakistan is in this struggle for the long-haul.
- Jordan continues its strong counterterrorism efforts, including arresting two individuals with links to al Qaeda who admitted responsibility for the October 2002 murder of USAID Foreign Service officer Lawrence Foley in Amman.
- The North Atlantic Treaty Organization has endorsed an ambitious transformation agenda designed to enhance its capabilities by increasing deployment speed and agility to address new threats of terrorism.
- Colombia has developed a democratic security strategy as a blueprint for waging a unified, aggressive counterterror-counterterrorism campaign against designated foreign terrorist organizations and other illegal, armed groups.
- The United States and its Southeast Asian allies and friends have made significant advances against the regional terrorist organization Jemaah Islamiyah which was responsible for the Bali attack in 2002 that killed more than 200 people. In early August 2003, an Indonesian court convicted and sentenced to death a key figure in that bombing.

Since September 11, 2001, 173 countries have issued orders to freeze the assets of terrorists. As a result, terror networks have lost access to nearly \$200 million in more than 1,400 terrorist-related accounts around the world. The World Bank, International Monetary Fund and other multilateral development banks have also played an important role in this fight by strengthening international defenses against terrorist finance.

While progress has been made attacking terrorist organizations both globally and regionally, much work remains to be done. The fiscal year 2005 President's Budget strengthens our financial commitment to our coalition partners to wage the global war on terror. Highlights of the President's request include \$700 million for Pakistan to help advance security and economic opportunity for Pakistan's citizens, including a multi-year educational support program; \$461 million for Jordan to increase economic opportunities for Jordanian communities and strengthen Jordan's ability to secure its borders; and \$577 million for Colombia to support President Uribe's unified campaign against drugs and terrorism.

In September 2003, at the United Nations, President Bush said: "All governments that support terror are complicit in a war against civilization. No government should ignore the threat of terror, because to look the other way gives terrorists the chance to regroup and recruit and prepare. And all nations that fight terror, as if the lives of their own people depend on it, will earn the favorable judgment of history." We are helping countries to that judgment.

Mr. Chairman, one of the aspects of the War on Terrorism that gives us a particular sense of urgency is proliferation of weapons of mass destruction. These terrible weapons are becoming easier to acquire, build, hide, and transport.

On February 11, President Bush spoke at the National Defense University (NDU) and outlined the Administration's approach to this growing danger. The President described how we have worked for years to uncover one particular nefarious network—that of A.Q. Khan.

Men and women of our own and other intelligence services have done superb and often very dangerous work to disclose these operations to the light of day. Now, we and our friends and allies are working around the clock to get all the details of this network and to shut it down, permanently.

We know that this network fed nuclear technology to Libya, Iran, and North Korea.

At NDU, President Bush proposed seven measures to strengthen the world's efforts to prevent the spread of WMD:

- Expand the Proliferation Security Initiative (PSI) to address more than shipments and transfers; even to take direct action against proliferation networks.
- Call on all nations to strengthen the laws and international controls that govern proliferation, including passing the UNSCR requiring all states to criminalize proliferation, enact strict export controls, and secure sensitive materials.
- Expand our efforts to keep Cold War weapons and other dangerous materials out of the hands of terrorists—efforts such as those accomplished under Nunn-Lugar.
- Close the loophole in the Nuclear Nonproliferation Treaty that allows states such as Iran to produce nuclear material that can be used to build bombs under the cover of civilian nuclear programs.
- Universalize the IAEA Additional Protocol.
- Create a special committee on the IAEA Board of Governors to focus on safeguards and verification.
- And, finally, disallow countries under investigation for violating nuclear non-proliferation treaties from serving on the IAEA Board of Governors.

As the President said at NDU, the nexus of terrorists and WMD is a new and unique threat. It comes not with ships and fighters and tanks and divisions, but clandestinely, in the dark of the night. But the consequences are devastating. No President can afford to ignore such a threat. And President Bush will not ignore it.

#### *Expansion of Democracy in the Middle East*

We believe that expanding democracy in the Middle East is critical to eradicating international terrorism. But in many nations of the Middle East, democracy is at best an unwelcome guest and at worst a total stranger. The United States continues to increase its diplomatic and assistance activities in the Middle East to promote democratic voices—focusing particularly on women—in the political process, support increased accountability in government, assist local efforts to strengthen respect for the rule of law, assist independent media, and invest in the next generation of leaders.

As the President emphasized in his speech last November at the National Endowment for Democracy (NED), reform in the Middle East is of vital importance to the future of peace and stability in that region as well as to the national security of the United States. As long as freedom and democracy do not flourish in the Middle East, resentment and despair will continue to grow—and the region will serve as an exporter of violence and terror to free nations. For the United States, promoting democracy and freedom in the Middle East is a difficult, yet essential calling.

There are promising developments upon which to build. The government of Jordan, for example, is committed to accelerating reform. Results include free and fair elections, three women holding Cabinet Minister positions for the first time in Jordan's history, and major investments in education. Positive developments also can be found in Morocco, which held parliamentary elections last year that were acclaimed as free, fair and transparent.

In April 2003, the Administration launched the Middle East Partnership Initiative (MEPI), an intensive inter-agency effort to support political and education reform and economic development in the region. The President continues his commitment by providing \$150 million in fiscal year 2005 for these efforts.

To enhance this USG effort with a key NGO, the President has doubled the NED budget to \$80 million specifically to create a Greater Middle East Leadership and Democracy Initiative. NED is a leader in efforts to strengthen democracy and tolerance around the world through its work with civil society. We want that work to flourish.

As President Bush said in his November speech at NED: “The United States has adopted a new policy, a forward strategy of freedom in the Middle East. This strategy requires the same persistence and energy and idealism we have shown before. And it will yield the same results. As in Europe, as in Asia, as in every region of the world, the advance of freedom leads to peace.”

*Public Diplomacy in the Middle East*

And the advance of freedom is aided decisively by the words of freedom.

Democracy flourishes with freedom of information and exposure to diverse ideas. The President’s fiscal year 2005 Budget promotes expansion of democracy in the Middle East by providing public access to information through exchange programs and the Middle East Television Network.

New public diplomacy efforts including the Partnerships for Learning (P4L) and Youth Exchange and Study (YES) initiatives have been created to reach a younger and more diverse audience through academic and professional exchange programs. In fiscal year 2005, the P4L and the YES programs, funded at \$61 million, will focus more on youth of the Muslim world, specifically targeting non-traditional, non-elite, often female and non-English speaking youth.

U.S. broadcasting initiatives in the Middle East encourage the development of a free press in the American tradition and provide Middle Eastern viewers and listeners access to a variety of ideas. The United States revamped its Arabic radio broadcasts in 2002 with the introduction of Radio Sawa, which broadcasts to the region 24 hours a day. As a result, audience size for our Arabic broadcasting increased from under 2 percent in 2001 to over 30 percent in 2003. Based on this successful model, the United States introduced Radio Farda to broadcast to Iran around the clock. Building on this success, the fiscal year 2005 President’s budget request provides over \$70 million for Arabic and Persian radio and television broadcasts to the Middle East. In February, the United States launched the Middle East Television Network, an Arabic language satellite network that will have the capability of reaching millions of viewers and will provide a means for Middle Easterners to better understand democracy and free market policies, as well as the United States and its people. This network kicked off on February 14 with 9 hours per day of broadcasting. Now the broadcasting is 24/7. The network—Al-Hurra, or “the Free One”—reaches 22 countries, including Iraq. President Bush has already appeared on the network and I did an interview in late February.

OUR NEW APPROACH TO GLOBAL PROSPERITY

President Bush’s approach to global economic growth emphasizes proven American values: governing justly, investing in people, and encouraging economic freedom. President Bush has pledged to increase economic engagement with and support for countries that commit to these goals through an ambitious trade agenda and new approaches to development assistance focusing on country performance and measurable results.

*The Millennium Challenge Account (MCA)*

In February 2003, we sent the Congress a budget request for the MCA and legislation to authorize the creation of the Millennium Challenge Corporation (MCC), the agency designed to support innovative development strategies and to ensure accountability for results.

The MCC will fund only proposals for grants that have clear, measurable objectives, a sound financial plan and indicators for assessing progress.

The Congress appropriated \$1 billion for MCA for fiscal year 2004. The fiscal year 2005 Budget request of \$2.5 billion makes a significant second year increase to the MCA and paves the way to reaching the President’s commitment of \$5 billion in fiscal year 2006.

*Trade Promotion Authority (TPA)*

President Bush recognizes that the fastest, surest way to move from poverty to prosperity is through expanded and freer trade. America and the world benefit from free trade. For this reason, one of his first actions upon taking office in 2001 was to seek TPA, allowing him to negotiate market-opening agreements with other countries. The President aims to continue vigorously to pursue his free trade agenda in order to lift developing countries out of poverty, while creating high-paying job opportunities for America’s workers, businesses, farmers and ranchers and benefiting all Americans through lower prices and wider choices. As the President said in April 2001 at the Organization of American States: “Open trade fuels the engines of economic growth that creates new jobs and new income. It applies the power of markets to the needs of the poor. It spurs the process of economic and legal reform. It

helps dismantle protectionist bureaucracies that stifle incentive and invite corruption. And open trade reinforces the habits of liberty that sustain democracy over the long term.”

Since receiving TPA in 2002, the President has made good on his promise, completing free trade agreements with Chile and Singapore, which were quickly approved by Congress and went into effect on January 1. We have recently completed negotiations with five Central American countries on the Central America Free Trade Agreement (CAFTA) and our work to bring the Dominican Republic (DR) into that agreement concluded successfully on March 14 with the signing of an FTA with that country. Now, the DR can join CAFTA. In February, we announced the conclusion of an agreement with Australia. More recently, negotiations have been completed with Morocco and an agreement announced, and negotiations are ongoing with the Southern African Customs Union (SACU), Bahrain, and on the Free Trade Agreement of the Americas (FTAA). We are concluding comprehensive agreements that include market access for goods and services, strong intellectual property and investment provisions, and include commitments for strong environmental and labor protections by our partners. These arrangements benefit Americans and our trading partners.

Building on this significant progress, the President intends to launch free trade negotiations with Thailand, Panama, and the Andean countries of Colombia, Ecuador, Bolivia and Peru. The President has also stated his vision for a Middle East Free Trade Area by 2013, to ignite economic growth and expand opportunity in this critical region. Finally, the President is committed to wrapping up successfully the World Trade Organization’s Doha agenda. The United States has taken the lead in re-energizing these negotiations following the Cancun Ministerial.

#### CARING FOR THE WORLD’S MOST VULNERABLE PEOPLE

##### *Emergency Plan for AIDS Relief*

When President Bush took office in January 2001, the HIV/AIDS pandemic was at an all time high, with the estimated number of adults and children living with HIV/AIDS globally at 37 million, with 68 percent of those individuals living in sub-Saharan Africa. From fiscal years 1993 to 2001 the total U.S. Government global AIDS budget was about \$1.9 billion. As part of the Emergency Plan for AIDS Relief, the President proposed \$2 billion in fiscal year 2004 as the first installment of a 5-year, \$15 billion initiative, surpassing nine years of funding in a single year. The President’s Emergency Plan for AIDS Relief represents the single largest international public health initiative ever attempted to defeat a disease. The President’s Plan targets an unprecedented level of assistance to the 14 most afflicted countries in Africa and the Caribbean to wage and win the war against HIV/AIDS. In addition, programs will continue in 75 other countries.

By 2008, we believe the President’s Plan will prevent seven million new infections, treat two million HIV-infected people, and care for 10 million HIV-infected individuals and those orphaned by AIDS in Botswana, Cote d’Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia.

Announced during President Bush’s State of the Union address on January 28, 2003, the Emergency Plan provides \$15 billion over five years for those countries hardest hit by the pandemic, including \$1 billion for the Global Fund to Fight AIDS, Tuberculosis and Malaria. The fiscal year 2005 Budget provides \$2.8 billion from State, USAID, and the Department of Health and Human Services (HHS) to combat global AIDS, more than tripling funding for international HIV/AIDS since the President took office.

Over the past year, we have worked with the Congress to pass legislation laying the groundwork for this effort and to appoint a senior official at the State Department to coordinate all U.S. Government international HIV/AIDS activities. Ambassador Randall Tobias has been confirmed by Congress and has now taken steps to assure immediate relief to the selected countries.

On February 23, Ambassador Tobias, Secretary Thompson, USAID Administrator Andrew Natsios, and I rolled out the strategy for this plan and announced the first dispensation of dollars—\$350 million in contracts to some of the NGOs and PVOs who will be carrying out the fight at the grass-roots level. It was a thrilling moment, I can assure you.

As a crucial next step, the fiscal year 2005 Budget Request expands on the Emergency Plan. By working together as a highly collaborative team, and placing primary ownership of these efforts in the hands of the countries that we are helping—just as you will recall the Marshall Plan did so successfully in post-WW II Europe—the Department of State, USAID and HHS can use significantly increased resources

quickly and effectively to achieve the President's ambitious goals in the fight against global AIDS.

Mr. Chairman, President Bush summed it up this way in April of last year, "There are only two possible responses to suffering on this scale. We can turn our eyes away in resignation and despair, or we can take decisive, historic action to turn the tide against this disease and give the hope of life to millions who need our help now. The United States of America chooses the path of action and the path of hope." These dollars put us squarely on that path.

*Emergency Humanitarian Assistance—Helping Others in Need*

The President's Budget Request reflects a continued commitment to humanitarian assistance. The request maintains U.S. leadership in providing food and non-food assistance to refugees, internally displaced persons, and other vulnerable people in all corners of the world. In addition, the budget reflects the findings of the Program Assessment Rating Tool (PART) evaluations completed for the United Nations High Commissioner for Refugees and for USAID's Public Law 480 Title II international food assistance, which confirmed a clear purpose for these programs.

In 2003, the Administration provided funding to several international and non-governmental organizations to assist nearly 200,000 Angolan refugees and internally displaced persons return home after decades of civil war.

In an Ethiopia enveloped by drought, the Administration led international efforts to prevent widespread famine among 13 million vulnerable people, providing over one million metric tons of emergency food aid (valued at nearly half a billion dollars) to the World Food Program and NGOs, funding immunizations for weakened children, and supplying emergency seeds to farmers.

In Sudan, the Administration worked with the United Nations and the Government of Sudan so that vital assistance could be delivered to the Sudanese people. This year the United States will provide about \$210 million in vital assistance to the people in the south, including approximately 125,000 metric tons (valued at nearly \$115 million) in food aid, as well as non-food assistance, such as sanitation and water. We anticipate that a comprehensive peace agreement in Sudan will allow us to expand significantly our development assistance to help the Sudanese people in effecting a long-awaited recovery following decades of civil war. The fiscal year 2005 Budget includes \$436 million in humanitarian and development, economic, and security assistance funding, much of which will be contingent upon a peace settlement between the government and the south.

The fiscal year 2005 Budget ensures that the Administration can continue to respond quickly and appropriately to victims of conflict and natural disasters and to help those in greatest need of food, shelter, health care and other essential assistance, including those in areas starting to recover from conflict and war, such as Liberia. In particular, the budget requests funding for a flexible account to give the President the ability to respond to unforeseen emergency needs, the Emergency Fund for Complex Foreign Crises, funded at \$100 million.

Mr. Chairman, I know State Operations are not a part of this subcommittee's specific oversight responsibilities, but funding these operations is essential to our being able to carry out America's foreign policy. So let me turn briefly to the State Department operations portion of the President's Budget Request which, as you will recall, totals \$8.4 billion.

KEEPING AMERICANS SAFE AT HOME AND ABROAD

The State Department has the responsibility to protect more than 60,000 U.S. Government employees who work in embassies and consulates abroad. Since the 1998 bombings of two U.S. embassies in East Africa, the State Department has improved physical security overseas; however, as many of you are well aware, many posts are still not secure enough to withstand terrorist attacks and other dangers. To correct this problem, in 1999, the State Department launched a security upgrade and construction program to begin to address requirements in our more than 260 embassies and consulates.

*Capital Security Cost Sharing Program*

Working with the Congress, President Bush has accelerated the pace of improving and building new secure facilities. Moreover, we have reorganized our Overseas Buildings Operations to manage the effort with speed, efficiency, and effectiveness. Within the budget, we are launching a plan to replace the remaining 150 embassies and consulates that do not meet current security standards over the next 14 years, for a total cost of \$17.5 billion. To fund construction of these new embassy compounds, we will begin the Capital Security Cost Sharing (CSCS) Program in fiscal year 2005. We will implement this program in phases over the next five years.

Each agency with staff overseas will contribute annually towards construction of the new facilities based on the number of positions and the type of space they occupy. We arrived at the cost shares in the fiscal year 2005 President's Budget Request in consultations with each agency and the State Department's Overseas Buildings Operations.

CSCS is also a major component of the President's Management Agenda Initiative on Rightsizing. Along with securing facilities, we have focused on assuring that overseas staffing is deployed where they are most needed to serve U.S. interests. As agencies assess the real cost of maintaining staff overseas, they will adjust their overseas staffing levels. In this way, new embassies will be built to suit appropriate staffing levels. The program is already producing rightsizing results. Agencies are taking steps to eliminate unfilled positions from their books to reduce any unnecessary CSCS charges, which in turn is leading to smaller embassy construction requirements.

#### *Border Security*

Prior to September 11, 2001, the State Department's consular officers focused primarily on screening applicants based on whether they intended to work or reside legally in the United States. In deciding who should receive a visa, consular officers relied on State Department information systems as the primary basis for identifying potential terrorists. The State Department gave overseas consular officers the discretion to determine the level of scrutiny that should be applied to visa applications and encouraged the streamlining of procedures.

Today, Consular Affairs at the State Department, working with both Customs and Border Protection and the Bureau of Citizenship and Immigration Services at the Department of Homeland Security, are cooperating to achieve our goals more effectively by sharing information and integrating information systems.

The Department of State has invested substantial time, money, and effort in re-vamping its visa and passport process as well as its provision of American Citizen Services. The Department has more than doubled its database holdings on individuals who should not be issued visas, increased training for all consular officers, established special programs to vet applications more comprehensively, increased the number of skilled, American staff working in consular sections overseas, and improved data-sharing among agencies. The State Department, along with the Department of Homeland Security, is currently developing biometrics, such as fingerprints, digital photographs or iris scans, for both visas and passports in order to fulfill requirements of the Patriot and Border Security Acts and the International Civil Aviation Organization.

As a part of the State Department's efforts to screen visa applicants more effectively, and in particular to ensure that a suspected terrorist does not receive a visa to enter the United States, we will be an active partner in the Terrorist Screening Center (TSC). The TSC, established in December 2003, will maintain a single, consolidated watchlist of terrorist suspects to be shared with Federal, state, local and private entities in accordance with applicable law. The Department of State will also participate in the Terrorist Threat Integration Center (TTIC), a joint-effort aimed at reducing the potential of intelligence gaps domestically and abroad.

To achieve our goal of secure borders and open doors, in fiscal year 2005 the State Department plans to expand the use of biometrics to improve security in the visa and passport processes; more effectively fill gaps worldwide by hiring people with specific skills including language expertise; improve and maintain all consular systems; and more broadly expand data sharing with all agencies with border control or immigration related responsibilities. The budget in fiscal year 2005 includes \$175 million for biometric projects including photographs and fingerprints to comply with Border Security and Patriot Acts.

The Border Security program underwent a PART analysis in the development of the fiscal year 2004 and fiscal year 2005 budgets and this budget request reflects the results of those analyses. The Department is moving ahead on program management improvements that clearly link to the Department of Homeland Security goals related to visa policy.

#### *The Critical Importance of Diplomatic Readiness*

You will recall, Mr. Chairman, members of the subcommittee, that we created the Diplomatic Readiness Initiative (DRI) in 2002 to address staffing and training gaps that had become very adverse to the conduct of America's diplomacy. The goal of DRI was to hire 1,158 new foreign and civil service employees over a three-year period. These new hires, the first over-attrition hires in years, would allow us to provide training opportunities for our people and greatly improve the Department's ability to respond to crises and emerging priorities overseas and at critical domestic

locations. To bring these new people on board—and to select the best men and women possible—we significantly improved Department hiring processes, to include recruiting personnel from more diverse experience and cultural backgrounds and people who could fill critical skill gaps. In the process, we broke records in recruiting and thus had the best and the brightest from which to select. The Department of State will be reaping the benefits from this process for many years to come. We also created new mandatory leadership and management training, enhanced public diplomacy and consular training, and made significant increases in the amount of language training available for new Foreign Service Officers. DRI hiring has supported the Department's efforts in responding to crises since September 11 and provided the additional resources necessary to staff overseas locations that truly represent the front line in the war on terrorism.

Some of these positions, however, are being diverted to support new requirements not envisioned by DRI, such as permanently staffing new embassies in Afghanistan, Iraq, Sudan, and possibly in Libya. Because of this, the fiscal year 2005 Budget Request provides additional resources to continue our DRI commitment.

DRI has allowed the Department to focus on recruiting, training and retaining a high quality work force, sized to requirements that can respond more flexibly to the dynamic and demanding world in which we live. We need to continue it.

USAID has begun a similar effort to address gaps in staffing in technical skills, calling it the Development Readiness Initiative. USAID plans to hire approximately 40 Foreign Service Officers in fiscal year 2004 under this initiative. This Budget Request includes authority for USAID to hire up to 50 additional Foreign Service Officers in fiscal year 2005, in order to fill critical skill gaps identified through a comprehensive workforce analysis.

Mr. Chairman, I have focussed your attention for long enough. There is more in the President's Budget Request for fiscal year 2005; but what I have outlined above represents the top priorities for the State Department. I will be pleased to answer any questions you have about these priorities or about any other portion of the budget request in which you are interested. If I cannot answer the question myself, I have a Department full of great people who can; and I will get you an answer for the record.

Thank you.

Senator MCCONNELL. Mr. Secretary, I have one member here who has severe constraints on time. I am going to go out of order and let the Senator from Pennsylvania have one question, because I understand he will not be able to return. Senator SPECTER.

Senator SPECTER. Well, thank you very much, Mr. Chairman for yielding to me, and thank you, Mr. Secretary, for the outstanding job you have done in providing real balance on our foreign policy. I will be submitting questions for the record on Iraq, Iran, AIDS, terrorism, the Saudi Accountability Act. But in your opening comments, you did not make any reference to the situation in Israel. And I note that there is a request for \$2.6 billion.

#### ISRAEL FENCE

My question to you relates to the fence and Israel's assertion of its right to make decisions on its own national security as it sees fit. And my question is: What is the administration view on Israel's sole determination of the fence? And are there—is there any thinking about restricting any aid or foreign loan guarantees or any other financial support to Israel by virtue of what Israel is doing with the fence?

Secretary POWELL. Well, as you know, Senator Specter, we do have a policy of discussing with Israel their settlement activities and some restrictions on loans as a result of settlement activities.

With respect to the fence, Israel has a right to build a fence to protect itself if it feels that is what it needs to keep the terrorists from getting into Israel. We have expressed concern to the Israelis over time about the route of the fence and whether it intrudes into

Palestinian territory more deeply than is necessary for the legitimate right of self-defense.

The Israelis have made some adjustments to the fence over time and they have taken the fence down in some places once they have had a chance to take a second look at the impact that the fence has had. But at the moment we do not have any plans to dock them over the route of the fence.

Senator SPECTER. Thank you.

Thank you, Mr. Chairman.

Senator MCCONNELL. Mr. Secretary, one of our colleagues just recently compared Iraq to Vietnam. You served in Vietnam. Are there any similarities?

Secretary POWELL. Not in my judgment, Senator. And I do not think these kinds of comparisons are terribly helpful. Vietnam was another part of the world, another time in history; and we ought to see the situation for what it is today and not try to find comparisons that can then be painted in a negative light.

I think this is quite different. I think that we have an Army over there that knows what it is doing. We have a people that want to be free and in a democratic society. We do not have huge state sponsors outside of Iraq flooding the place with weaponry and manpower of any kind. And I think it is not a swamp that is going to devour us.

It is a problem that is solvable and manageable and we need to stay the course and not contaminate the good work we are doing by comparisons to Vietnam.

Senator MCCONNELL. What kind of entity will we be handing authority to on July 1?

Secretary POWELL. It has not been determined yet. As you know, we have a governing council now. One model says leave it as it is. Another model says expand it to give it broader representation.

There are other ideas that say, maybe you should try to have some sort of mini-Loya/Jirga-like process such as Afghanistan but on a smaller scale, although there is not quite a tradition of that in Iraq. Or a Shira, some sort of meeting where people would elect their representatives.

So Ambassador Brahimi is looking at all of these, along with Ambassador Bremer and his staff and my staff; but no decisions have been made yet as to which one of these models will be settled upon.

I think the model that is getting the most attention right now and seems the most practical one in terms of the time available to us would be some form of expanded governing council; but that is just sort of the lead horse at the moment. No decisions have been made.

Senator MCCONNELL. Until recently, the Shi'a were relatively comfortable with the transition process and were relatively content with their fair shot at winning elections during the formation of a new government, while the violence was largely a Sunni phenomenon. What do you make of the Sadr uprising, his militia, and what it may say if anything about the broader Shi'a population, and their views about which way we ought to go from here?

Secretary POWELL. I think the administrative law that was approved last month recognized the fact that the Shi'a are the majority in the country; 60 percent of the people are Shi'a. And so in a

democratic system where a representative government is what we are talking about, they will have the greatest representation in the assembly, and that will pass through to the executive institutions as well.

The important point, though, was that the administrative law also protected the rights of those who are not in the majority, the Sunnis, the Kurds, and the other groups within the country. And so we think we have found a good representative balance.

Now, there are still questions about this and not all parties are satisfied with it but that is why we are going to go forward and write a constitution. And changes could be made as you go forward toward the constitution.

I think this satisfied most Shi'a. All Shi'a members of the Governing Council went along with it. The Ayatollah Sistani—who is seen in the Shi'a population as the leading ayatollah, and has great weight when he speaks—has some reservations about it but he did not firmly object to the TAL. The Shi'a in the governing council went and saw him and said, "Look, this is pretty good. Let us move in this direction." And he understood that. He has reservations and those reservations will have to be dealt with as we go forward.

The fellow who is causing the trouble now, al-Sadr, is a young radical who is not considered a leading figure in the Shi'a community. But he does have the loyalty of the Mahdi militia, and he is stirring up a great deal of trouble. He has been indicted for the worst kinds of crimes and he has to be brought to justice eventually.

Senator MCCONNELL. Do you think he is getting any support from outside the country—from Iran, for example?

Secretary POWELL. There may be some support coming in the country. I cannot say it is not the case but I do not sense that he is enjoying great support from other Shi'a groups, other than his own within the country; or for that matter, from outside the country.

I think he is a finite definable problem. And what we want to do is deal with this in the very near future so that he does not start to take on more of an aura and more of an influence than is deserving of his state and position in the Shi'a community.

Senator MCCONNELL. Final question and then I will turn to Senator Leahy. So, your view is that his following is small and stable, and not small and growing?

Secretary POWELL. It is small and stable. We do not want to see it grow. And that is why our military forces now are engaging the Mahdi militia.

Senator MCCONNELL. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman. And Secretary Powell, thank you for the comments you made regarding what I said in my opening statement. And you and your staff will have a copy of my whole statement. I go into a number of things, Liberia, the Charles Taylor situation in Sierra Leone, Colombia, Indonesia, and others.

I ask that you take a look at it because, if anything, it is a road map of what I intend to focus on in this subcommittee this year.

I appreciate the other troops besides ours involved in the reconstruction of Iraq. The British led the way with, I believe, 11,000 troops. We have got about 130,000.

The other 32 nations provide less than 10 percent of the troops. They provide less than 1,000 soldiers each, including 11 of our NATO allies. We have police departments that are a lot larger than what they have put in there. And the Spanish, of course, are planning to withdraw.

Mr. Brahimi is only a special adviser. He is not a U.N. administrator with all those powers.

The British have given \$1 billion for reconstruction aid. Ours is over \$20 billion.

So, we have others in there but we are carrying by far the lion's share.

George Will suggested in a column—and it probably will shock him to know I quoted his column—but he said in *The Washington Post* yesterday:

The transfer of power in Iraq is to an institutional apparatus that is still unformed. This is approaching at a moment when U.S. forces in Iraq, never adequate for post-war responsibilities are fewer than they were.

U.S. forces are insufficient for that mission; unless the civil war is quickly contained, no practicable U.S. deployment will suffice. U.S. forces worldwide cannot continue to cope with Iraq as it is, plus their other duties—peacekeeping, deterrence, training—without stresses that will manifest themselves in severe retention problems in the reserves and regular forces.

You have a military background. Do you disagree with him? Do we have enough troops there if civil war spreads. Do we have enough to contain it?

Secretary POWELL. The commanders believe that there are enough forces but, because of the recent spike in activity, Secretary Rumsfeld and General Abizaid are—I think the way to put it—delaying the transfer out of those who were scheduled to leave in the very near future in order to keep an increased density of troops.

Senator LEAHY. And continue to transfer in so that you—

Secretary POWELL. Yes.

Senator LEAHY [continuing]. Raise the overall number.

Secretary POWELL. The overall number goes up, rather than goes down for some period of time. I do not know how long that will be. It is up to Don Rumsfeld and John Abizaid.

What is interesting is that, although I do not have the total access to these numbers as I used to have on a daily basis, the re-enlistment rates among those units that have been there remain high.

Senator LEAHY. Well—

Secretary POWELL [continuing]. The troops know that they are doing something that is important and, even with the knowledge that they may have to go back, they are re-enlisting.

Senator LEAHY. I have gone out to visit our—some of our wounded out at Walter Reed, and I am talking to a man who has lost his leg. He has got a new, very high-tech prosthetic. He is showing it to me.

So I say: “What are you going to—now what do you—plan to do once you get out of here?” And he looked at me—

Secretary POWELL. Go back to his unit.

Senator LEAHY [continuing]. Said, "I want to go back. I want to go back to the Army."

It was very moving. My wife, as you know, is a nurse. She has talked with a number of very severely wounded—the same thing. And you have to admire their courage.

Secretary POWELL. Well, if I may, Senator Leahy, when I was over there a couple of weeks ago, I spoke to a large group of troops in one of the rooms. There must have been 500 or 600 in the room. And after saying a few words to them, and thanking them, and telling them how proud we all were of them, I was walking through the crowd, shaking hands, and taking pictures—and you are familiar with the scene.

As soon as I got in the crowd, some young GI stuck his hand out and grabbed my hand. He did not want a picture. He did not want a signature. He just said, "Tell the President to stay the course."

Senator LEAHY. Yes.

Secretary POWELL. And these are the young men who are over there, not getting showers every day, and living in the mud, and living in the dirt, and living in the sand.

Senator LEAHY. You have been there.

Secretary POWELL. I have been there; I know what it is like. And they know what they are doing is important. That is why they are telling all of us, "Stay the course."

Senator LEAHY. None of us have a crystal ball; and if we did, maybe this whole thing might have been handled differently, maybe Afghanistan might have been handled differently, maybe post- or pre-September 11 might have been.

But let us talk about after June 30. We now have a new Iraqi Government. Suppose they take a position that we strongly disagree with, suppose they want an Iranian-style theocracy instead of a democracy; a theocracy that will not respect minority rights, whether it is women or other minority religions. Do we have veto power to block it?

What if they say to the American soldiers, "Out, right now, today," or within the few days it might take to leave? Can we refuse to leave?

Secretary POWELL. Sovereignty means sovereignty. But before they get sovereignty handed over to them or at the time that sovereignty is handed over to them, we will have made arrangements with respect to what our troops are doing there and for what purpose. And the least of my worries is that they are going to tell us prematurely to leave.

Senator LEAHY. Why?

Secretary POWELL. Because they are going to need us for security for some time to come. This is still a work very much in progress. This will be a new government that is still getting its sea legs, that is still developing institutions of democracy, that has not yet finished a constitution, and has not yet held an election to give it full legitimacy. And it will be challenged.

It will be challenged by the kinds of forces that you see challenging us today. And for that reason, I am quite confident that we will not have a dispute with the Interim Government over us keeping our troops in their country. They will need that kind of protection.

Even though sovereignty will be returned to them, the troops will remain under our control. And we believe we can have an understanding with the Interim Government based on what we have discussed with the Governing Counsel, now that Iraqis troops will also be under our command. That is our preference in order for there to be unity of command.

If the Interim Government starts to move in a way that is totally inconsistent with democracy, or starts to create a theocracy, or take away the rights from people, then we have a very brand-new and difficult situation. But we do have some considerable influence over such a thing by the money that we are providing for the reconstruction of the country, by the political relationship we will have with them, by the international organizations that we hope will be there with us, and hopefully perhaps by the U.N. resolution that will help establish their interim legitimacy until they go to elections.

But they will be sovereign. I think as a result of agreements and a result of, hopefully, resolutions that are passed, there will be some constraints on the power of this sovereign government.

Senator LEAHY. I will submit my other questions for the record.

Senator MCCONNELL. Thank you, Senator Leahy. Chairman Stevens.

Senator STEVENS. Thank you very much. I just have a couple of questions, Mr. Secretary.

#### WEAPONS DUMPS

When we were in Iraq, I received estimates of the number of weapons dumps. Now, these are a mass of weapons of destruction, not the weapons of mass destruction, but the estimate I received was from 1,000 to 7,000 of these dumps full of artillery shells, hand-held weapons, and shoulder-held weapons. We have asked the Congressional Research Service and other agencies to try and determine when they were paid for. It is my understanding that debt that was incurred after the agreement was signed at the end of the gulf war, after the sanctions went into effect is invalid. Now, I do not know whether you can affirm that but that is my understanding.

We fear that some of these nations are claiming that the bills that are owed are legitimate debts but they were for weapons that came to Iraq after Saddam Hussein agreed not to purchase any additional weapons.

Do you think you can ask the Department of State to find out if they—know anything about the origin of those weapons, these mass deposits of weapons, and their relationship to the debt that these people claim?

I understand Saudi Arabia claims \$30 billion; Russia, \$6.9 billion; France, \$5.9 billion; Germany, \$4.8 billion, and it goes on up to \$125 billion—\$125 billion in total debt. I am hoping we can get someone—maybe you could do it—to ask the United Nations to step in and help the world destroy these enormous deposits of weapons.

They are out on the ground, no fences around them, and very few of them are guarded. I talked to some of the people involved in

non-government security, the people that were involved in Fallujah.

I asked: "Have you ever taken weapons from these dumps," they said: "Well, that would be illegal."

I said: "Well, you mean, illegal for us but not illegal for Iraqis?"

He said: "Well, we borrow a few now and then."

Now, they are just dumps that anyone with a truck can go by and pick up artillery shells, all sorts of equipment. I think someone has to take responsibility for destroying them.

Right now, the military does not have enough people to guard them. One of them was 5 miles square and piled up about 10 feet high of weapons.

These weapons dumps are just totally being ignored. I had to apologize to Senator Diane Feinstein when she raised it last year. I did not know the scope and extent of it, and she wanted us to add some money to the defense appropriations bill. We added a little money but we do not have enough money to deal with this issue and keep our troops in Iraq, too.

So, I urge you to help us find some way to determine who brought weaponry to Iraq and if they are claiming that they have a debt that is owed by the new Iraq, whether weapons were brought in illegally after 1991. In any event, please think about who can help us get rid of them. That is my message to you, my friend.

I do not think I have ever seen a more difficult problem in a battlefield in my life. And I have seen a lot of them, as you have. I cannot believe that we can live with the fact that anyone can go pick up weapons.

If they are going to be available on a no-cash and come-carry basis, there is no way we can deal with this. I do not think we should expose our people to that kind of weaponry, totally unguarded and totally available to anyone who wants to use it in an unconventional way.

Secretary POWELL. Thank you, Senator. The whole country was—is an ammo dump.

Senator STEVENS. Yes.

Secretary POWELL. There are facilities all over the place. Some were destroyed during both the gulf war and the current war. Others were destroyed after the war, but it was still a huge problem, because of the number of facilities.

I know that Secretary Rumsfeld is working with Ambassador Bremer and our military commanders over there to try to get some kind of control over these facilities, so we do not have the kind of the problem you describe.

With respect to debt, I am going to ask my lawyers to give you an answer for the record, because I do not want to guess at it as to if a country sold weapons to Iraq that were sold in violation of U.N. resolutions, why should there be a legitimate debt against the Iraqi people for such sales? But I need to give you a formal answer for the record on that.

[The information follows:]

UNITED STATES DEPARTMENT OF STATE,  
Washington, DC, April 29, 2004.

Hon. TED STEVENS,  
Chairman, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: This is in response to the question that you raised during Secretary Powell's testimony on April 8, 2004 concerning the Administration's fiscal year 2005 budget request. Specifically, you inquired whether, in light of the mass deposits of weapons found in Iraq, any of the debt claims that are being made against Iraq by various creditor countries derived from weapons sales that violated the Iraqi arms embargo instituted under United Nations Security Council Resolution 661 and subsequent related resolutions.

The vast majority of these bilateral official claims against Iraq appear to pre-date the Iraq sanction regime and therefore could not derive from sales of weapons in violation of that sanction regime. Of the small amount of official claims that post-date the sanctions regime, we are not aware of any such claims that derive from illegal arms sales. Although Iraqi authorities, working with the CPA and with the IMF and Paris Club, have made great progress in identifying the amounts of debt outstanding, much of the Iraqi documentation is missing. The Iraqi authorities will have to ask Iraq's creditors for documentation to substantiate their claims. Until this process is completed, we will not be able to completely rule out the possibility that some claims derive from illegal military sales. Given the knowledge that we have so far, however, we have no reason to believe that the debt claims derive from sales of weapons in violation of U.N. sanctions.

Prior to the institution of the Iraqi sanctions regime in late 1990, Iraq had accumulated a very large external debt as a result, *inter alia*, of the costs of the Iran-Iraq war. While we believe that a significant portion of that debt derived from arms sales, such sales were not in violation of any U.N.-sanctioned embargo at the time. It is possible that a significant portion of the mass deposits of weapons recently found in Iraq derived from such pre-sanctions sales.

We hope that this information is helpful to you and the other members of the Senate Appropriations Committee. Please do not hesitate to contact us if we can be of further assistance.

Sincerely,

PAUL V. KELLY,  
Assistant Secretary, Legislative Affairs.

Senator STEVENS. That is totally logical but, very clearly, if they sent it in as canned Spam and they are weapons, that is the problem.

Secretary POWELL. Yes, sir.

Senator STEVENS. I hope we can find some way to identify it. I asked the Iraqis, and they said all those records were destroyed in the war.

Secretary POWELL. It may be hard to get all the answers, Senator.

Senator STEVENS. I do think, though, that the United Nations ought to be involved. If they want to come in and do something that is not violent and not too exposed to danger, that is one job they can take on. They are out west, they are north, they are south, and they are east. There are 1,000 to 7,000 dumps. Something has to be done at least to put them under some type of security until we can figure out what to do with them—until the Iraqis figure out what to do.

Lastly, I do not think there ought to be an Iraqi Army. I think there ought to be a self-defense force, and that we ought to limit the number of weapons of this type they have access to. But today they have open access to weapons that are just horrendous in terms of their capability. Thank you, my friend.

Secretary POWELL. Thank you, Senator.

Senator MCCONNELL. Thank you, Senator Stevens. The order remaining is Senator Harkin, Senator Bennett, Senator DeWine, Senator Landrieu, and Senator Byrd.

Senator Harkin.

Senator HARKIN. Thank you very much, Mr. Chairman. Mr. Secretary, you may recall that at last year's hearing, I asked you what the Department of State was doing to ensure that the needs of people with disabilities were being addressed in our foreign assistance programs in Iraq, Afghanistan, and other countries. Now, this came about because it had been reported back to me that many of our dollars that were used for reconstruction in Bosnia, for example, and places like that, that the schools were rebuilt and things were inaccessible, just totally inaccessible. And I thought, "Wait a minute. We are using U.S. dollars to do that, and we are not providing any accessibility."

#### PEOPLE WITH DISABILITIES

So then, I began to look at it more and found that we really did not have much of a focus in our policies regarding people with disabilities. So since we last met, Congress has passed the following legislation. One, we required the coalition provisional authority to promote the inclusion of people with disabilities. Second, we instructed USAID to develop access standards. And third, we included disability-related criteria for the Millennium Challenge Account. Those three things have been passed by Congress.

I need not tell you, Mr. Secretary, the United States is, I think, in a unique position to lead the world in demonstrating the tremendous potential of people with disabilities when those barriers are removed. Last week, I met with Under Secretary Paula Dobriansky and Assistant Secretary Lorne Craner to discuss these international disability initiatives.

I am pleased to learn the Department of State will be improving documentation of disability rights in the human rights reports. So, that is one good step.

However, I have proposed the formation of an inter-agency panel or task force, within the Department of State, to raise awareness and coordinate the government's international disability programs. I have stressed the need for a permanent staff to focus on disability issues. Because if you do not have some inter-agency task force, it just doesn't happen, as I found in the last year. You expressed an interest in it a year ago. You said you were very sensitive to the issue; I believe you are. But you have got a lot on your plate. And you have got a lot of things to think about. And this falls by the wayside.

So, can you just tell me now what are we going to do? Is there any hope that we can have some kind of a panel or something like that at the State Department?

Secretary POWELL. I think there is. Whether it needs a permanent secretariat or not, or an inter-agency secretariat of some kind on a permanent basis and how large it should be, I would have to sit and discuss this with Under Secretary Dobriansky and others.

But we are sensitive to it, especially with respect to the new Millennium Challenge Account and the Millennium Challenge Corporation. And I think you have had discussions with Under Sec-

retary Dobriansky about how we can approach that problem. So, we are sensitive to it.

I have not discussed the idea of a permanent panel with a secretariat, with Under Secretary Dobriansky.

Senator HARKIN. Well, again, I thank you for your sensitivity to it; but you were sensitive to it last year, too. And I mean it, I am not just saying that, I know you are. But there has to be someone in your operation to whom people go when these issues come up, whose task it is to ensure that disability rights, the things that we have passed in the last year, are actually carried out. If there is no one there to do that, it just gets muddled and no one ever takes care of it.

So I do not know the phrases “secretariat” and such. I do not understand that phrase but these—

Secretary POWELL. No. Your suggestion being we ought to have a permanent staff of some kind?

Senator HARKIN. Somebody.

Secretary POWELL. That is what I am talking about.

Senator HARKIN. Some permanent staff some place whose focus—I mean, you have it on a number of different other areas.

Secretary POWELL. Yes.

Senator HARKIN. Women’s issues, other issues like that, you have permanent people that someone knows there is an officer, someone to go to for guidance, direction, consultation, that type of thing when you are dealing with disability rights issues. So, I hope that you can take a look at that again.

Secretary POWELL. Thank you, Senator. I will.

[The information follows:]

UNITED STATES DEPARTMENT OF STATE,  
Washington, DC, March 1, 2004.

Hon. TOM HARKIN,  
U.S. Senate.

DEAR SENATOR HARKIN: This is in response to your January 21 letter to Secretary Powell urging that our foreign policy promote “the rights and inclusion of people with disabilities.” Thank you for your thoughtful letter. We are aware of your leadership in this area and appreciate your strong commitment to the disability community.

We have attached for your review the annual *Country Reports on Human Rights Practices*, which was released on February 25th. In Section 5 of each country chapter, we report on the constitutional (legal) prohibitions on discrimination based on disability, and whether the government of each country effectively enforces those prohibitions. In countries where we find societal violence, we report on efforts by non-governmental entities to incite violence based on these issues, as well as to identify any laws, administrative regulations, or government practices that are inconsistent with equal access to housing, jobs, education and/or health care. We note any mechanisms available for redress of discrimination and whether such mechanisms are effective, and report any discrimination against disabled persons in employment, education or the provision of other state services. We report whether the law mandates building access and whether the government effectively enforced the law. We also report abuses in governmental mental health facilities, including inhuman and degrading treatment, arbitrary commitment, abuse of physical restraints, unhygienic living conditions, inadequate medical care, lack of safeguards against dangerous treatment and lack of protection against sexual or other violence.

Our embassies gather information throughout the year from a variety of sources across the political spectrum, including government officials, jurists, armed forces sources, journalists, human rights monitors, academics, and labor activists. This information gathering can be hazardous, and our officers regularly go to great lengths, under trying and sometimes dangerous conditions, to investigate reports of human rights abuses and come to the aid of individuals at risk. Disability organizations around the globe are also welcome to provide information through this process.

In addition, the Democracy, Human Rights and Labor Bureau (DRL) has been pleased to meet—on more than one occasion—with U.S. disabilities NGOs, including those referred by your staff. In September, DRL provided disability NGOs with a database that includes the names and addresses of 805 disability organizations we have identified in 172 different countries.

More recently, the DRL Senior Coordinator for Democracy and Human Rights Promotion met with NGO representatives referred by your office to discuss grant possibilities under DRL's Human Rights and Democracy Fund (HRDF). These individuals were briefed on the types of proposals DRL funds, and were invited to submit an unsolicited proposal. HRDF funds are used to promote innovative programming that upholds democratic principles, supports democratic institutions, promotes human rights and builds civil society in countries of strategic importance. HRDF finds unique, timely, cutting-edge projects that do not duplicate other efforts, as opposed to simply contributing to larger projects. Also, HRDF is used to fund pilot projects, or "seed funds" that will have an immediate impact but that have potential for continued funding beyond HRDF resources.

The Department of State, including the Bureau of Political-Military Affairs, works closely with the U.S. Agency for International Development (USAID) and other agencies, on humanitarian demining programs to clear landmines and promote mine risk education in some 30 countries. Landmines and other explosive remnants of war have created thousands of maimed and disabled people around the world. Through our partnership program we support NGOs that treat landmine victims and operate prosthetic clinics. Many of them also serve as advocates for disabled persons in their communities. In partnership with Warner Bros. animation we produced public service announcements (PSAs) for Cambodia that warn children about the dangers of landmines. These PSAs also carry a message of respect for and acceptance of people with disabilities.

USAID has been working since 1989 to assist people with disabilities in their development efforts. We are enclosing a copy of their "Third Report on the Implementation of the USAID's Disability Policy."

On behalf of USAID, The Department of State Bureau of Population, Refugees and Migration (PRM) has awarded grant agreements to NGOs for distributing wheelchairs to persons of need throughout the world, regardless of race, religion, or political affiliation.

The Office of the U.S. Global AIDS Coordinator has responsibility for all HIV/AIDS programs of the United States government overseas, including in 14 focus countries where we will provide extensive new resources for prevention, treatment and care. U.S. programs will offer a high degree of flexibility in order to provide the most appropriate methods of prevention, treatment, and care for groups and individuals, including those with disabilities.

The Department of State is taking effective action in a variety of areas. As we mentioned during the February 26th meeting with your staff, we do not believe that the establishment of a new special coordinator position is warranted at this time.

Thank you for your letter and please feel free to let us know if you have additional suggestions. We look forward to working with you on this issue of great importance.

Sincerely,

PAUL V. KELLY,  
*Assistant Secretary, Legislative Affairs.*

NOTE.—"Third Report on the Implementation of the USAID's Disability Policy."  
The full text of the Annual Human Rights Report can be found at [http://www.usaid.gov/about/disability/third\\_report.pdf](http://www.usaid.gov/about/disability/third_report.pdf)

Senator HARKIN. I appreciate that.  
Secretary POWELL. Thank you.

HAITI

Senator HARKIN. One last thing, Mr. Secretary, I—maybe if I get some more time on the second round, you and I have spoken a number of times about the situation in Haiti. And I thank you for your speaking with me during that very tense period of time; and you were very kind and generous with your time with me and I appreciate that.

I know you were there on Monday. I'd like to note that you didn't mention the crisis in Haiti in either your opening or written statements. I just wanted to point out the crisis in Haiti didn't just happen overnight. Since 2001, the OAS has worked to resolve the political situation in Haiti. Your office has been working with them since 2001.

A year ago, the United Nations warned the international community of a looming political and humanitarian crisis in Haiti. Despite this and other forewarnings, the administration was left scrambling to respond in February when armed thugs took to the streets in Haiti.

As late as February 13, Mr. Secretary, at a press briefing with other foreign ministers, you stated: "We will accept no outcome that in any way illegally attempts to remove the elected president of Haiti. At the same time, we believe both sides need to come together and find a political solution, a peaceful political solution, using the CARICOM proposal." That is February 13.

When asked at that briefing how you hoped to convince the Haitian opposition to accept the CARICOM plan, which President Aristide accepted immediately, you said—and again I quote—"We think that the CARICOM plan has opportunities for both sides. President Aristide was elected by the Haitian people and his departure from the scene as president can only be by democratic constitutional means." I am quoting you.

"And it would not be appropriate. It would be inconsistent with a plan to attempt to force him from his office against his will. And that is what you have heard us clearly say today is unacceptable outcome." Your quote, February 13.

On February 19, you told Sam Donaldson, "What we have to do now is stand with President Aristide—he is the elected President of Haiti—and do what we can to help him."

Asked about President Aristide's stepping down, you said, "That is not an element of the plan because, under the constitution, he is the President for some time to come." Your quotes.

Well, 7 days later, February 27, you begin to indicate that one democratic element, President Aristide, should leave. In a CNN interview, you said that President Aristide should do what he thinks is best for his country. But when asked whether he could survive politically, you stated, "There is such strong resistance now to his presidency that I am not quite sure if we are going to be able to find a way forward."

Mr. Secretary, President Aristide did what we asked him to do, maybe not as quickly as we would have liked; but on January 31, he accepted the U.S.-supported CARICOM plan.

But it gets worse. Not only did we withdraw support from this elected president, but on February 28, the White House began blaming President Aristide for "this long simmering crisis."

I am quoting a statement from the White House. "His failure to adhere to democratic principles has contributed to the deep polarization and violent unrest that we are witnessing in Haiti today. His own actions have called into question his fitness to govern—continue to govern Haiti."

Then finally on February 29, President Bush stated, "This is the beginning of a new chapter in the country's history."

What happened, Mr. Secretary? In 7 days, what happened?

Secretary POWELL. We could not keep it going, Senator. We could not get the sides to agree to the CARICOM plan. We could not keep the process moving forward that would have given us the solution as laid out exactly in the CARICOM plan.

The situation was deteriorating rapidly. And to a considerable extent, President Aristide's shortcomings and actions over a long period of time contributed significantly to our ability to find a political solution.

We did not ignore it. We worked with the OAS. We sent people down to talk. We worked with the OAS, sending a distinguished American ambassador down last fall to try to find a solution. The solution kept eluding us.

Then the Haitian legislature was allowed to expire because President Aristide wasn't able to bring himself to create circumstances which would resolve the political impasse that existed.

We finally found that on the last weekend in February, we had a catastrophe on our hands about to happen. When forces were lining up, illegal forces supported by President Aristide, the Shamirs, who were arming themselves all over Port-au-Prince. Both the north and south portions of the country had fallen, and President Aristide was worried about his personal security, and it was becoming—

Senator MCCONNELL. Let me just say, Senator Harkin, that you are over the 5 minute time limit. Can we bring this to a conclusion?

Secretary POWELL. We were not prepared, nor were any of our colleagues, France, Canada, or anyone else prepared to send in armed forces to be on the side of President Aristide, essentially to keep him in power. And they would have been there for a very long period of time. We had made that clear throughout the period.

So, his situation became untenable. A solution appeared on that Saturday evening, when he decided that his own security was at risk, and he asked if we could help him out of the country.

Senator HARKIN. I was on the phone with him that day.

I was on the phone with you that day, too.

Secretary POWELL. I remember very vividly, Senator.

Senator HARKIN. I remember it vividly, too.

Secretary POWELL. Well, what I am saying, Senator, is at 9 o'clock that night, Saturday night, I was minding my own business, not knowing how this thing was going to play out, except hundreds of people were about to be caught up in a maelstrom.

After I spoke to you, I think, late afternoon—

Senator HARKIN. Right.

Secretary POWELL [continuing]. It was about 9 o'clock that night when I got a call from my ambassador, Ambassador Foley, who said his security people have told him that it is no longer sustainable and he wants to talk to me. And he wants to talk to me and he wants to talk to me about where he is going to go and who might come with him. Should I talk to him?

I said, "See what it is he is asking for."

What he asked for was an opportunity to leave the country and he was going to resign. And over the next several hours, that was arranged.

When I spoke to you, Senator, that was the furthest thing from my mind. I did not know I was going to get that call at 9 o'clock that night. And we did not put a gun to his head. We did not kidnap him, or put chains around him, or do anything else.

Senator HARKIN. I believe that. I believe—you are absolutely right on that.

Secretary POWELL. Yes. Let me also say that I went to Haiti this past Monday, met the new Prime Minister, interim, and he made some statements on Monday. One, a new corruption czar; two, a truth and reconciliation commission; three, elections in 2005; and nobody in the current government will run in those elections in 2005. And he made some other promises with respect to economic development and the development of the Haitian national police.

This is a country in deep trouble. The one thing I will never regret, Senator, is that no killing took place and Port-au-Prince is stable now, and we are slowly creating stability in other parts of the country, and we are working with the United Nations to bring in a peacekeeping force.

I have no ill will toward President Aristide. I am the one, along with Senator Nunn and President Carter, who got him back in 1994.

Senator MCCONNELL. We are going to have to move along or other Senators are going to miss their opportunity to ask questions. Senator Bennett.

Senator BENNETT. Thank you very much, Mr. Chairman. It is fascinating to sit here and listen to all this go back and forth. And I would like to comment on all of it but I do not have time.

I do remember Senator Nunn reporting your role in helping remove Mr. Cedras and replacing him with Aristide. My own reaction to that was that we were in the process of replacing a brutal dictator much beloved of American conservatives, with a brutal dictator much beloved of American liberals. And I think that is kind of where we ultimately came out.

Mr. Secretary, this will be the last time you formally appear before this subcommittee. And at the mercy of the voters, it may be the last time I am here.

So, let me take the opportunity to, first, hope that there is a, from our point of view, successful outcome in the election, and we both may be here another year. But if that is not the case, let me take the opportunity to thank you for your service, not only as Secretary of State but a lifetime of service to your country. It should be duly noted for the record, even though we take it for granted.

I have written you about a number of issues that are important to me, tuberculosis, AIDS, malaria, microloans.

I am very pleased that your opening statement talks about all of these issues with the exception of microloans. I do not take that exception as an indication of lack of interest. But I feel these kinds of things that do not get the headlines with the State Department, nonetheless, are very important over time.

I appreciate your willingness to be as supportive of them as you have been, and assure you once again of my interest in it, particularly the microloan effort, which I know some of the bureaucrats at State do not like, because they do not control the money. But

I have seen the results of that as I have moved around the world, and it is very dramatic, and very important.

Let me get to the issue that has dominated here when we talked about Iraq. First following up on the comment of our chairman that this is not Vietnam, go back to your experience that you told us as you walked through the GIs and the troops saying to you, "Tell the President to stay the course."

My military service was after Korea and before Vietnam, so I never saw a shot fired in combat. But my memory is that there was very little of that feeling in Vietnam, that the GIs were not telling their leadership in Vietnam, "We are glad we are here. We feel we have done a good job and this is what we ought to stay doing." Is that one of the—would that be one of the differences between this and Vietnam?

Secretary POWELL. Yes, sir. By the late 1960s—I was there in the early 1960s and I was there in the late 1960s—by the late 1960s that kind of spirit was drying up. All of our youngsters were wonderful young men and women. They served their Nation at their Nation's call but they had serious doubts about our staying power. And they had serious doubts about the mission we were trying to accomplish.

Senator BENNETT. Yes. I think it is important for us to underscore those differences.

Now, the call has gone out for a U.N. administrator to replace Ambassador Bremer on the 1st of July. I have contacts in Iraq, independent of the government, people who do business there or travel there or have relatives there, et cetera. They tell me that the Iraqis view the United Nations with as much suspicion as they might view the United States.

#### OIL FOR FOOD

They are very much aware of the details of the Oil for Food scandal, the enormous corruption that surrounded the U.N. activity in overseeing Oil for Food, and that the United Nations in its role, in Iraq under Saddam Hussein, seriously failed the Iraqi people.

This gives me pause at the idea that the United Nations might be seen as the beneficent—disinterested as opposed to uninterested—disinterested and therefore an even-handed party here who needs to come in and remove the stain of some American stigma of being an occupation force, that there are many Iraqis who feel that the United Nations would be an occupation force, and might take them back to the bad old days of arms deals under the table, bribes paid to officials, not only to U.N. officials, but to officials of other governments that profited enormously during the Oil for Food scandal.

We do not seem to be paying much attention to the Oil for Food scandal but I think it is the biggest example of official corruption that we have seen really in my memory. Dollar-wise, I cannot think of an area of corruption that begins to approach it.

Do you have any information you can share with us, or anything that you think is legitimate for us to know about, with respect to that scandal and how it is being examined? The only leverage we have on the United Nations, which we have exerted in the past, is

withholding of our dues to try to clean up some of the corruption within the U.N. bureaucracy years ago.

I supported resumption of payment of dues, because there was some movement towards cleaning up corruption in the United Nations; but the corruption in the United Nations has exploded again, maybe not on the front pages of *The New York Times*, but elsewhere the corruption of the United Nations has exploded again. And as we are talking about a U.N. role in this vitally important, very sensitive, and very delicate situation, which could still go south on us.

We have no guarantee we are going to succeed in Iraq. We have a determination and resolve that we are going to succeed but we have no guarantee. And inserting into that equation, the United Nations, at this particular point when the Oil for Food scandal and the level of corruption in it is so enormous, is something that concerns me. And I would like to get your reassurance that it is under control, or that it is being investigated, or that we have some leverage, or whatever you might have to say.

Secretary POWELL. Let me begin, first, Senator, by saying that the term, U.N. Administrator, which has been used by some, or High Commissioner, suggests that we are going down the road of turning the whole country over to some U.N. trustee arrangement. That is not the case.

We think there is a role, however, for a senior representative of the Secretary General to be there, to assist with preparing the country for elections—the United Nations brings great expertise to that—in providing advice to the governing council, the way in which Ambassador Brahimi did earlier this year in getting to an agreement on the administrative law. So, I think the United Nations does have a role to play.

A second point, there are concerns among many Iraqis about the role played by the United Nations in the past. It is not exactly a love-in. It is not going to be a love-in. But I think most Iraqis understand that the United Nations does bring assets to the table.

But there will be questions raised about the Oil for Food program. I do not know the dimensions of the problem. I read a number of articles about the alleged dimensions of the problem. I just do not know how bad it is but it is a bad problem.

Ambassador to the United Nations, Ambassador Negroponte, and Assistant Secretary Kim Holmes testified before Senator Lugar and his committee yesterday. We are making an assessment now of what documentation we have, that we can make available to the investigators and to members of Congress who ask for documentation. We do have access to some of the documents, some of the contracts that came through our system.

I have had a number of conversations with Kofi Annan about it. I know he is seized with it. He knows that this is a major problem that has the potential for being a huge black eye for the United Nations. And I know that he is reaching out to find people who can assist him in the investigation.

The United Nations is sort of constrained in that they can only investigate themselves, not other countries. But we are trying to design a model for them that will allow somebody to investigate other countries and bring it all together.

Ambassador Bremer has taken action to freeze records and to have the Governing Council freeze all records in Baghdad so they can be made available for inquiries and investigations as we move forward.

So, we are taking the Oil for Food program problem very, very seriously. Ambassador Bremer is, the governing council is, and now, I believe, Kofi Annan is, as well.

Senator MCCONNELL. Thank you, Senator Bennett. In order of arrival, we will continue with Senator DeWine, followed by Senator Landrieu, Senator Byrd, Senator Durbin.

Senator DeWine.

#### SUDAN

Senator DEWINE. Mr. Secretary, thank you very much for being with us. And I want to follow up on what—the list of thank yous that Senator Bennett was listing and add to that your commitment and push for a comprehensive peace agreement in Sudan. I know you have been very concerned about that and have done a lot of work on that, getting close as you have indicated there.

I also appreciate very much the fact that the President called on Sudanese Government to stop the militias, in the Darfur region, from committing atrocities against the local population. That was certainly very much appreciated and certainly very, very needed.

Let me turn, if I could, to Haiti. I know you, as you said, you were down there this week. And I just want to say that, you know, my sources in Haiti indicate that our troops are doing just a bang-up job down there. They are making a big difference.

If I could, I will just quote from a friend of mine who has worked in Haiti, doing humanitarian work for a number of years. I got an e-mail from this person the other morning, and this person said, and I quote, “The military is doing a good job. God bless them. The people have a new spirit. You can feel it. There are many organizations considering coming into City Soleil for the first time. We are giving out large amounts of food. Our schools are open,” and this continues on, the e-mail.

But it is better there than it has been for years. And it is because our troops are there, and the gangs are not operating, and there is, you know, the security that is necessary for that country to, again, have the opportunity for decent peace and some things to start—good things to start happening.

Let me ask a couple of questions, if I could, and I will give you a chance to respond. When you were in Haiti, you indicated your support for our HERO bill, our trade bill, a bill that we—several of us have sponsored here in the Senate, and Clay Shaw in the House of Representatives has sponsored. We think it would create an awful lot of jobs in Haiti at a time when it is clearly very, very necessary for that to happen and for some good news to occur down there. I would like for you to comment on that, if you could.

Second, I wonder if you could comment on the Administration’s plan in regard to Haiti. And I will be very, very candid with you. And I have said this publicly before. We have been, for the last several years, in the \$50 million level of support and aid. That does a lot of good.

We have been—I think of necessity—had to give that money to the NGO's. We have not been able to give it to the government of Haiti.

Now, we are in a position where we will be able to channel that through the government of Haiti, we hope, and to help build up the institutions of that new government of Haiti.

But when I go through, Mr. Secretary, and look at the needs and the things that we are going to have to do, and that we hope the international community will assist us in doing. You start with the rebuilding of the police, reconstituting of the police. You go from there to the courts and the rule of law, building up the rule of law.

The debt, servicing of the debt has to be dealt with one way or the other. I would like to see it forgiven but they tell me that is going to be a kind of difficult thing to do. But it has got to be dealt with one way or the other, either through the service or the getting rid of the debt.

You look at the health structure. You know, agriculture development in that country has to take place. You know, 97 to 98 percent of the country, the topsoil is gone. We all know it is an ecological disaster.

We just go on and on and on. Let alone, the normal humanitarian concerns, most of our money today that goes to Haiti is just basically for food and medical and other basic humanitarian supplies. There is no way, Mr. Secretary, that this can happen for a bare minimum \$150 million a year. How are we going to put that together?

So those are my two questions.

Secretary POWELL. Okay. First, sir, with respect to the troops, thank you very much, and I will pass it on to their commanders, but they are not just U.S. troops. We have great troops from Chile, from Canada, and from France.

It was quite a coalition that came together rather quickly over a period of a few days. And they went in there and they did a good job.

Senator DEWINE. They are doing a great job.

Secretary POWELL. I will never regret the way in which this unfolded, because the killing stopped in Port-au-Prince. We would have had a bloodbath in Port-au-Prince. And I think President Aristide made the right decision that night.

We now have to spread out to other parts of the Island, but the humanitarian aid is now starting to flow throughout, both the north and south sides of the Island, as well as in Port-au-Prince.

We do support your HERO bill. I am pleased to, again, say it here today. As you know there are some difficult issues associated with the legislation but I think it is something Haiti needs.

With respect to the money, we have about \$55 million in 2004. But the need is much, much greater. Frankly, \$150 million a year would almost be a modest sum.

Senator DEWINE. It would be a modest sum.

Secretary POWELL. But I have got to figure out what other resources I have that can be used for this purpose, and what we are going to have to do as we get into the next fiscal year, and what additional monies may be required.

This is a country that has been, once again, run into the ground. And it needs everything. It needs to be fed. It needs the agricultural sector restored, debt dealt with, and perhaps number one is the Haitian National Police, once again, rebuilt and made honest and non-corrupt in the way we did it in 1994 and 1995.

But then it got run into the ground again by cronies of Mr. Aristide being put in place.

Senator DEWINE. I would just—my time is up, Mr. Secretary, but I would just add, you know, I saw that very closely when the police were being reconstituted. And we had some great Haitian-Americans from Los Angeles, from New York, from Chicago, who went down there and who were mentoring those police. We had people from the Justice Department who were helping with the courts. Great progress was being made. And just to see the pride that these Haitian-Americans took in mentoring these young 18-, 19-, 20-year-old Haitians was a great thing to see.

For the reasons that you have cited, all that work started to go downhill and went the wrong way. But there is no reason to think that that cannot happen again. And with the right political leadership in Haiti that—that can be sustained this time. And I hope that we can help put that together. Thank you very much.

Secretary POWELL. Thank you, Senator.

Senator MCCONNELL. As you know, Mr. Secretary, there is no one in the Senate who has spent more time on the Haiti issue than Senator DeWine.

Secretary POWELL. Sure.

Senator MCCONNELL. He is a real expert and we commend him for his attention to this poor beleaguered country.

Senator Landrieu.

Senator LANDRIEU. Thank you, Mr. Chairman, and thank you, Mr. Secretary, for the work you do for our country—

Secretary POWELL. Senator.

Senator LANDRIEU [continuing]. And for our men and women in uniform and for our diplomat corps. I really appreciate it. We all do.

I have three questions. I am going to try to be very brief, so we can get these answers.

One is about the cost of staying the course. As you, I am sure, are well aware, \$168 billion, which is the amount of money that we have already appropriated for military and reconstruction operations in Iraq since 2003, actually equal the entire amount of money this country spends to fund our education initiatives including the Department of Health and Human Services, and including all that we spend on Homeland Security. So, it is a significant amount of our Treasury, as you know, that we are committing to stay the course.

The World Bank has estimated that another \$55 billion is going to be required. Our own Congressional Budget Office says that that figure may be too low; they think it is \$100 billion.

The other nations have only pledged and not given, but only pledged \$36 billion.

Given that we were so wildly off the mark in the last year, sort of leading up to this conflict, and I just quickly will quote Paul Wolfowitz on February 28, "If we have to occupy Iraq for years, as

some people are foolishly suggesting, it is one cost. As Secretary Rumsfeld says, if it lasts 6 days, it is one cost. If it lasts another 6 months, we are going to be greeted as liberators. And if so, the cost will be much lower.”

Donald Rumsfeld said, “I do not know that there is much reconstruction to do,” on April 10, 2003.

Additionally on September 22, Paul Bremer told the Senate Appropriations Committee that, “Little or no money would be needed for Iraq beyond fiscal year 2004 supplemental.” Now, clearly, we were wildly off the mark in this pattern of testimony.

Since you, Mr. Secretary, are going to—I think under the administration’s plan—take responsibility on June 30, it moves from Defense to State, when the coalition comes into power, how are you readjusting these estimates and how are we going to stay the course by staying in the budget? Or are we going to stay the course out of the budget?

Secretary POWELL. The \$18 billion that was appropriated in the supplemental is just now starting to flow. Less than one-ninth of that money has been used.

So, I think that amount will certainly sustain us through the rest of this year and well into the next calendar year. And it was for that reason we made no special requests for 2005. I think this is a pretty substantial amount that will deal with most of the needs that Ambassador Bremer came in and presented to the Congress.

The estimates are much higher than originally thought, because once we got into the country and realized the problems that were caused by Saddam Hussein’s leadership over time, and what would be needed to put this country on a solid footing so that democracy could take root, and so that the economy can get started again, and the oil sector rebuilt so that soon the country can be viable, and live on its own revenue; we realized that the situation required this large infusion of funds.

But at the moment, based on what I know and based on the work that my staff has done, I do not anticipate this kind of supplemental requirement being needed in the future.

Senator LANDRIEU. But do you know a portion—following up on the, I think, very good line of questioning of Senator Stevens, about the now found and extremely worrisome ammunition deposits, dumps, are you saying that in this figure, there is enough money to take care of that issue, which seems to be much more extensive than we thought? Or are there going to be additional requirements for that?

Secretary POWELL. I would have to go back and see whether it is provided for in the supplemental or whether it is being handled by the Defense Department through other accounts and other means.

Senator LANDRIEU. Okay. My second question, quickly, it was clear that there was a difference of opinion about post-military plans between Secretary Donald Rumsfeld and the State Department. There was, in fact, a plan that I think the State Department began called the Future of Iraq project—

Secretary POWELL. Yes.

Senator LANDRIEU [continuing]. Where Defense individuals were prohibited from participating because there was a difference of opinion.

My question now that you will come back basically into more control, do you plan to re-institute some of the provisions of the Future of Iraq project? Or is that scrapped for good?

Secretary POWELL. No. The Future of Iraq project was a year-long study effort that was conducted by the State Department, with interagency participation. It was well under way long before the war started.

I would have to go back and check. I do not remember any prohibition of Defense people from participating. There may have been some reluctance on the part of Defense to participate. I do not remember.

But the whole plan was made available to the Defense planners, as they got ready for the post-conflict period. And there are elements of that plan that are still, I think, quite appropriate to the challenges we are facing. And I will use elements of that plan or any other plan. Some fine work has also come out of other think tanks and agencies that I would take advantage of, as well.

Senator LANDRIEU. Well, my point being that my information is that the DOD employees were prohibited from participating in that plan; and had some of the elements of that plan been followed, we perhaps would have had more accurate information.

I know my time is up, so I will just ask this question. You can respond in writing.

#### ROLE OF WOMEN IN AFGHANISTAN

I have now had a chance to read the new constitution of Afghanistan, which is right here, in preparation for this meeting. One of the big concerns of many Members of Congress has been the role of women since they were so brutally oppressed. And one of the reasons that, you know, we responded the way we did to the attacks was to liberate them and give them hope for a better life.

I cannot read in this document where they are, in fact, implied as citizens. I know it is our intent but I could not find the language. So, I am going to submit this in writing and also some questions about their role in the Iraqi constitution, which continues to say that we will be governed by the religion of Islam and no law can be developed to the contrary. And we know under that religion—and others, not just Islam—but women's roles in terms of freedoms have been severely restricted.

I remain very concerned, Mr. Secretary. And I do not doubt your personal commitment. Let me say that. You have been a stalwart of that and I appreciate it. But I still would feel better, I guess, if I saw it in writing; and I will submit the question to you.

Secretary POWELL. Let me look at both documents. I think in the Iraqi Administrative Law, it said that Islam was the source of law.

The Afghan constitution recently approved by the Loya-Jirga—I would have to read it again—but when I was in Afghanistan 3 weeks ago, I went to a registration site at a school for women, and they were lined up to register to vote. And they had to demonstrate that they were a citizen in order to get their laminated registration card.

The statistics I got during that visit was 28 percent of the women who have registered, to date throughout the country, 28 percent of the registrants to date are women. And in the western regions, it is up to 45-or-thereabouts percent. So, they are coming out as citizens getting ready to vote.

But I will look at the exact language to make sure they have all rights of citizenship besides just registering to vote.

[The information follows:]

UNITED STATES DEPARTMENT OF STATE,  
*Washington, DC, April 27, 2004.*

Hon. MARY LANDRIEU,  
*U.S. Senate.*

DEAR SENATOR LANDRIEU: On 8 April, at the Foreign Operations Appropriations Hearing for the fiscal year 2005 Budget Request, you raised a question to Secretary Powell regarding citizenship provisions for women in the Iraqi and Afghan constitutions. The Secretary has asked that I reply on his behalf.

With regard to Afghanistan, Article 22 of the Afghan Constitution reads as follows. "Any kind of discrimination and privilege between the citizens of Afghanistan are prohibited. The citizens of Afghanistan—whether man or woman—have equal rights and duties before the law." This specific reference of women's equality in the constitution was a significant change from previous drafts. During the Constitutional Loya Jirga in December, the women delegates built support for the provision and had it included in the final draft, which was a major victory for women's rights in Afghanistan.

In Iraq, as you know, there is yet no constitution, only the Transitional Administrative Law. In this document, Article 12 guarantees the following:

"All Iraqis are equal in their rights without regard to gender, sect, opinion, belief, nationality, religion, or origin, and they are equal before the law. Discrimination against an Iraqi citizen on the basis of his gender, nationality, religion or origin is prohibited."

The U.S. Government has worked with the Iraqi Governing Council and will continue to work with the Iraqi Interim Government and Iraqis to ensure that such stipulations are reflected in the permanent constitution.

I hope you find this information useful. The State Department remains committed to the development of Afghanistan and Iraq as free and equal democratic societies. We welcome your inquiries and suggestions.

Sincerely,

PAUL V. KELLY,  
*Assistant Secretary, Legislative Affairs.*

Senator MCCONNELL. Senator Byrd.

Senator BYRD. Thank you, Mr. Chairman.

Mr. Secretary, I want to follow up on a discussion that we had during the CJS hearing 2 weeks ago.

#### RECONSTRUCTION PROGRAMS IN IRAQ

We talked about the State Department taking control of U.S. reconstruction programs in Iraq after the June 30 deadline. I have in front of me a copy of a table from the most recent report submitted to Congress by OMB.

It shows that as of March 1, 2004, nearly 4 months after the Iraq supplemental was enacted, only \$2.2 billion of the \$18.4 billion had been obligated. Moreover, at a time when security is the most critical issue in Iraq, the report showed that only \$381 million of the \$3.24 billion for security and law enforcement had been obligated, around 10 percent of the total appropriated. What has happened to the reconstruction money?

Secretary POWELL. The money is available. It just has not been obligated as quickly as we might have hoped. And the Defense De-

partment and other agencies responsible for contracting out these funds are being cautious and judicious in how the funds are being spent.

I expect that in the next several months, the rate of obligation will increase significantly.

Senator BYRD. If it was as urgently needed as the President told Congress, back when we were considering the supplemental, why is the money not being obligated at a faster pace?

Secretary POWELL. There are contracting issues, there are security issues. I expect it to be obligated at a pace that would probably take us to the point that by the 1st of July when the Chief of Mission assumes responsibility, our estimate right now is \$14 billion of the \$18 billion will have been obligated at that point.

We wanted to keep some of it unobligated so that the new ambassador coming in and the new interim government coming in have some flexibility as to how the last \$4 billion might be spent.

Senator BYRD. When do you anticipate that the 2004 supplemental funds will be exhausted?

Secretary POWELL. I do not know that I can answer that question without talking to my staff, and I am not sure they know, because we are trying not to obligate it all so that there is flexibility when the Interim Government takes sovereign responsibility on 1 July and the new Chief of Mission comes in. But I would hope that it would all be obligated by the end of the year or early in calendar year 2005 at the latest.

Senator BYRD. In the event that some 2004 funds remain unobligated at the end of the fiscal year, do you anticipate asking for additional Iraq reconstruction funds in a 2005 supplemental?

Secretary POWELL. I do not anticipate that at this point. At the moment we, of course, have no plans for any more requests in 2004. And we will have to see where we are in 2005.

I believe the \$18 billion was a surge of money to go into this broken country to get things up and going; and we are going to take care of all of our requirements through this year and into the beginning of 2005. And then when we get into 2005, we can make a judgment on not just Iraq, but on all the other things the nation may be facing at that time.

Senator BYRD. Press reports indicate that the administration will seek a new U.N. Security Council resolution ahead of the proposed June 30 handover of power in Iraq. This seems to make sense, as the United States needs to set a new course and tone for the occupation mission.

In a similar vein, Congress might want to take a fresh look at the 2002 Use of Force Authorization, which characterizes Iraq as a tyrannical country that may be plotting to attack the United States and which fails to take into account the changes that have taken place in the last 18 months.

Secretary Powell, what are the administration's goals for a new U.N. resolution?

Secretary POWELL. We just started to examine what might be in such a resolution, speculating on the kinds of elements that would be in the resolution: some statement with respect to the interim government and its authority; some statement of the role expected of the United Nations to play; something having to do with the

presence of military forces from the coalition remaining in the country. Remember, 1511 deals with that now.

What we would have to do is go through the principal resolution we are using now, 1511, and see what has changed over the several months since 1511 was passed. But we do not have a written resolution yet.

Senator BYRD. Let us look at it this way. Is it just to legitimize the U.S. military occupation after the hand-over of power or do you seek to elevate the United Nations to have it play the central role in Iraq's reconstruction?

Secretary POWELL. We believe that the Interim Government should play the central role in the political process going forward. We believe that the United Nations has a vital role to play but does not become the administrator of the country, and does not become responsible for how we would spend our \$18 billion. That remains entirely within U.S. hands, supervised by our ambassador, the chief of mission.

Senator BYRD. Do you expect to obtain more contributions of foreign troops for the occupation mission, and, if so, how many and from which countries?

Secretary POWELL. I cannot give you a number. My colleagues at the Pentagon might be able to give you some estimates but they would be nothing but estimates.

But with sovereignty returned and with a new U.N. resolution, there are other countries in the world—not necessarily in NATO but other countries in the world—that might be willing to provide troops with a new U.N. resolution and with sovereignty returned.

I cannot give you a specific list of which ones but there are some—some that have considerable forces. In Asia, the Pakistanis have kept the idea open. The Indians have kept the idea open. Bangladesh has kept the idea open. Whether or not they would in the event actually contribute remains to be seen.

But they have been interested in contributing under the right set of circumstances with respect to U.N. support and with respect to sovereignty being returned.

Senator MCCONNELL. Thank you, Senator Byrd. Now, the Secretary, I am told, has about 8 more minutes, so we will see how far we can get. I know Senator Harkin is anxious to have his say again.

Let me just ask quickly, Mr. Secretary: Do you support the extension of import sanctions against Burma?

Secretary POWELL. Yes, sir.

Senator MCCONNELL. Why should U.S. taxpayers support a flawed Khmer Rouge tribunal that relies in part upon Cambodia's broken judicial system, one that is largely incapable of delivering justice for human rights abuses committed in that country today?

Secretary POWELL. The only reason, Senator, is that it is the only game, judicial game, in town. I have the same concerns you have about the preponderance of judges as being Cambodians. They might not mete out justice the way we would like to see it meted out, but we will have international judges on that court as well.

So, at least these aging defendants will be brought before a tribunal. Whether or not they are convicted, I cannot say, and I would not even suggest that they would be convicted. But they will be

brought before a court if this court gets up and running and functional.

Senator MCCONNELL. Yes. As you know, the local population, much of it, is not very optimistic. This has got to be done in a credible fashion.

VOICE FOR HUMANITY

One parochial matter: I want to take a moment to bring your attention to the efforts of Voice for Humanity, which is referred to as VFH. It is an NGO, based in my State, that uses information technology to educate and inform illiterate and semi-literate people.

They are in the process of initiating pilot programs in Afghanistan and Iraq. Ambassador Bremer and Iraqi authorities readily understand the utility and value of this technology.

I would like to propose that someone from VFH brief your staff on their ongoing pilot programs and requests that our U.S. ambassador to Afghanistan find time to meet with them, as well.

Secretary POWELL. Okay.

Senator MCCONNELL. Let me add that VFH is awaiting USAID funding for HIV/AIDS education activities in Nigeria, and the application of this particular technology is limitless and, again I repeat, it is an NGO.

Senator Leahy, do you want to make any additional observations?

Senator LEAHY. I do. Yes, I was thinking, Mr. Secretary, you have been here many times. We all know each other. And I think the rest of the country hears everybody saying, "All is well. Everything is going fine. We have a few bumps in the road, but stay the course." We are polite with each other and all that.

Now, I have been to a couple of briefings today, several this week, and each time I hear that things are going well. We read polls. Some polls say they love us. Some polls say they do not love us but the reality is people know some things are not going well.

This morning, the New York Times said this:

United States forces are confronting a broad-based Shiite uprising that goes well beyond supporters of one militant Islamic cleric, who has been the focus of American counter-insurgency efforts, United States intelligence officials said Wednesday.

That assertion contradicts repeated statements by the Bush Administration and American officials in Iraq. On Wednesday, Secretary of Defense Donald Rumsfeld, General Richard Myers said that they did not believe the United States was facing a broad-based Shiite insurgency.

But intelligence officials now say that there is evidence that the insurgency goes beyond Mr. Sadr and his militia. And that a much larger number of Shiites have turned against the American-led occupation of Iraq.

If it is the latter, we are in a heap of hurt. And it is going to continue beyond just a few firefights and blowing up a mosque and arresting one person. Now, which is it? Are these intelligence sources correct or is Secretary Rumsfeld correct?

Secretary POWELL. Many times in my career, I have seen "intelligence officials" who are unidentified, who say things to reporters, who then say this is the truth. But I do not know that these intelligence officials represent the truth.

Senator LEAHY. Well, without even knowing the names, is what they have reputed to have said, is it true to your knowledge?

Secretary POWELL. I have no idea what they—I cannot go to what they are reputed to have said to a reporter.

Senator LEAHY. Is it—

Secretary POWELL. I will say this—

Senator LEAHY. Is it true that it goes beyond—that this is a Shi-ite uprising—

Secretary POWELL. It is—

Senator LEAHY [continuing]. That is going beyond Sadr and his immediate followers?

Secretary POWELL. It is an uprising that was originated by Sadr and his following and the Mahdi militia, which responds to him. Whether it is extended into the larger part of the Shiite community is not established.

Now, has he picked up some additional individuals who were not with them a week ago? He may have. But has he picked up the whole Shiite community? He has not. Because there are a number of senior officials in the Shiite community who are saying, “Let us have calm,” including Mr. Sistani.

So, I think it is not correct to say that what we are seeing in the southern part of the country right now, in Al-Kut and Najaf and places like that, represents a massive Shiite uprising and rebellion. For the most part, it reflects the activities of Muqtada al-Sadr and his Mahdi militia.

Senator LEAHY. You understand there is skepticism in the country?

Secretary POWELL. Yes. I am sure there will be.

Senator LEAHY. I mean, our country—

Secretary POWELL. Yes, I understand that.

Senator LEAHY [continuing]. To say nothing about Iraq.

Secretary POWELL. Yes. You just expressed it, so I accept it. I know there is skepticism.

The fact of the matter is: It is not an either/or issue. We know who started this. And it happened in the last couple of weeks. This is an individual we have been worried about for some time. Somebody who has been indicted, somebody who has murdered or caused the murder of other individuals, and he has a following.

Now, what we do not want to do is see this following grow. And the way we will keep it from growing is to smash the Mahdi militia and bring this situation under control. And that is what the military strategy is and that is what we are about doing.

Senator LEAHY. Well, my time is up. I realize you have to leave. I do have some follow-up questions.

These questions are serious ones. If we were going to stay here, I would be prepared to stay all evening long to ask them, because they are things I am concerned about, everything from the millions of dollars we are paying for private security guards, on through.

Senator MCCONNELL. I think we have a couple of minutes left. Senator Harkin, do you want to try to get your questions in, right here at the end?

Senator HARKIN. Thank you, Mr. Chairman. I appreciate it.

#### HAITI

We are a signatory, Mr. Secretary, to the Santiago agreement, are we not? And we are a member of the Organization of American

States, correct? We are a signatory to that, international agreement, as is Haiti. The agreement states that member nations, which we say that we agree with these other countries, that we are going to have collective action in the case of a sudden or irregular interruption of the democratic political institutional process in member states. We are a signatory of that and we did not abide by this international agreement in Haiti.

Second, Amnesty International, according to a press release, has spent a couple of weeks in Haiti. They point out, that the interim government is targeting Lavalas supporters while convicted human rights abusers have not been arrested. The government is sending the wrong message.

Amnesty International points out that Louis-Jodel Chamblain, one of the main rebel leaders, was convicted in absentia and sentenced to two life terms for killing Antoine Izmerly and for his involvement in the 1994 Rabateau massacre. The new justice minister, Bernard Gousse, said Chamblain—this same man—could be retried under Haitian law but that the government could also pardon him.

Jean Tatoun, another rebel leader, sentenced to life—Tatoun was in prison. He was released by a street gang last year. Tatoun and Chamblain are free, to terrorize the Haitian people. And yet Aristide's supporters are being, according to Amnesty International, arrested and harassed.

Last, I want to cite a quote from Mr. Noriega, who works for you. On March 1, Mr. Noriega said: "The last 10 years were all about Aristide. It was all about making apologies for his mistakes, excuses for his violations, and compensating, accommodating his pathological behavior, quite frankly. He is not a typical Haitian, thank God."

Mr. Secretary, it is below the dignity of any government official to use those words; and certainly an assistant secretary of state. I hope you realize how obnoxious those words are.

What if someone were to say about Mr. Noriega, "You are not a typical Mexican-American. You, Mr. Secretary, are not a typical African-American." This is below the dignity of anyone that works in your office.

I will just say this, I agree with you that you—no one handcuffed Aristide—he was not kidnaped. You were right on that. I have said so publicly. But I do believe, after my conversations with him and with you on that day that, he was left with no choice.

He was told that we would not live up to our international agreements under the Santiago agreement, that we would not protect him from these armed thugs. Aristide disbanded the Army in 1994, as you know, because he wanted to be like Costa Rica.

I just think that what is happening in Haiti now is a return—as you said to me, of the rich people on the hill. The poor people in Haiti are once again being subjugated.

From what I just heard you say a little bit ago, I thought I heard that the Lavalas party will not be permitted to field candidates in the next election. Is that true?

Secretary POWELL. I did not say that, Senator.

Senator HARKIN. I thought you said Aristide's people—government—

Secretary POWELL. No, I did not.

Senator HARKIN. [continuing]. Would not be permitted to run?

Secretary POWELL. No. I said those in the government now, in the transition government, will not be running for office in 2005. That is what the interim Prime Minister told me.

Senator HARKIN. But they could?

Secretary POWELL. They have made a commitment that the ministers who are in this interim government, which is essentially a technocratic government, they all met, and all the opposites—met with all of the parties the night before I got there, Sunday night, and agreed that they would have elections for a new legislature and a new president in 2005.

Whatever municipal elections are appropriate and needed and that those members of the interim government now, Prime Minister Latortue and other Ministers who are in office now, would not be candidates in that election, because they want to be seen as a generally non-political, technocratic government providing a bridge back to full political participation.

Now, President Aristide resigned and in a manner that was constitutional. The resignation was given—the resignation was given to the gentleman who was next in line of succession and he became the president. And I met with him on Monday as well, President Alexandre.

Senator HARKIN Yes.

Secretary POWELL. And then we have been following the original CARICOM plan of putting together a group of distinguished individuals who selected a larger group, who then selected an interim prime minister, Mr. Latortue, who came down from Florida to act as this bridge back to a solid political system, we hope.

It is going to take time. It is going to take a great deal of money. Nobody wished President Aristide more good fortune than I did.

When I put, frankly, my life at risk, as did President Carter, as did Senator Nunn, we went down there on a September weekend in 1994, and spent 2 days with General Cedras and General Biamby and the others, with hand grenades rolling all over the place and guns in every corner and talked them out while the 82nd Airborne was in the air, heading to Haiti.

At the same time, we were trying to cut the deal. We cut the deal. The 82nd landed without a shot being fired and President Aristide got a new opportunity.

I regret to say that we spent a lot of time building the Haitian National Police. I was there a year later watching them being built. I also watched them being torn apart by corruption and by putting in people who were not competent.

I wish it had turned out differently. And I tried to stay with this as long as I could, until finally it became clear that President Aristide's actions, over a period of years, had so contaminated the—I am sorry, Senator?

Senator HARKIN. I am sorry. He was not even in office during that period; Preval was in office.

Secretary POWELL. No. Senator, he was in office from 1994 until he left.

Senator HARKIN. 1995, 1 year.

Secretary POWELL. He was not in office for the next several years; but, Senator, you and I both know that he really was the man behind the curtain during that period of time, until he came back in—we could go through the history of the elections of the early 2000 and that period.

Senator HARKIN. I am familiar with it.

Secretary POWELL. But we need not—I do not think we need to belabor that now.

But I mean, he started to rule through the use of Shamirs. The Haitian police was no longer effective and, essentially, what we were being—what the international community was being asked to do and what it wouldn't do was essentially put our troops at his disposal, put French troops at his disposal, Canadian troops at his disposal, CARICOM troops at his disposal. And it was not going to happen.

Senator HARKIN. Would you ask the—

Senator McCONNELL. Okay. Senator Harkin—

Senator HARKIN. Prime Minister Latortue about Chamblain—

Secretary POWELL. We have made clear—I did not ask about the specific names but I know the names well.

Senator HARKIN. I know you do.

Secretary POWELL. We have made it clear—two final points, we had made it clear to the Prime Minister that these are not individuals we can accept in any position in public life.

Now, how they will be dealt with over time remains to be seen. And I have no evidence that is available to me or anything I saw in Haiti to suggest that we are seeing summary executions on the part of the government against Lavalas members.

Now, there is still violence in the island. Although Port-au-Prince is relatively quiet, there are still hot spots throughout the island that our military forces are moving into. But summary executions by the government of Lavalas members—if you will give me the Amnesty International information, I will look at it.

Senator HARKIN. Yes, you have your staff—I am just reading from the Amnesty—

Senator McCONNELL. Yes. Well, thank you, Mr. Secretary—

Senator HARKIN. Thank you, Mr. Secretary.

Senator McCONNELL [continuing]. For extending beyond the time we thought we would get you.

I am going to be submitting questions for the record on the Aristide government's involvement in the drug trade and other questions that we were unable to get to today.

Thank you, again, as we have all said—

Secretary POWELL. Thank you, Mr. Chairman.

Senator McCONNELL [continuing]. For your extraordinary service to your country.

#### ADDITIONAL COMMITTEE QUESTIONS

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.* What pressure has the State Department placed on the European Union and Burma's regional neighbors to take a harder line—including sanctions—against the SPDC?

*Answer.* The Administration continues diplomatic efforts, at all levels, to encourage other nations to sustain pressure on the SPDC. We have delivered demarches to and had senior-level exchanges with both European Union (EU) member states and countries in the region, urging them to use their influence to convince the SPDC to accept reform. In public and private remarks, we have stated that the SPDC and its policies represent an embarrassment for the region and its regional organizations.

In 2003, the EU expanded its existing visa and travel restrictions and its asset freeze list to identify a broader set of Burmese who benefit from the oppressive policies of the SPDC. The EU also has in place a ban on arms sales and limits on assistance to the government. The EU has traditionally drafted the annual General Assembly and Commission on Human Rights resolutions on Burma (which we have supported). EU "troika" visits to Burma have drawn attention to the continuing lack of progress on democracy and human rights issues. The United Kingdom has called on its companies to review their investments in Burma; two major British investors, British American Tobacco Company and Premier Oil, have sold their investments in the country to outside parties in the past year, and at least 18 UK companies cut ties with Burma in 2003. No EU member state has followed our lead and imposed economic sanctions.

ASEAN nations issued an unprecedented call for change from fellow member state Burma at their June 2003 ministerial meeting. In mid-June, then Malaysian Prime Minister Mahathir issued a statement indicating the Burmese government's actions were creating a "dilemma for the [ASEAN] organization." However, at their October 2003 meeting in Bali, ASEAN states took a different path and welcomed "positive developments" in Burma, including the SPDC's road map to democracy. The United States continues its dialogue with countries in the region and has made clear the important role that ASEAN has to play in encouraging reform. Administration officials have noted to ASEAN counterparts that there would not be high-level United States participation in ASEAN events hosted by the SPDC in 2006 unless it adopts significant reforms.

*Question.* How many internally displaced persons are in Burma, and what is the United States doing to provide them with security and humanitarian assistance?

*Answer.* There are an estimated 600,000 internally displaced persons in Burma. We remain very concerned about the situation faced by these persons.

The United States does not currently fund organizations or individuals for work inside Burma among IDPs, although some projects operating along the Thailand-Burma border, including health and educational programs, do provide spillover benefits to those still in Burma. The Burma earmark in the Fiscal Year 2004 Foreign Operations Appropriations Act extended authorization to provide humanitarian assistance to internally displaced persons along Burma's borders. Although access to this population is limited, we intend to work with USAID to try and identify opportunities to provide limited humanitarian assistance to internally displaced persons along the border areas, where possible.

We also support the work of international organizations, such as the International Committee of the Red Cross, the International Labor Organization, and the United Nations High Commissioner for Refugees (UNHCR) that have access to these areas. In February 2004, the UNHCR gained SPDC permission to begin work for the first time in eastern Burma and assess conditions for the eventual repatriation of refugees and return home of internally displaced persons. A great amount of infrastructure will need to be in place before these persons can return in a secure fashion.

*Question.* Is North Korea providing Burma with missiles or nuclear weapons technology?

*Answer.* For well over a decade, there have been reports from various sources about North Korean arms sales to Burma. These reports have covered numerous items, including small arms, ammunition, artillery, and missiles. We have made clear our concerns on this issue to the Burmese Government.

Although North Korea has threatened to export nuclear materials and their nuclear "deterrent," we have seen no indication that North Korea is providing nuclear weapons technology to Burma.

Further details on Burma and North Korea's relationship are available in a classified report to Congress. We continue to monitor the relationship between the two nations.

*Question.* Is Burma seeking to acquire a nuclear research reactor?

Answer. Burma is interested in acquiring a nuclear research reactor. The Russians have offered to negotiate an agreement to construct a nuclear research facility, including a reactor. Such a facility would be placed under IAEA safeguards. To date, an agreement has not been concluded.

*Question.* How can we convince the EU that its “wait and see” approach is flawed? (i.e., Daw Aung San Suu Kyi’s release is not the benchmark by which progress in Burma should be measured)

Answer. We have made formal demarches to and held frequent discussions with EU counterparts on Burma and have urged them to consider additional measures. While the EU shares our objective of a democratic Burma and has taken a strong stand by imposing an asset freeze and visa restrictions, its approach to advancing democracy in that country differs from ours. No country followed our lead in imposing an array of economic sanctions after the May 30 attack on Aung San Suu Kyi’s motorcade.

*Question.* What pressure can the United States exert on India—a professed democracy—to support the struggle of freedom in Burma?

Answer. We continue to raise our concerns regarding the lack of progress toward national reconciliation in Burma with Indian officials. We have noted that continued instability in the form of the current government is not in India’s interests and have encouraged the Indian Government to speak in favor of the release of Aung San Suu Kyi and other political prisoners and to urge the SPDC toward democratic reform. Indian officials have indicated that they share our concerns about and goals for democracy in Burma, but they must also address strategic realities such as China’s influence in Burma. India also confronts specific issues such as narcotrafficking and cross-border insurgences.

*Question.* How do you explain the actions of Thailand, and in particular Thai Prime Minister Thaksin Shinawatra, to undermine a tough approach to Burma?

Answer. In our discussions with the Royal Thai Government (RTG), we have emphasized that the SPDC must release Aung San Suu Kyi and all other political prisoners, allow all parties and ethnic groups to participate fully in the political process, and establish a realistic timeframe for movement towards democracy in Burma.

Thailand has called for Aung San Suu Kyi’s release and has worked with other countries to encourage reform and democracy in Burma. The “Bangkok Process” has been organized by Thailand as a means to finding a way forward in Burma. The SPDC, however, has not wished to participate following the first session, where participants urged Burma to release Aung San Suu Kyi and other political prisoners and engage in substantive dialogue with the political opposition and ethnic groups.

Thailand is unlikely to change its policies or adopt sanctions against Rangoon. It is engaged in a fundamental effort to improve relations with each of its neighbors. In the case of Burma, under Prime Minister Thaksin, the RTG has sought cooperation with Rangoon to address numerous problems Thailand faces with its neighbor: narcotics trafficking, migrant labor, trafficking in persons, and refugees.

Some Burmese political groups and a few NGOs have reported an increase of official checks for proper immigration documents and of political meetings being interrupted; however, most Burmese people and related NGOs continue to work within Thailand without such difficulty. Thailand continues to host approximately 140,000 Burmese refugees in border camps. Thailand has cooperated freely with our resettlement program for Burmese refugees that have been provided letters of concern by UNHCR, the so-called “urban Burmese.”

We have also encouraged Thailand to improve its migrant worker policies, and in late April of this year, the RTG cabinet approved a new migrant labor policy intended to match labor supply and demand while extending basic human rights protections to the 800,000 to 2 million foreign workers from Burma, Laos, and Cambodia believed to be in the country.

*Question.* What investments, including projects and activities related to iPSTAR, do Shin Satellite and Shin Corporation have in Burma, and/or planned for Burma?

Answer. In May 2002, Bagan Cybertech, a semi-governmental telecommunications company in Burma, signed a \$13 million agreement with Shin Satellite to purchase a ground equipment package for the iPSTAR satellite, including 5,000 user terminals. iPSTAR is a subsidiary of Shin Satellite which is majority-owned by the Shin Corporation, a Thai conglomerate largely owned by the Shinawatra family. Once launched and operational in 2004, iPSTAR will provide broadband Internet services to 14 countries, including India, China, Korea, Australia, New Zealand, Japan, Malaysia, Indonesia, Singapore, and Burma. According to a Shin Corporation spokesman, iPSTAR’s expected revenues from Burma are small compared with those in larger and more developed markets in the region.

In addition to iPSTAR, Shin Satellite has contracts worth approximately \$2.5 million per year with two Burmese entities. This represents a small portion of Shin Satellite's total annual revenue of \$150 million.

The Thailand government's policy toward Burma is driven by many factors including concern about Burmese refugees, an inflow of illegal immigrants, the spread of disease, a history of border disputes, and the flow of narcotics into Thailand. We doubt that this satellite deal has much effect on Thailand's policy toward Burma.

*Question.* Given that Burma previously held a constitutional convention in 1995 that was rendered meaningless by the SPDC, what makes this one any different?

*Answer.* The Administration has noted consistently that for a convention to be successful, the political opposition and ethnic groups must support it and must be fully involved.

*Question.* Why should U.S. taxpayers support a flawed Khmer Rouge Tribunal that relies, in part, upon Cambodia's broken judicial system—one that is largely incapable of delivering justice for human rights abuses committed today?

*Answer.* The Government of Cambodia originally requested assistance from the United Nations in June 1997 to bring to justice those leaders of the Khmer Rouge who bear responsibility for serious atrocities committed between 1975 and 1979. Our longstanding policy has been to support credible efforts to seek accountability for the atrocities of the Khmer Rouge regime, under which an estimated 1.7 million people died. Seeking justice for these egregious crimes is a critical part of ending impunity in Cambodia.

We share your concerns about the serious flaws in the Cambodian judiciary and continue to speak out strongly against political violence, corruption, and the climate of impunity in Cambodia. The proposed Khmer Rouge Tribunal, however, is designed to operate as an Extraordinary Chambers outside of the regular Cambodian judicial system. It will be comprised of both international and Cambodian judges and prosecutors.

We recognize that achieving credible justice will not be easy. Strong international support will be needed to help ensure that the Tribunal exercises its jurisdiction in accordance with international standards of justice, fairness, and due process. If we do not help this Khmer Rouge Tribunal succeed, we may not have another opportunity to bring the Khmer Rouge perpetrators to justice as many are advanced in age or already deceased.

*Question.* Do Cambodian judges and legal staff have the training, professionalism, competence and independence to effectively participate in a tribunal of such import?

*Answer.* The Cambodian judicial system suffers from a lack of resources, low salaries, and poor training. Through assistance from NGOs and foreign governments, there have been some improvements over the last several years. Last year, the Royal School for Judges and Prosecutors reopened and accepted its first class of students since the 1960s. Moreover, there has been an increase in the number of lawyers, which has resulted in significant improvements for those defendants provided with counsel.

We are concerned about the limited capabilities of the Cambodian judicial system. With a mix of international and Cambodian judges, however, the Khmer Rouge Tribunal should be able to attain international standards of justice. The Tribunal contains provisions that are strong enough to protect the integrity of the judicial process. Decisions in the two chambers of the Tribunal will be taken by a majority of four in the trial court and five judges in the Supreme Court respectively and will require the concurrence of at least one international judge. Defendants will also have the right to counsel of their own choosing, including foreign counsel.

*Question.* Is the Cambodian judicial system independent (in practice) and free of interference from the Cambodian People's Party?

*Answer.* While the Cambodian Constitution provides for an independent judiciary, in practice the courts are subject to influence and interference by the Executive Branch. The Cambodian People's Party is the senior partner in the coalition government that has governed Cambodia since the 1998 elections and in a caretaker fashion since the 2003 elections.

We recognize that achieving a credible process will not be easy given the state of the judiciary in Cambodia today. It is our hope that with U.N. participation and strong international support the Khmer Rouge Tribunal will be able to carry out its mandate in accordance with international standards of justice, fairness, and due process.

*Question.* Does the State Department intend to facilitate the return of the FBI to Cambodia, (as encouraged by Senators McCain, Daschle, Leahy, McConnell, Miller, and Chambliss) and provide support throughout the investigation?

Answer. Should the FBI seek to return to Cambodia with regard to this case, the State Department would cooperate fully and provide all possible support and assistance.

*Question.* Should senior officials of the ruling Cambodian People's Party (CPP) be determined to be the perpetrators of that terrorist attack, what action will the State Department take to ensure that justice and accountability prevail?

Answer. We are not in a position to speculate on the outcome of any investigation or what action we might hypothetically be in a position to take at some future time.

*Question.* The Vietnam conflict has yet to end for 1,800 stateless Vietnamese refugees in the Philippines—what is the administration doing to resolve this tragedy?

Answer. Following talks in Manila in March 2004, the United States and the Government of the Philippines reached an agreement to offer durable solutions for certain Vietnamese nationals living in the Philippines. Most of this group are former asylum seekers who arrived in the Philippines in the late-1980s and early-1990s but were previously found ineligible (screened-out) for refugee resettlement in a third country.

In 1996, the Philippine Government decided to permit some 1,400 of the screened-out Vietnamese to remain in the Philippines. Over the years, there have been several Philippine legislative initiatives to regularize the status of these individuals. To date none of these initiatives has borne fruit.

Following the Manila talks, the USG announced it would offer resettlement interviews to the majority of the group, many of whom have relatives living in the United States. Vietnamese married to Filipino citizens and their children will not be eligible for this program. In addition, Vietnamese previously found to be ineligible for admission to the United States because of fraud or who have a record of criminal activity will not be considered for United States resettlement.

The Philippines has agreed, consistent with its law, to offer residency to those Vietnamese married to Filipino nationals and to make best efforts to offer residency to other Vietnamese ineligible or inadmissible for resettlement in the United States.

*Question.* How would you characterize Pakistan's efforts to militarily engage Taliban Remnants and Foreign Fighters on Pakistani soil?

Answer. Pakistan has shown its willingness to take on Taliban and al-Qaeda forces long entrenched in the tribal community of the Federally Administered Tribal Areas (FATA) when it conducted its South Waziristan operation in mid-March 2004. With a force of about 17,000 troops, Pakistan conveyed its seriousness to tribal chiefs who in the past were prone to disregard demands from Islamabad. The operation cost Pakistan over 50 troops, and while it did not succeed in capturing high value targets, it did disrupt Taliban/al-Qaeda attacks on Operation Enduring Freedom forces. The Government of Pakistan has publicly stated that the current pause is tactical and that the operation will continue until all foreign militants in the region are accounted for.

*Question.* Has the United States been given direct access to the "father" of Pakistan's nuclear bomb A.Q. Khan?

Answer. The Government of Pakistan is conducting its own investigation of the A.Q. Khan network. It has shared with us—and agreed to continue to share with us—information it develops from that investigation.

*Question.* Do we have a complete understanding of the extent of Khan's illicit activities?

Answer. We have extensive knowledge of the A.Q. Khan network, but we do not yet assess that we have a complete understanding. As the President has said, the information we know about the A.Q. Khan network was pieced together over several years by American and British intelligence officers, who identified the network's key experts, agents, and money men and mapped the extent of its operations. Other governments around the world have also worked closely with us to unravel the network and put an end to its activities. In particular, the Government of Pakistan has shared with us—and agreed to continue to share with us—information it develops from its investigation into the A.Q. Khan network. We have learned much about this network and the international black market in weapons of mass destruction and related technologies. We continue to gather information to develop a complete picture of Khan's activities and the damage they have caused.

*Question.* President Musharraf has been the target of several assassination attempts—do we know who is behind these attacks and who is the likely successor to Musharraf should he be incapacitated?

Answer. Pakistan is actively investigating the two attempted assassinations of President Musharraf, but no charges have been filed, as of yet. The Pakistani Constitution calls for the Speaker of the National Assembly to succeed the President should the latter be incapacitated. President Musharraf is also Chief of Army Staff.

Since army succession in Pakistan closely follows seniority, he would be succeeded in that office, should he be incapacitated, by the Chief of Army Staff.

*Question.* How do you assess the state of democracy in Pakistan today?

*Answer.* Democracy in Pakistan remains in a nascent stage, a work in progress. We believe that President Musharraf and the Government of Pakistan have taken some positive steps in bolstering democracy, but certainly much more work lies ahead. Pakistan held national elections in October 2002, which albeit flawed, brought elected representatives back into Pakistan's Government.

After more than a year of wrangling over the legality of the Legal Framework Order that enabled President Musharraf to concurrently serve as president and remain as the Army Chief of Staff, the Government and political opposition reached a compromise, setting the stage for the return of parliamentarians in early 2004. A similar compromise was reached on the newly established National Security Council. We note that President Musharraf has pledged to give up his Army Chief of Staff position by the end of 2004.

The only significant legislation passed by the new legislature so far has been passage of the annual budget bill, but we are hopeful that legislators will soon pass other important bills, including anti-money laundering and fiscal responsibility laws. New elections are scheduled for 2007 and we are working to ensure that they will be conducted in a fair and transparent manner in accordance with international standards.

We have called on the Government of Pakistan to continue efforts to bolster democracy, and have encouraged Pakistan to expedite implementing its "devolution" plan to devolve political power and budget resources from the central government to provincial and local governments. We remain concerned about reports of Pakistan's intimidation of opposition political leaders and journalists. We have urged the Government of Pakistan to ensure that opposition political leader Javed Hashmi, recently sentenced to seven years in prison following a sedition conviction, receive fair and transparent justice while his appeals process continues. Helping Pakistan build democracy remains a core concern, and along with healthcare, education, and continued economic reforms, is the focus of our USAID assistance program. One program is helping to train newly elected female parliamentarians to effectively draft and pass legislation reflecting constituents' concerns. Our Bureau of Democracy, Human Rights and Labor also is coordinating with USAID and our Embassy in Islamabad to work on additional reforms.

*Question.* What portion of economic assistance continued in the fiscal year 2005 budget request for Pakistan is intended as budget support for the government of Pakistan?

*Answer.* To support President Musharraf's vision of a moderate, democratic, and prosperous Pakistan at peace with itself and its neighbors, we are providing substantial assistance to Pakistan, including a request by the President for a multi-year security assistance/development package to address short and long-term needs. Following the President's June 2003 meeting with Musharraf, he pledged to work with Congress to provide Pakistan \$3 billion in assistance for fiscal year 2005-fiscal year 2009, half for security assistance and half for economic support and social programs. Our plan for fiscal year 2005 would provide up to \$200 million/year in ESF for non-project assistance (budgetary support and/or possibly debt relief), at least \$100 million for social sector programs, and \$300 million in FMF to improve Pakistani military/counter terror capabilities. Thus, two-thirds of the \$300 million in development-focused funds would be provided as budget support and one-third would be provided for similar development objectives through USAID's ongoing bilateral programs, which focus on improving education, healthcare, democracy, and economic development. Discussions with the Government of Pakistan continue on how to use the proposed assistance most effectively.

*Question.* How will the United States monitor the use of likely budget support funds to ensure that they are used as intended?

*Answer.* Shortly after the President proposed a multiyear assistance package in June 2003, the USG initiated a series of discussions with the Government of Pakistan on how to best ensure that budget support is most effectively and properly used, drawing on lessons learned in providing a \$600 million non-project grant in the fall of 2001. While these discussions are ongoing, we have developed a series of shared objectives that build upon the Pakistan Government's own Poverty Reduction Strategy Plan (PRSP). The PRSP focuses on many of the same issues of chief concern to the United States, seeks to resolve pervasive long-term poverty by improving Pakistan's under-funded basic education and health sectors, and recognizes the need to continue disciplined budget policies. We also are coordinating with the British, Japanese, and World Bank in setting development goals in our shared objectives. In addition to tracking funds using traditional USAID audits, we envision

using an interagency review process in conjunction with Pakistan's annual Development Forum meetings to track Pakistan's progress on achieving the agreed upon goals.

*Question.* How supportive have Arab states been in pledging—and fulfilling pledges—for the reconstruction of Afghanistan?

*Answer.* According to the most recent figures compiled by the Government of Afghanistan (GOA), Saudi Arabia has pledged the most among Gulf States—\$230 million from 2001–2004, mostly in the form of concessional loans—but only a small portion—about \$42 million—has so far been disbursed. We remain hopeful that Saudi Arabia will follow-through on its previous commitment to provide \$30 million in concessional loans for road construction of a segment along the Kandahar-Herat highway.

Kuwait, Qatar, and UAE have all made offers of assistance to Afghanistan, but only a small fraction of these pledges have materialized into actual project assistance. However, in some cases direct bilateral humanitarian aid and assistance-in-kind has been substantial.

We remain actively engaged on this issue and are involved in ongoing efforts to encourage increased assistance from the Gulf States to Afghanistan.

*Question.* According to Afghan Finance Ministry figures, France pledged a paltry \$99.4 million for the reconstruction of Afghanistan through March 2009 (only \$24 million more than the PRC). Should France shoulder a greater burden in this effort?

*Answer.* The French generally do not make out-year pledges of assistance to third countries. The \$99.4 million reflects the amounts that the French Government has pledged through 2004. We expect the French will make additional contributions in the coming years. In addition, the French Government intends to give euros 1 million to Afghanistan via the UNDP to assist with the “electoral process.”

*Question.* Are al-Qaeda or other terrorist groups profiting from the drug trade in Afghanistan, where 2003 estimates for the opium poppy crop topped 61,000 hectares?

*Answer.* We do not know to what extent al-Qaeda profits from the drug trade in Afghanistan. U.S. Government agencies have anecdotal reports of drug trafficking by elements of al-Qaeda, but there is no evidence that such activities are centrally directed. Al-Qaeda continues to rely on private donations and funding sources other than narco-trafficking for most of its income, and there is no corroborated information in U.S. Government holdings to suggest that drug trafficking provides a significant percentage of al-Qaeda's income. We remain deeply concerned about the possibility that substantial drug profits might flow to al-Qaeda, however, and continue to be vigilant for signs that this is occurring.

The involvement of anti-government Afghan extremists in the drug trade is clearer. U.S. troops in 2002 raided a heroin lab in Nangarhar Province linked to the Hizb-I Islami Gulbuddin and officials from the United Nations and the Afghan Government report that the Taliban earns money from the heroin trade. Based on the information available, however, we cannot quantify how much these groups earn from the drug trade, nor can we determine what percentage of their overall funding comes from drugs.

In addition, extremists and terrorists in Afghanistan may sometimes turn to the same network of professional smugglers used by drug traffickers for help moving personnel, material, and money.

*Question.* What is the proposed fiscal year 2005 U.S. contribution to counter-narcotics efforts, and does this amount represent our “fair share” given that the vast majority of drugs are destined for Europe?

*Answer.* The State Department's fiscal year 2005 budget request to Congress contains \$90 million for International Narcotics and Law Enforcement (INCLE), \$22 million of which will be devoted and used specifically for counter-narcotic programs.

The United States Government, working closely behind the lead of the United Kingdom, has taken an active stance against poppy cultivation, narcotics production, and trafficking. Drug cultivation and trafficking undermine the rule of law and provide an income source for terrorist activities. The drug trade is hindering the ability of the Afghan people to rebuild their country and rejoin the international community, and it is having deleterious effects on the abilities of neighboring countries to control their borders and exercise effective law enforcement measures. It is in the interest of all nations to fight the drug trade.

*Question.* Do you share my view that the people of Afghanistan are better off today than they were under the Taliban?

*Answer.* Absolutely. Afghanistan is in the midst of a historic transition. Less than three years ago the Taliban ruled over all of Afghanistan through a rigid Islamic absolutism that denied many fundamental human rights, including allowing women to work or go to school. Today, under the steady leadership of President Karzai, the

country has taken enormous strides and now looks ahead to September elections that will mark another milestone on Afghanistan's journey as a stable, contributing member of the global community.

In January, an ethnically and gender diverse Loya Jirga adopted a new, progressive constitution that guarantees human rights, including those of women. Hundreds of schools and health clinics have been constructed and rehabilitated, and school attendance for girls and boys increased to a record three million last year. Infrastructure improvements are also in full force, the most prominent evidence of this being the December 2003 completion of the 389 km Kabul-Kandahar highway, a U.S.-led project linking Afghanistan's two largest cities; construction is soon to begin on the next phase, Kandahar to Herat.

The results of Afghanistan's improved security environment are also becoming more visible. The Afghan National Army is steadily coalescing into a true national defense force. Police are being trained to provide day-to-day security in the provinces and in Kabul. And last August NATO assumed leadership of the ISAF peace-keeping force, an unprecedented move for the alliance that subsequently led to the first step of ISAF expansion outside Kabul with the decision by Germany to staff the Provincial Reconstruction Team (PRT) in Konduz with troops. In total, thirteen PRTs have now been established to provide a security and reconstruction presence in the provinces, and more are scheduled to open within the next six months.

*Question.* What is the current strength of the Afghan National Army (ANA), and what do you expect the anticipated strength of the ANA to be a year from now?

*Answer.* The total ANA force now numbers 8,900 troops. At the current training rate, the ANA force should grow within one year to approximately 18,000 so long as the necessary resources remain available to train, equip, arm, and provide infrastructure for new troops.

*Question.* What is your view of the professionalism and capabilities of the ANA, and what are the retention rates?

*Answer.* The ANA has been positively received by Afghans across the nation. Ethnically diverse and demonstrating a level of professionalism most Afghans are not familiar with from their experiences with armed militias, ANA troops are often initially mistaken by the population as a foreign army.

The ANA has performed admirably in successfully carrying out recent stability operations for the Afghan central government in Herat and Faryab provinces. They have also helped with removing heavy weapons from Kabul (part of the disarmament, demobilization, and reintegration (DDR) process), and have participated alongside OEF forces in missions in the East and South.

As the ANA has gradually gained institutional momentum and general acceptance of it as the new national army has grown, attrition rates have stabilized at around 2 percent.

*Question.* Do you believe that the recent interpretation of the Basic Law by the National People's Congress in Beijing that gives the NPC total control over direct elections in Hong Kong undermines the premise of "One Country, Two Systems?"

*Answer.* Hong Kong continues to have day-to-day authority over its affairs under the "One Country, Two Systems" formula. The NPC's decision does, however, have important implications for the dialogue among the Hong Kong Special Autonomous Region (SAR) Government, the Chinese government, and the Hong Kong people over the future of Hong Kong's electoral process. As the people of Hong Kong have shown in the past through the July 1, 2003 and January 1, 2004 demonstrations—a well informed electorate will continue to make its voice heard on issues that affect the future governance of the territory. We hope the authorities in Beijing and the Hong Kong SAR will make meeting the aspirations of the people of Hong Kong for democratization a top priority.

*Question.* How will this interpretation of the Basic Law by the NPC impact cross Strait relations—can you think of any reason why Taiwanese will believe in the "one country, two systems" mantra?

*Answer.* It will not have a positive effect. Taiwan's Mainland Affairs Council issued a statement on April 7 warning that China's efforts to apply its authority vis-a-vis Hong Kong's political reforms will undermine freedom in the special administrative zone.

In the final analysis, the Taiwan issue is for people on both sides of the Strait to resolve. This is the only way a peaceful and durable solution can be found. We continue to urge Beijing and Taipei to pursue dialogue as soon as possible through any available channels, without preconditions.

In the absence of a political dialogue, we encourage the two sides to increase bilateral interactions of every sort.

*Question.* What additional programs and activities does the United States fund to support the advancement of democracy in Hong Kong?

Answer. The United States supports a variety of programs in Hong Kong that reach out to the political, economic, and academic leadership to promote the democratization process. For example, Consul General James Keith proactively and frequently engages Hong Kong media to support the advancement of democracy in Hong Kong, and his interviews and editorials consistently reach mass audiences. Further, the United States has programmed close to 30 United States speakers since May 2003 to help promote democracy in Hong Kong; the United States Fulbright program in Hong Kong is especially active; and the International Visitor exchange program is renowned among Hong Kong's professional civil service. In addition to these programs, the United States recently opened an American Corner at the University of Macau to expand public diplomacy outreach throughout the region.

*Question.* Do you believe, as mainland China asserts, that the United States is interfering in Hong Kong's "internal affairs?"

Answer. Our engagement reflects our well-established commercial, social and cultural interests in Hong Kong as well as our history of friendship based on shared values. 1100 American companies are based in Hong Kong along with 50,000 American citizens. The United States also has a legal obligation under the 1990 Hong Kong-Policy Act to monitor the progress of democratization in Hong Kong, which we continue to discuss in our annual report to Congress.

*Question.* What do the razor thin presidential victory of the Democratic Progressive Party (0.2 percent margin) and the increase in the DPP's share of the popular vote (up to 50 percent in 2004 from 39 percent in 2000) mean for the forces of independence in Taiwan?

Answer. The 2004 presidential election was a testament to Taiwan's vibrant democracy. More than eighty percent of eligible Taiwan voters turned out to participate in a free and fair selection of their next President after a vigorous campaign that highlighted a wide range of economic, political and social issues. Although the margin of victory was only one-fifth of one percent and the attempted assassination of President Chen and Vice President Lu marred the election campaign's final days, the people of Taiwan behaved well and with restraint.

In 2000, President Chen said in his inaugural address that so long as the PRC does not intend to use force, he would not declare independence, not change the national title, not push the inclusion of "state to state" relations in the constitution, not promote a referendum to change the status quo on independence or unification, or abolish the National Unification Council (the "five no's.") He repeated the "five no's" during the Presidential campaign. We appreciate and take very seriously President Chen's pledge and his subsequent reaffirmations of it. We do not interpret his victory as a strengthening of the "forces of independence" in Taiwan.

*Question.* How can the United States partner with Taiwan to advance democracy throughout the region?

Answer. We applaud the success of democracy in Taiwan and the dedication of Taiwan's people to the rule of law. The United States strongly supports Taiwan's democracy and development of an open society under the rule of law. Taiwan is a success story for democracy in Asia and around the world. We feel strongly that others can benefit from knowing more about Taiwan's achievements. We will explore with our friends in Taiwan interested non-governmental organizations how they may be able to promote Taiwan's story to a global audience, and how we can help to make Taiwan's instructive example available to all countries that are attempting to institute democratic reforms and the rule of law.

*Question.* What specific action has the State Department taken to safeguard Burmese Refugees and Burmese organizations in Thailand from Thaksin's crackdown on Burma's democratic opposition?

Answer. The Bureau of Population, Refugees, and Migration funds UNHCR which provides protection to 140,000 Burmese refugees resident in nine camps in Thailand. UNHCR also issues protection letters to Burmese who are living outside the camps in Thailand who they find to be "persons of concern."

In fiscal year 2003, the United States provided over \$5 million in humanitarian assistance to Burmese refugees in camps in Thailand and over \$3 million for democracy promotion activities, many of which take place in Thailand. Some NGO groups have reported difficulties in operating along the border due to stricter Royal Thai Government policies; the RTG has responded positively when we have raised these issues.

*Question.* Is Thailand deporting (either formally or informally) Burmese nationals to Burma at a rate of 10,000 per month, as reported by Human Rights Watch? What is the fate of these deported Burmese?

Answer. We do not have figures for the total number of deportations of Burmese nationals by Thai immigration officials. Burmese nationals who are not registered residents of refugee camps are subject to deportation back to Burma, both formally

or informally. Migrants who are informally deported are not returned directly to Burmese authorities; they are taken to the border and released. Many are able to evade Burmese authorities and re-enter Thailand. Those who are formally deported are directly handed over to Burmese authorities and, in some cases, may suffer reprisals. UNHCR works with Thai authorities to ensure that Burmese who have been designated as persons of concern are not formally deported back to Burma. We are looking into recent reports that Thai officials may have deported individuals that UNHCR has designated as persons of concern.

*Question.* How do you assess the recent actions of the UNHCR in Burma—is UNHCR serving as a forceful champion for Burmese refugees?

*Answer.* We believe UNHCR is fulfilling its mandate in protecting Burmese refugees. In February 2004, UNHCR entered into an agreement with the Government of Burma to begin initial efforts in the east of the country to create conditions that could eventually allow the voluntary return of 140,000 refugees from camps in neighboring Thailand. UNHCR has repeatedly stated that it will not take part in the repatriation of Burmese to Burma until three conditions are met: (1) a credible cease-fire agreement between the SPDC and the Karen National Union; (2) the development of an infrastructure in townships that far exceeds current conditions; and (3) an international protection presence set up to monitor continuously any repatriation and integration.” UNHCR has underlined that the current situation is not conducive to refugee returns and that it currently seeks only to improve basic health, education, and community services.

UNHCR’s access to the eastern part of Burma can serve to increase transparency and offer the outside world a view into events in that region.

*Question.* Why is the United States initiating refugee resettlement of Burmese refugees, absent a clear understanding with Thaksin’s government on the treatment of Burmese in Thailand?

*Answer.* Since 1990, the USG has been resettling Burmese refugees from Thailand. Initially, the United States and other resettlement countries, such as Canada, Australia, and others, offered refugee resettlement consideration primarily to Burmese students/dissidents who fled to Thailand following the violent suppression of pro-democracy forces in 1988. In addition, over the years the USG has processed other Burmese refugees identified by the United Nations High Commissioner for Refugees (UNHCR) office in Thailand as requiring protection provided by third-country resettlement.

In February 2004, the USG began a resettlement initiative for certain UNHCR-recognized Burmese refugees living in urban areas. In 2003, the Royal Thai Government (RTG) had indicated that it wanted all Burmese refugees to reside in the border camps. For security and protection reasons there are currently some 3,500 Burmese refugees living in urban areas within Thailand. UNHCR proposed to the RTG that these Burmese refugees be processed for resettlement in third-countries. When the RTG agreed, UNHCR referred the first 1,400 to the United States for resettlement processing in February. The first of these refugees approved for United States resettlement arrived in the United States on May 26. UNHCR has indicated that it will refer some 1,500 additional urban Burmese refugees to the United States later this summer. In addition, UNHCR has indicated that it plans to refer several hundred other urban Burmese refugees to other countries that have indicated an interest in participating in this resettlement initiative.

Even though Thailand is not a signatory to the 1951 U.N. Convention on the Status of Refugees or its 1967 Protocol, for decades the RTG has provided temporary asylum to hundreds of thousands of Burmese, Indochinese, and asylum seekers from other countries.

Regarding Burmese refugees in Thailand, in general, Thailand has been a generous host to Burmese asylum seekers. Thailand presently limits temporary asylum to those Burmese fleeing active fighting and we continue to urge the RTG to expand its definition, because of conditions in Burma, and grant temporary sanctuary to any Burmese genuinely seeking protection from persecution or other forms of serious harassment or discriminatory treatment. We also continue to encourage the RTG to accede to the Refugee Convention and its 1967 Protocol.

*Question.* Does the relocation of these refugees help fulfill the objectives of the SPDC to permanently remove Burmese from the border areas?

*Answer.* The United Nations High Commissioner for Refugees-led resettlement effort for the urban Burmese is for some 3,500 Burmese refugees who have been living in urban areas in Thailand for years. The 1,400 individuals that the United States has processed to date primarily live in and around Bangkok with a few hundred of these refugee applicants residing in other urban areas in Thailand. These urban Burmese refugees are living entirely separate from the some 142,000 Burmese refugees residing in camps on the Thai-Burma border.

*Question.* How concerned are you with the reported backsliding of Thailand's democratic traditions—specifically, freedom of the press and human rights abuses?

*Answer.* The Department's 2003 Thailand Country Report on Human Rights noted that the Thai constitution provides for freedom of speech and of the press, and the Thai Government generally respected these rights in practice; however incidents of harassment and intimidation of journalists continued to occur. Journalists generally were free to comment on governmental activities without fear of official reprisal, although there were attempts by the Thai Government to curb journalists or publications perceived to be critical of government officials or their families. In addition, the media practiced some self-censorship.

The report also concluded that the Thai Government's human rights record worsened with regard to extra-judicial killings and arbitrary arrests. We continue to urge the Royal Thai Government frequently and at high levels to thoroughly and credibly investigate all killings from last year's anti-drug campaign and to bring to justice those responsible for wrongdoing.

We are also following the Thai Government's investigation of the disappearance of noted Muslim human rights lawyer Somchai Niphajit in March 2004. Thai prosecutors have filed charges against several Thai police officials accused of participating in the disappearance, and a trial is underway.

*Question.* What is the relationship between Thai King Bhumipol and Prime Minister Thaksin, and are there any indications that the King is concerned with Thaksin's potential business conflict of interests in Thai domestic and foreign policy?

*Answer.* King Bhumipol, who has been on the throne since 1946, is the head of state and commands enormous popular respect and moral authority. Prime Minister Thaksin Shinawatra took office in February 2001. As the head of government, the Prime Minister consults regularly with the King.

We have no information on King Bhumipol's views on Prime Minister Thaksin's business interests.

*Question.* What is the status of talks between Armenia and Azerbaijan over the Nagorno Karabakh conflict, and how does the passing of Azeri President Heydar Aliyev impact prospects for reconciliation?

*Answer.* Heydar Aliyev was a singular figure in the South Caucasus and his death could not help but alter the tone course of negotiations. In fact, the late president's protracted decline in health became an obstacle to negotiations for much of 2003, for the simple reason that he was not physically well enough to be deeply engaged on the issue. However, President Ilham Aliyev has continued both his father's path towards the West and the negotiations between Armenia and Azerbaijan dedicated to solving the conflict over Nagorno-Karabakh. Both sides have agreed the dispute should be resolved peacefully. We are cautiously encouraged that the two sides may each be ready to resume a more regular series of discussions on the matter. In addition to direct negotiations between President Aliyev and President Kocharian, a recurring series of talks at the foreign minister level has been initiated to explore different settlement modalities.

*Question.* Does current Azeri President Ilham Aliyev have the political weight and clout of his father to pursue negotiations over the N-K conflict?

*Answer.* While it is true that the late President Heydar Aliyev had a unique stature in Azerbaijani politics and society, President Ilham Aliyev has shown himself willing and able to continue negotiations aimed at finding a peaceful settlement to the conflict over Nagorno-Karabakh.

*Question.* Given the strong Congressional interests of parity between Armenia and Azerbaijan, how do you explain the \$6 million difference in FMF assistance to those countries?

*Answer.* The matter of FMF allocation to Armenia and Azerbaijan is currently under review at the State Department. Armenia and Azerbaijan are each important partners of the United States. The Administration believes that building up Azerbaijan's maritime security capabilities is important in order to prevent the transit of destabilizing contraband or terrorists through the Caspian Sea zone. The Administration's increased FMF request for fiscal year 2005 is aimed, in large part, at countering that threat. FMF will also enhance Azerbaijan's capabilities to participate in international peacekeeping efforts. Azerbaijan currently has peacekeeping troops deployed to Iraq, Afghanistan and Kosovo.

We hope to be able to enhance our security relationship with Armenia in order to do more in the peacekeeping area there. We frequently encourage the Armenian Government to permit closer military cooperation with the United States and to permit the United States to conduct an assessment of its armed forces. It will be difficult to usefully spend more FMF in Armenia until we do a more thorough assessment of Armenia's resources and needs to become more interoperable with United States and NATO forces.

*Question.* How do you assess Armenia's partnership in the war against international terrorism? How does this compare to Azerbaijan's partnership?

*Answer.* Armenia is a serious partner in the global war on terrorism. Armenian officials, including the President, regularly speak out condemning terrorism. Armenia has recently modernized its laws to specifically criminalize terrorism. Stronger counterterrorism financing laws are under consideration. Several domestic terror suspects were tried and convicted in 2003. Armenia is a party to 9 of the 12 international conventions and protocols relating to terrorism.

Azerbaijan is also a contributing partner in the global war on terror and has taken significant strides to strengthen its counterterrorism posture. Azerbaijan has joined all 12 international conventions and protocols relating to terrorism, including four for which Azerbaijan's accession was notified after the 2003 Patterns of Global Terrorism report went to press. Azerbaijan has recently accomplished important steps in combating terrorist finance, has rendered terrorism suspects to foreign governments for prosecution, and shown some success in disrupting terrorist networks seeking to transit Azerbaijani territory.

We caution against attempting direct comparisons between any two countries' counter-terrorism efforts, as each faces different challenges in the war on terror and has different capabilities. We refer you to the State Department Report "Patterns of Global Terrorism," which characterizes Armenia and Azerbaijan's cooperation in the global war on terrorism in more depth.

*Question.* How best can the United States encourage Russia to "stay the course" in the advancement of democracy and press freedoms?

*Answer.* A historic positive transformation has occurred in Russia during the twelve years since the collapse of the Soviet Union. In the 1990s, Russians acquired basic freedoms, such as expression, religion and the ability to choose their leaders through elections. However, the pattern of official pressure on the independent broadcast media, irregularities in elections, and the arrest and detention of prominent individuals such as Mikhail Khodorkovskiy have raised questions about Russia's commitment to democracy and the rule of law.

In January of this year, I addressed all of these issues directly with President Putin and in an article published in a leading Russian newspaper. I noted in my article that Russia's political system seems not to have found essential balance among the executive, legislative and judicial branches of government. I pointed out that key aspects of civil society, free media and political party development have not yet obtained an independent presence in Russia. While in Moscow, I also emphasized that the United States wants a robust partnership with Russia, but that without a basis of common principles, the United States-Russian relationship will fail to reach its potential.

Through our continued engagement and our assistance programs, the United States has played a key role in supporting the development of a vibrant and diverse range of civil society organizations, independent media outlets and other institutions necessary for democratic values and institutions to flourish. Ambassador Vershbow and our embassy in Moscow actively advocate on behalf of improving respect for human rights, fundamental freedoms, and democratic institutions.

In the current environment, which is less than supportive of these values and institutions, we must continue to engage on the policy front and provide assistance to those in Russia who are pushing harder than ever to advance democracy. Ultimately, it is up to the Russians to determine the kind of political system in which they live, but our support—moral and financial—makes a significant difference.

*Question.* Is the fiscal year 2005 budget request of \$79.5 million sufficient to support ongoing political and economic reforms in Russia?

*Answer.* This request is adequate to support critical economic and political reforms. Given the large capital inflows from oil and gas revenues to Russia over the past several years, it is necessary to assess the relevance of our assistance and where it makes a strategic difference. Russia has the capacity to finance economic reforms if it has the political will to do so. We intend to reduce funding for economic programs next year with a goal of phasing-out economic assistance the following year, in 2006. We are concerned, however, that Russia's commitment to democracy and rule of law has come into question. We therefore plan to focus more of our funding on programs that support civil society, independent media, the rule of law and democratic practices.

*Question.* Given an increasingly tense political environment, is democracy promotion in Russia best handled by the National Endowment for Democracy?

*Answer.* We share your concern about the political environment in Russia and, particularly in this environment, consider it important to maintain a diversified approach to democracy promotion in Russia that includes a range of partners inside and outside of the country.

NED's grant support to non-governmental organizations (NGOs) in Russia complements the extensive efforts of the U.S. Embassy and USAID to support a wide range of democracy assistance, including promoting open and competitive political processes, an independent media, human rights, tolerance and improved civic participation in local governance. These programs are carried out by such experienced United States implementers as Internews, IREX, NDI, IRI, ABA/CEELI and, increasingly, by Russian partners. The Embassy also provides direct grants for democracy-building initiatives directly through the Democracy Commission Small Grants program (topping out at \$24,000, these are typically smaller than NED grants).

The United States democracy assistance program for Russia is strengthened by the on-the-ground presence of the United States Mission and by coordination in Washington. We believe that the fact that the United States Mission to Russia is directly engaged in democracy assistance sends an important signal to activists as well as to the government. So far, USAID and the Embassy have encountered little explicit resistance from Russian or local federal authorities against these programs. Unless this situation becomes significantly more aggravated, it would be well worth continuing these programs as many of them provide key Russian democracy activists with the only source of domestic or international grant funding available to them at present.

We highly value the contribution made by the National Endowment for Democracy (NED). Indeed, the Department of State has supplemented NED's core funding with FREEDOM Support Act (FSA) funds for Russia since fiscal year 2002. In fiscal year 2004, we will provide \$2 million of FSA funds to NED for work in Russia.

*Question.* Will the recent political changes in Georgia be taken into consideration for the purposes of additional assistance under the Millennium Challenge Account?

*Answer.* We hope that the Millennium Challenge Corporation will take into account the changes emerging in Georgia after the Rose Revolution. President Saakashvili has made control of corruption a very high priority: his actions already back up his words. We would support an MCC decision to include Georgia in the eligible countries for fiscal year 2004 funding to underpin the new government's commitments. The decision, however, will be up to the Millennium Challenge Board.

*Question.* What is your response to the recent decision of Serbian lawmakers to provide Slobodan Milosevic and other war crime indictees—and their families—with financial support and other benefits?

*Answer.* Our understanding is that the recent law codifies practices that had been in effect in Serbia and Montenegro as a matter of policy. These policies have included support for family members of Serbian defendants who are in the custody of the International Criminal Tribunal for the Former Yugoslavia (ICTY)—allowances for travel, telephone calls, the right to collect wages or pension payments due the indictee, and assistance with the defense expenses of some defendants. Croatia and Bosnia also make such assistance available to ICTY indictees, in order to induce them to surrender and submit to the Tribunal's jurisdiction.

The new law, which has proved very controversial with the Serbian public, is currently under review by the Constitutional Court, and there are strong signals that some of the provisions will be overturned.

In the past, assistance was available only for families of those defendants who had voluntarily surrendered to the Tribunal. It appears that the new legislation would make this assistance available to all defendants who are in The Hague. The Finance Minister, who is opposed to certain provisions in the law, is proposing restrictive regulations to implement the law.

We cannot speculate as to what led the Serbian Parliament to pass this legislation. Rather than focusing on assistance that the Serbian Government might wish to extend to defendants who are already in ICTY custody, our primary concern is that fugitive ICTY indictees, including especially Ratko Mladic, are finally brought to justice before the Tribunal without further delay, a point that the U.S. Government continues to stress in all our meetings with Serbian officials.

*Question.* "What impact has the removal of HAMAS leader Yassin had on that terrorist organization, and on terrorism against Israel?"

*Answer.* HAMAS is a designated terrorist organization. There is no question that the group continues to promote violence and instability in the Middle East, and its activities remain a major obstacle to the pursuit of Middle East peace. Following the death of Sheikh Yassin, HAMAS vowed revenge against Israel, as it did following the death of leader Abdel Aziz Rantissi on April 17. Since that time, HAMAS has continued its efforts to operationalize terrorist attacks inside Israel proper. Hamas recently claimed its first successful lethal rocket attack on 28 June, when a Qassam rocket launched from northern Gaza struck the Israeli town of Sderot, killing a 49 year-old man and a 3 year-old child.

## ISRAEL/EGYPT

*Question.* Is the United States considering increased aid to the Palestinians for Gaza after an Israeli withdrawal?

*Answer.* The United States has devoted significant development and humanitarian resources to the West Bank and Gaza, with nearly \$75 million in Economic Support Funds provided in fiscal year 2004 and another \$75 million requested for fiscal year 2005. Total USAID assistance to the West Bank and Gaza since 1993 is over \$1.3 billion. In addition, in 2004, we are providing \$88 million to the U.N. Relief and Works Agency (UNRWA) general fund for its programs to assist 4.1 million registered Palestinian refugees, 1.6 million of whom live in West Bank and Gaza. The United States remains the largest donor to UNRWA. Also, the United States contributed \$20 million in February 2004 from the President's Emergency Relief and Migration Assistance account to UNRWA's emergency appeal for refugees in West Bank and Gaza, and we are considering another contribution to the appeal.

No decisions have been made about future levels of assistance. In the event of Israeli withdrawal, the United States will join with others in the international community to foster the development of democratic political institutions and new leadership committed to those institutions, the reconstruction of civic institutions, the growth of a free and prosperous economy, and the building of capable security institutions dedicated to maintaining law and order and dismantling terrorist organizations.

*Question.* Will such increased aid (to Palestinians) be conditioned on Palestinian efforts to eliminate HAMAS and Islamic Jihad terrorism?

*Answer.* This question has been sent to USAID for response.

The committee notes that no response was received.

*Question.* What conditionality has been placed on fiscal year 2003 supplemental funding for Egypt (\$300 million), and will similar conditions be placed on the fiscal year 2005 budget request for Egypt?

*Answer.* We have placed the following conditions on the Government of Egypt for the disbursement of fiscal year 2003 Supplemental funding. These conditions were included in our April 2 Congressional Notification on this topic and were negotiated between our two governments in a cooperative manner. It is worth noting that the disbursement of the supplemental funds is still awaiting final signature on a joint MOU between our two governments.

1. Implement a fully floating exchange rate supported by appropriate monetary policies:

—Re-affirm the government's public commitment to allow banks and foreign exchange bureaus that are in compliance with prudential regulations to freely set exchange rates.

—Commit to increase the efficiency of and reduce distortions in the foreign exchange market under the floating exchange rate regime.

2. Improve the business climate and meet WTO obligations:

—Maintain tariffs on apparel consistent with Egypt's WTO obligations.

3. Improve transparency and budget deficit:

—Commit to publishing a budget.

—Request and establish a timeline with the World Bank for a Public Expenditures Review.

—Agree to IMF public release of executive summary of the annual Article IV Consultations report through the Public Information Notice (PIN) of the IMF.

—Agree to publish Reports on Standards and Codes by 12/31/04.

—Commit to beginning public release of macroeconomic data, including but not limited to quarterly GDP estimates (with six month lag) and monthly industrial production indices.

The fiscal year 2005 budget request includes an Economic Support Fund (ESF) request of \$535 million. We are focusing our resources on the Middle East Partnership Initiative pillars of economic reform, education, civil society, and women and are determined that our assistance activities reach more Egyptians at the grassroots level.

We have redesigned our cash transfer program, under which ESF disbursements are conditioned on economic reform, to focus on the financial sector, including bank privatization. In education, we are promoting the decentralization of Egypt's education system and integrating proven models of teacher training, local school management, and community and private sector support/involvement. Girls' education, particularly in rural areas, as well as English language training programs, will be a key focus of our activities. We are also planning to devote significant resources for democracy and governance programs that open the public space for debate, support civil society institutions, and promote the respect for rule of law.

*Question.* How do you explain Egyptian President Hosni Mubarak's seeming reluctance to implement much needed political and economic reforms in Egypt?

*Answer.* Reform has been a focal point in our bilateral relations with Egypt for several years. We have been cautiously encouraged by several steps the Government has taken including:

- Floating the Egyptian pound,
- Replacing WTO-inconsistent apparel tariffs,
- Creating a National Council on Human Rights,
- Repealing several military decrees,
- Sponsoring a regional conference in Alexandria that issued a bold declaration favoring reform, and
- Public statements by Egyptian officials suggesting the possibility of lifting the Emergency Law.

In addition, President Mubarak has expressed his commitment to reform, highlighting the need to modernize, develop, and reform society in a 14 April speech to the Baker Institute for Public Policy in Texas.

We remain concerned, however, over restrictions on basic political liberties and religious rights, treatment of prisoners including routine use of torture, and continued reliance upon the Emergency Law. The Emergency Law allows the state to arrest and detain suspects without trial for prolonged periods and refer civilians to military courts. We continue to stress the need for reform to our Egyptian counterparts and emphasize that true stability will only result from a free and open society where citizens' rights are respected.

*Question.* Has the Egyptian Government actively undermined the President's Greater Middle East Partnership Initiative (GME), and what role did it have in, if any, in scuttling the Arab Summit in Tunisia last month?

*Answer.* Like other countries in the region, Egypt has stressed that reform cannot be imposed from the outside, but must come from internal dialogue and debate—a principal we strongly support. Egypt has worked to this end, sponsoring a regional conference in Alexandria that issued a bold declaration favoring reform, and engaging in a national dialogue with some of the major opposition parties. The Egyptian Government acknowledges the need for reform in Egypt and the Middle East and has played an important and constructive role in ensuring that the Arab League takes up the issue of political and economic reform.

When the Government of Tunisia cancelled the Arab Summit meeting on 28 March, Cairo immediately offered to host the Summit if Tunisia was unwilling. From 8–10 May, Egypt hosted the Arab League foreign ministerial that agreed on a rescheduled date of 22–23 May for the Summit. Egypt has and continues to play a constructive role on Arab League issues.

*Question.* Will the Administration be able to renegotiate foreign assistance agreements with Egypt to ensure that they do not have veto power over the use of taxpayer funds?

*Answer.* The Government of Egypt (GOE) and the USG jointly agree every year on the use of aid dollars. Our assistance program is codified in our bilateral Treaty agreement with the GOE; something that we do not believe should be changed at this time. Such joint decision-making has been the principle and practice of this assistance since the beginning of our program with Egypt more than twenty years ago. This program, rooted in the Camp David Accords, has achieved many benefits for the United States and Egypt and is one whose programs are continually evolving.

Our most recent discussions with the GOE, held in November 2003 on the topic of a new Democracy and Governance assistance funding, were frank and are ongoing. In 1998, we negotiated funding changes to the assistance program. These discussions were always held in a productive atmosphere with GOE officials. If changes are to be made to the program, we are confident that we will have an engaged partner. However, a full renegotiation of the agreement would require changes to the Accords—a difficult and costly exercise to implement.

The GOE does not hold a veto over U.S. Government assistance to Egypt. This is evidenced by the fact that we have just completed a review of the assistance program that intends to advance new program initiatives in the areas of economic reform, democracy and governance, health, education, and the environment, among other areas. Changes to the formulation of our assistance program for Egypt do not inhibit us from making these initiatives, and despite some GOE resistance to some of our proposals we have been and will continue to discuss these proposals in detail with the GOE.

*Question.* Do you agree that the failure of the Egyptian Government to provide basic freedoms—including that of association—strengthens the ability of extremists to recruit from disaffected segments of society that have no role or voice in domestic politics?

*Answer.* Islamic terrorist movements suppressed by the Egyptian Government in the 1980s and 1990's were not seeking an agenda of greater political inclusiveness. While the core of extremist movements consists of people who are committed to a radical ideology, disaffected segments of society are vulnerable to manipulation. The Egyptian Government has called for greater political and economic participation to counter extremists' influence, and the National Democratic Party has led a campaign to encourage youth to become involved in government. We are working with both the Government and NGOs to design programs to strengthen civil society and the rule of law in Egypt, a result of which may be greater public confidence in the political system, and accordingly, reduced appeal of extremist groups.

*Question.* Are we making any progress at all with the Egyptians in reducing the unending vilification of America, Israel and Jews in their official and semi-official media?

*Answer.* Since the onset of the second Intifada in September 2000, there has been an increase in anti-Semitic material published in the Egyptian media. We have raised regularly our concerns over anti-Semitic material in the official GOE media with Egyptian officials, and welcomed Presidential Adviser Osama Al-Baz's repudiation of anti-Semitism as a vehicle for protesting policy differences with Israel. Our Ambassador in Egypt, David Welch, has taken an active role in protesting biased media coverage, calling on the press to present well-researched and factually accurate arguments, not those perpetuating anti-Semitic slurs, rumors or unsubstantiated conspiracy theories.

*Question.* How do you account for Qaddafi's recent willingness to cooperate with the West on a range of issues—including weapons of mass destruction?

*Answer.* No one factor or any isolated event suffices to explain Libya's recent judgments. The record of negotiations reflects a new seriousness and intensity among Libyan negotiators following September 11 and in the build-up to Operation Iraqi Freedom. The interdiction of the ship "BBC China" through President Bush's Proliferation Security Initiative may also have been a factor in Libya's decision. But the Libyan government has recognized the economic and security advantages of improving relations with the United States and others and had been edging slowly away from its destructive and futile past policies for some time.

*Question.* What role did Qadhafi's son Saif Al-Islam have in shifting Libya's direction, and what role does he have in the future of Libya? What are his reform credentials?

*Answer.* It's not clear how much of a role Saif Al-Islam plays in the direction of Libyan policy. Officially, Saif Al-Islam holds no position within the government. In practice, his familial association translates into some degree of influence. Saif Al-Islam heads the Human Rights Society of the Qadhafi International Foundation for Charity (The Qadhafi Foundation). In this capacity, Saif Al-Islam was involved in the discussions between the Foundation and the French victims' association that led to a compensation settlement with French parties in the UTA bombing. Saif Al-Islam facilitated the visits of several United States Congressmen to Tripoli earlier this year. He has not participated in the U.S./UK discussions on WMD with Libyan officials, nor our bilateral dialogue on political and economic relations.

There is no established rule of succession in Libya. We cannot judge whether Saif Al-Islam has a future political role in Libya.

*Question.* Will the United States provide assistance to Libya for the destruction of its chemical weapons stockpile?

*Answer.* Libya has not made a direct request to the United States for assistance in the destruction of its CW stockpile, although at the March 23–26, 2004 meeting of the Executive Council to the Organization for the Prohibition of Chemical Weapons, the Libyan Representative stated that Libya hopes to receive technical and financial assistance from the international community. The United States Government has not ruled out such assistance. We are encouraging United States companies who have expressed an interest and have expertise in destruction of CW to initiate contact with the Libyan Government.

*Question.* Does Libya provide an example of the value of sanctions in addressing a hardline regime?

*Answer.* Economic sanctions against Libya—which included a U.N. sanctions regime, adopted by the Security Council, as well as sanctions imposed under U.S. laws—were sustained for a number of years. Over time, in addition to their economic impact, they contributed to creating a sense of international isolation for Libya. A desire to end that isolation and rejoin the world community was one element in bringing about the dramatic changes of policy that we have seen in Libya.

*Question.* How much have events in Iraq precipitated change in Libya and throughout the region?

Answer. There can be no doubt that United States resolve to see international law and more than a dozen U.N. Security Council resolutions upheld in Iraq have had a profound impact on the region, including on the dramatic decision by Libya's Moammar Qadhafi to give up his weapons of mass destruction.

In Libya's case, other factors also played a role, including the sanctions regime, years of tough diplomacy, and United States and UK intelligence efforts to uncover the details of Libya's WMD efforts. It is also important to note that the courage and tenacity displayed by the families of the Pan Am 103 victims helped to persuade Libya to fulfill the requirements related to Pan Am 103, including transfer of the two suspects and renunciation of terrorism.

*Question.* How alarmed should we be with Iran's construction and assembly of centrifuges used to enrich uranium at Isfahan, and at Iran's attempts to frustrate the work of the International Atomic Energy Agency?

Answer. We are very concerned about Iran's nuclear program, including its construction and assembly of centrifuges for its uranium enrichment program, because we believe Iran's nuclear program is directed towards developing nuclear weapons. In his four reports on Iran over the past year, the IAEA Director General has documented eighteen years of clandestine nuclear activities, conducted in violation of its NPT safeguards obligations, including undeclared uranium enrichment and plutonium separation experiments, as well as experiments with such weapons-related materials as uranium metal and polonium-210. Dr. ElBaradei also documented Iran's efforts during that period of time to systematically and willfully hide its clandestine efforts from the world.

Iran claims it needs to develop indigenous uranium enrichment capability for its nuclear power program. However, Iran already has a guaranteed external fuel supply for the one power reactor currently under construction at Bushehr. More importantly, Iran has no need for nuclear power to meet its indigenous power requirements. Indeed, Iran has some of the largest petroleum and gas reserves in the world. Moreover, Iran does not have sufficient known uranium reserves to support a civilian nuclear power program. It has more than enough uranium, however, for a nuclear weapons program. Iran's troubling, confirmed history of serious safeguards violations, and of long-term deception and denial regarding those efforts are clear indicators of an intent to develop a nuclear weapons capability under the cover of a peaceful nuclear energy program. We urge Iran to abandon its pursuit of sensitive nuclear fuel cycle capabilities and of nuclear weapons capabilities. We are undertaking intensive diplomatic efforts aimed at achieving those goals.

*Question.* How close to completion is their [Iran's] enrichment facility?

Answer. As a result of the intense international spotlight on, and rigorous IAEA investigation of, its nuclear activities, Iran has declared the existence of a number—but likely not all—of its facilities involved in its uranium conversion and enrichment programs. However, Iran's drive to develop the entire nuclear fuel cycle is complex and is not centered in a single facility. Furthermore, there are lingering suspicions Iran has not declared the full extent of its nuclear program. Iran has announced its intention to begin operations at its Esfahan uranium conversion facility. We believe testing this facility is not consistent with Iran's repeated pledges to suspend enrichment-related and reprocessing activities. The production of uranium compounds used to produce feedstock for enrichment would be an unacceptable step towards actual enriched uranium operations.

Further along the fuel cycle, Iran has pledged to the IAEA to stop assembling centrifuges at the pilot fuel enrichment plant at Natanz, though construction of that facility and at the larger Fuel Enrichment Plant (which is being buried underground at the same site), appears to be proceeding rapidly. The IAEA continues to investigate the source of uranium contamination found on centrifuges at Natanz and elsewhere. The DG's February 2004 report to the IAEA Board revealed that Iran had not declared to the IAEA its possession of more advanced "P-2" gas centrifuge designs. The DG's February report also noted advances in Iran's capability to manufacture domestically a range of centrifuge components, including at a number of workshops controlled by the Iranian military, a troubling revelation. Until the IAEA concludes its investigation of Iran's centrifuge enrichment program, an investigation that we anticipate will need to continue for the foreseeable future, it is difficult to assess more precisely its current state of development.

Iran has also experimented with laser enrichment techniques that have not been found to be commercially viable in other countries. A proliferator is not interested in making enrichment profitable; therefore, such techniques could be attractive for use in a covert weapons program. The IAEA's investigation of Iran's laser enrichment program is ongoing.

In short, we do not know precisely how close Iran is to having an indigenous capability to enrich uranium, largely due to Iran's refusal to cooperate fully with the

IAEA and because of lingering suspicions Iran has not declared the full extent of its nuclear program. However, we are working closely with other members of the IAEA Board of Governors to ensure that the IAEA and the IAEA's Board continue to exert the fullest possible pressure on Iran to cooperate fully.

*Question.* The EU said it will not go forward with a new Trade and Cooperation Agreement with Iran until its nuclear program has been determined to be peaceful—how seriously does the EU take the threat of a nuclear-armed Iran?

*Answer.* The EU shares our concerns about the threat of Iran acquiring nuclear weapons capability. The EU has consistently called on Iran to cooperate fully with the IAEA and comply fully with its nonproliferation obligations. EU member states serving on the IAEA Board of Governors have supported three resolutions adopted unanimously calling on Iran to cooperate with the IAEA and declare all its nuclear activities in order to allow the IAEA to verify whether Iran's nuclear program is exclusively peaceful in nature. But EU states have not supported reporting Iran's documented noncompliance with its NPT safeguards agreement to the U.N. Security Council.

The Foreign Ministers of France, Germany and the U.K. (the EU-3) reached agreement with Iran during their October 21, 2003 visit to Tehran that Iran would suspend "all enrichment-related and reprocessing activities as defined by the IAEA" and would sign the Additional Protocol and commence ratification procedures. In exchange, the EU-3 agreed to take a number of future steps, including providing Iran easier access to technology. Iran signed the AP December 18, 2003, but has taken no significant steps toward ratification. Despite a follow-up agreement with the EU-3 on February 23 aimed at reaffirming its pledge, Iran has continued to flout its pledge to suspend enrichment-related and reprocessing activities, most recently announcing the imminent startup of its uranium conversion facility. The EU-3 continues to press Iran to meet its promises.

We continue to work closely with the EU to reach our common goal of preventing Iran from acquiring a nuclear weapons capability.

*Question.* What impact has the opening of Iraqi society—including greater freedom for women—had in Iran, and are there any indications that Iranian youth have increased calls for change?

*Answer.* The status of Iranian women is complicated; they enjoy some freedoms—such as the right to vote and to run for public office—not permitted in neighboring states, and they are permitted to work and occupy many positions of responsibility in society, including in the President's cabinet. However, they are also subject to draconian edicts from Iran's theocracy that severely limit other freedoms.

There has been no clear public reaction by younger Iranians to developments in Iraq. However, Iranian Kurds took to the streets in demonstrations following promulgation of the Transitional Administrative Law in Baghdad. Iranian Kurds seek greater freedom to use their language and express their cultural identity. They have observed developments in Iraq with great interest.

With the support of the special Congressional approval provided in the 2004 Foreign Operations Bill, we maintain a very active public diplomacy program to expose Iran's behavior through public statements by USG officials, Radio Farda and VOA broadcasts, and the State Dept's Persian website. In addition, we are actively exploring opportunities to promote democracy activities within Iran, in accordance with fiscal year 2004 congressional authorization.

We continue to support the Iranian people in their quest for freedom, democracy, and a more responsible, transparent, and accountable government that will take its rightful place as a respected member of the international community.

*Question.* What has Iran's response been to the provision of U.S. humanitarian relief following last year's earthquake in Bam, Iran?

*Answer.* This question has been sent to USAID for response.

The committee notes that no response was received.

*Question.* Has the administration made a determination on sanctions against Syria, as required by the Syrian Accountability Act (Public Law 108-175)?

*Answer.* The President of the United States signed the bipartisan SAA (the Act) on December 12, 2003. Our goal is to implement the Act to demonstrate United States resolve to address the Syrian government's support for terrorist groups, its continued military presence in Lebanon, its pursuit of weapons of mass destruction, and its actions to undermine United States and international efforts with respect to the stabilization and reconstruction of Iraq. We are still conferring within the State Department as well as with other agencies on the possibilities, as laid out in the Act, to best achieve that goal.

*Question.* Has Syria made any progress in ceasing support for terrorist groups, developments of weapons of mass destruction, and facilitating terrorist activities in Iraq?

Answer. Though Syrian officials have publicly condemned international terrorism and Damascus has cooperated with the United States and other foreign governments against al-Qaida, the Taliban, and other terrorist organizations and individuals, the Syrian Government continues to provide support and safe haven to many terrorist groups. HAMAS, Palestinian Islamic Jihad (PIJ), the Popular Front for the Liberation of Palestine (PFLP), and the PFLP—General Command (PFLP-GC) maintain a Syrian Government-sanctioned presence in Syria. Several of these groups claimed responsibility for anti-Israeli terrorist acts in 2003. Hizballah continues to operate freely in Syrian-controlled areas of Lebanon and the Syrian Government has taken no steps to end Iranian re-supply of Hizballah in Lebanon using Syria as a trans-shipment point.

Syria continues to develop its WMD capabilities. With one of the most advanced Arab-state chemical weapons capabilities, it is highly probable that Syria is also developing an offensive biological weapons capability. Syria maintains an inventory of Scud and SS-21 short-range ballistic missiles and devotes significant resources to its ballistic missile program; it is believed to have chemical warheads available for a portion of its Scud missile force. Syria has not volunteered to have its suspected weapons sites inspected by the international community. We remain concerned about Syria's nuclear research and development program and continue to watch for any signs of nuclear weapons activity. Syria has not yet signed the International Atomic Energy Agency's Additional Protocol.

Since the end of major combat operations in Iraq, Syria has made some efforts to tighten its borders with Iraq to limit the movement of anti-Coalition foreign fighters into Iraq. Nevertheless, Syria remains a preferred transit point for foreign fighters entering Iraq. The existence of these smuggling networks reflects, at a minimum, some Syrian border guard complacency or complicity with foreign fighters despite government assurances of counterterrorism assistance in Iraq.

*Question.* How many Syrian troops remain in Lebanon following its invasion in 1976, and does Syria's support for Hizballah continue to be robust?

Answer. Approximately 15,000–20,000 Syrian troops remain in Lebanon. Syria also maintains a robust intelligence network within Lebanon. In addition, Syria maintains ties with Hizballah, including serving as a transshipment point for resupplying Hizballah in Lebanon.

*Question.* How can Syria justify its continued occupation of Lebanon after the Israeli withdrawal in 2000?

Answer. The Syrian and Lebanese Governments argue that Syria's continued military and security presence in Lebanon is at the request of the Lebanese government. However, the United States continues to insist that the Syrians withdraw from Lebanon consistent with the spirit of the 1989 Taif Accords, which call for the extension of Lebanese government control over the entire territory of Lebanon. The Lebanese Army should deploy throughout the country in conjunction with the negotiated withdrawal of Syrian military and intelligence personnel.

*Question.* Do you support the Subcommittee including authority in the fiscal year 2005 bill to conduct democracy programs in Syria?

Answer. We support the inclusion of any authorities and allocations that would allow us to work with civil society groups and conduct democracy programs in Syria.

*Question.* To what extent is Syria aiding and abetting terrorism in Iraq?

Answer. Syria's President Asad publicly indicated his willingness to take part in stabilization and rebuilding efforts in Iraq. However, Syria has taken no steps to transfer frozen Iraqi assets in Syrian banks to the Development Fund for Iraq as required pursuant to United Nations Security Council resolution 1483.

Since the end of major combat operations in Iraq, Syria has made some efforts to tighten its borders with Iraq to limit the movement of anti-Coalition foreign fighters into Iraq. Nevertheless, Syria remains a preferred transit point for foreign fighters entering Iraq. The existence of these smuggling networks reflects, at a minimum, some Syrian border guard complacency or complicity with foreign fighters despite government assurances of counterterrorism assistance in Iraq.

*Question.* The Administration has proposed increasing the personnel caps for Colombia from 400 U.S. civilian contractors and 400 U.S. military personnel to 600 and 800 respectively.

Does the fiscal year 2005 budget request for Colombia include sufficient funding to expand the caps—particularly for civilian contractors?

Answer. We have carefully reviewed the fiscal year 2004 appropriations and the proposed fiscal year 2005 budget request and, as a general response, believe that both include sufficient funding to expand the personnel caps for U.S. military personnel and U.S. citizen civilian contractors in support of Plan Colombia.

Enclosed for your information are detailed charts which show our intended increases, if the ceilings were raised, and how they will be funded. They also provide

a breakdown of the numbers of contractors; the contractor's parent company; which agency employs the contractors and the services the contractor would provide.

The Administration is seeking an increase in the caps for several reasons, as described in more detail by Assistant Secretary Paul V. Kelly in his letter of March 16. To review briefly, a cap increase is needed because some of the programs authorized by Congress are only now coming fully on line and there are also additional programs developed since the ceilings were established, such as the anti-kidnapping initiative and the Air Bridge Denial program. Most importantly, however, we believe that an increase in the military and civilian contractor support provided to the Government of Colombia during the next two years is essential to sustain the current progress being made by our programs in Colombia.

While we are seeking an increase in the civilian cap of 200, it is estimated that the immediate need is for only an additional 93 contractors.

- In addition, we would emphasize three important points:
- No U.S. military personnel or U.S. citizen civilian contractors would be assigned to Colombia in the absence of necessary funding being available for that purpose.
  - The requested increase for civilian personnel ceilings does not indicate that we intend to have 600 contractors in Colombia full-time. In 2003, the number of U.S. citizen civilian contractors varied from 246 to 400. During the period from January 1, 2004 through April 8, 2004, the overall number of U.S. citizen civilian contractors in support of Plan Colombia was between 279 and 396. There are variations due to personnel rotations and because individual programs and projects are initiated, expanded or reduced, and completed.
  - An increase in the cap will help alleviate difficulties and management inefficiencies that arise when several agencies are trying to bring additional personnel into Colombia at the same time and one group has to wait at the Miami airport until a sufficient number of others have departed. In some cases, the ceilings have constrained us from the full implementation of already funded programs.

COLOMBIA CAP INCREASE

*Total Additional U.S. Citizen Civilian Contractor Positions: 93*

Note: These charts illustrate expected increases by office or agency in U.S. citizen civilian contractors in support of Plan Colombia, contingent upon Congressional approval to increase the personnel ceiling. Actual dates will be dependent upon such approval, program developments and personnel availability.

*Department of Justice (DOJ): Total Requested Increase—6*

DOJ is currently funding its present contractors and Coast Guard investigators through existing programs, but had reduced program implementation to meet the cap restrictions. If the increase is approved, DOJ plans to raise the number of contractors from six to twelve within one month, with presently available funds. These additional contractors are identified under in the chart below, but their actual presence in Colombia will be TDY on an as-needed basis.

DOJ JUSTICE SECTOR REFORM PROGRAM (OPDAT, ICITAP, USMS) CHART

	Month 1
UNYSIS:	
Programmer .....	1
Prog Mgr .....	1
IBM:	
Programmer .....	1
Prog Mgr .....	1
U.S. Coast Guard: Criminal Investigators .....	2
Total .....	6

*U.S. Agency for International Development (USAID): Total Requested Increase: 12*

The increase of 12 contractors has already been included in USAID plans and budget projections, through available fiscal year 2003 and programmed fiscal year 2004 funding. Because of the contractor personnel ceilings, USAID has not been able to fully implement planned programs. The increase, if approved, should allow full implementation of all USAID programs. Four contractors would be assigned permanently to Colombia while eight would be short-term.

## USAID CHART

	Month			
	1	2	3	4
ARD/CAPP (Agri-business Development):				
Chief of Party .....	1	1	1	1
Contracts/Grants .....	1	1	1	1
Subject Area Expert .....	1	1	1	1
Chemonics CAD (Alternative Agricultural Development): Subject Area Expert .....	1	1	1	1
Chemonics (Commercial Forestry): Subject Area Expert .....	1	1	1	1
Trade and Investment: Economists .....	3	3	3	3
Program Design Team: Program Development Officers .....	4	4	4	4
<b>Total .....</b>	<b>1</b>	<b>12</b>	<b>12</b>	<b>8</b>

**MILITARY GROUP (Milgroup): Total Requested Increase: 40**

The increase for DOD civilian contractors assigned to the Milgroup of the U.S. Embassy is to meet additional needs in the area of logistics, communications, intelligence aircrews, helicopter specialists, construction specialists, radar operators, and military operations specialists. The breakdown of increased contractors would be 23 permanent and long-term additions and 17 recurring TDY personnel. Funding is expected from reprogrammed fiscal year 2004 funds and requested additional funding for fiscal year 2005. DOD will employ all companies listed. The chart below depicts four months of additional civilian contractors in the Milgroup. The number of permanent and long-term TDY contractors in any given month will be 23 additional personnel (depicted in both sample months). In any given month there could be an additional seventeen short term TDY contractors (depicted in the alternate sample month). At any given time the maximum increase will be 40 additional contractors, and the minimum increase will be 23 additional contractors.

## MILGROUP CHART

	Month	
	1	2
Lockheed Martin (Parent Company):		
Property mgmt specialist .....	1	1
Fuel mgr .....	1	1
Airlift coordinator .....	1	1
Supply specialist .....	1	1
Marine logistics specialist .....	1	1
MANTECH (Parent Company):		
Automation techs .....	3	3
Network techs .....	3	3
Northrop Gruman (Parent Company for CSS aircraft):		
Pilots .....	2	2
Mechanics .....	2	2
Tech operator crewmembers .....	2	2
LSI/Dragon Technologies (Parent Companies for MARS III aircraft):		
Pilots .....	2	2
Mechanics .....	2	2
Tech operator crewmembers .....	2	2
BDI/Ken Hornsby/Don Carlos (Parent Design Companies contracted by Corps of Engineers):		
Architects .....	2	2
Electrician .....	1	1
ITT (Parent Company):		
Radar operators .....	3	3
Radar mechanics .....	2	2
Lockheed Martin (Parent Company):		
Helo mechanics .....	3	3
Quality/product control specialists .....	2	2
Booze Allen (Parent Company): Military operations specialists .....	2	2
Syntex (Parent Company): Comms specialists .....	2	2
<b>Total .....</b>	<b>40</b>	<b>23</b>

*Narcotics Affairs Section (NAS): Total Requested over the Cap: 35*

Funding for all contractor positions under the Embassy NAS were included in the contract cost budget estimates for each program when developing annual budget submissions. For the DynCorp contract, funding for the increased positions has already been obligated into the contract. For the ARINC contract, funds will be added in July during the next contract extension and when fiscal year 2004 funds are available. Dyncorp positions are rotational, so although the overall numbers of required contractors will increase, not all will be in the country at the same time.

## NAS CHART

	Month					
	1	2	3	4	5	6
<b>DynCorp:</b>						
Intel .....	2					
Sec/Med .....	1					
Safety .....	2					
Helo .....		1	1			1
GIS .....		1				
QC Inspector .....		1				
OV-10 Pilot .....			2		2	
Ops Coord .....			1			
ISS Ops Co .....			1			
OV-10 Mech .....				1		
C-27 Mech .....				1		
Metal Adv .....				1		2
ALSE .....					2	
ISS Sec .....					1	
ISS Planner .....						1
<b>ARINC:</b>						
ASM .....	2	1	1			2
GSM .....	2					
Maint .....		1	1			
<b>Total</b> .....	<b>9</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>5</b>	<b>6</b>

See position descriptions below:

*DynCorp—Eradication, COLAR Aviation, ISS Contractor**Security/Medical Coordinator (1)*

Position requires extensive security and medical experience as well as management experience in the field to complement the coordination duties. While we have been able to find some third-country nationals (TCN) who qualified for Search and Rescue (SAR)/Medical Technician roles, none have had management experience to qualify for coordinator.

*Intelligence/Mission Planners (2)*

Security clearance requirements preclude non-U.S. citizens from these positions. The positions coordinate intelligence information from various sources in Colombia and use the information to assist in mission planning.

*OV-10D Pilots (4)*

Through experience, the vast majority of pilots that can qualify in the immediate future for the OV-10 are U.S. citizens. We have been able to recruit only a very limited number of TCN and local national (LN) personnel because of the experience and skill levels required accomplish the mission.

*Rotary Wing Pilots (3)*

As with the OV-10D, for the immediate future, the required education and experience levels have historically lead to the vast majority of the pilots being U.S. citizens.

*Assistant GIS Coordinator (1)*

This position coordinates Geographic Information System data, which requires a security clearance, precluding TCN or LN candidates.

*OV-10D Mechanics (1)*

These mechanics are responsible for all maintenance of the OV-10 aircraft in Colombia, which requires stringent training, experience, and licensing requirements. The aircraft are old and we have some difficulty finding personnel with direct experience on the aircraft. Few non-U.S. citizens possess the skills and experience that would allow the re-training, although we are training Colombian nationals.

*Lead C-27 Mechanic (1)*

This position is assigned to Bogotá and coordinates all maintenance on the C-27 fleet in Colombia. The training, experience, and licensing requirements preclude a non-U.S. citizen from this position.

*Sheet Metal Technical Advisors (3)*

These positions require highly technical skills with a variety of specialized equipment. Our experience has shown that a sufficient pool of personnel with the skill levels required is not available to fill these positions with non-U.S. citizens.

*Safety Specialist (2)*

These positions are responsible for planning, training, and monitoring program safety programs, which requires an extensive amount of training and experience. Our experience is that the only personnel that have the required levels are ex-U.S. military personnel.

*Operations Coordinators (1)*

These individuals coordinate with various agencies and groups at Forward Operating Locations (FOLs) to plan and execute missions. Experience has shown that the management and experience necessary to accomplish this mission comes from a military background. Additionally, the vast majority of qualified candidates have been U.S. citizens. However, extensive recruiting has led to the hiring of some of the positions to be filled with local nationals.

*Aircrew Life Support Equipment (ALSE) Technician (2)*

This position maintains equipment such as vests, night vision goggles and other systems associated with aircrew flight operation. The position requires highly technical skills with a variety of specialized equipment. Our experience has shown that it is difficult to find the skill levels required to fill these positions with non-U.S. citizens. However, we have been able to recruit some local nationals with the appropriate training and experience to fill some of the positions.

*Quality Control Inspector (1)*

This position monitors maintenance carried out on the aircraft. Quality Control personnel generally begin as mechanics and through many years of experience and training, progress into the Quality Control specialty. This type of aviation program is still a relatively new endeavor in Colombia, and the experience levels of maintenance personnel are still growing. While there has been some success in elevating Colombian nationals to Quality Control positions, it is more usual that any given position would have to be filled with a U.S. citizen.

*ISS Operations Coordinator (1)*

This individual will coordinate with various agencies and groups at the Saravena FOL to plan and execute missions for the Infrastructure Security Program. Experience has shown that the management and experience necessary to accomplish this mission comes from a military background. Additionally, the vast majority of qualified candidates have been U.S. citizens.

*ISS Security/Medical Coordinator (1)*

Position requires extensive security and medical experience as well as management experience in the field to complement the coordination duties. While we have been able to find some third-country nationals (TCN) who qualified for Search and Rescue (SAR)/Medical Technician roles, none have had management experience to qualify for coordinator.

*ISS Tactical Mission Planner (1)*

This position will work in conjunction with the ISS Operations Coordinator to ensure that missions are planned with security and safety in mind and with clear objective. Experience has shown that the tactical, security, and safety requirements for the position limit the pool of non-U.S. citizens that can perform this job.

*ARINC—Air Bridge Denial Contractor**Air Safety Monitors (6)*

Air Safety Monitor (ASM) positions must be U.S. citizens. These are the individuals who fly in the aircraft or work at the FAC command center as the USG representative and require a U.S. security clearance. Once all seven aircraft are in service, there will be 11 ASMs. This is based on the current trends of flying one or two day-sorties and one night-sortie. If the operational tempo rises above that, we will have to increase the number to two ASM (14 total) per aircraft.

*Ground Safety Monitors (2)*

We have a requirement for one Ground Safety Monitor (GSM) and an operations officer. Starting July, due to the increased number of aircraft we will need two GSMS around the clock, which will require five persons in addition to the operations officer.

*U.S. Maintenance Personnel (2)*

We have only two maintenance personnel who are U.S. citizens. They are the only contract maintenance personnel that can fly the aircraft and have to be available 24 hours a day. We add one C-26 at the end of June, a Citation sometime August-September, another C-26 in September, and the last Citation sometime December. The number of U.S. citizen civilian contractors will increase to four as we get more aircraft.

*Question.* To what extent was the Aristide Government involved in narcotics trafficking?

*Answer.* The Department of Justice/DEA is conducting an investigation of drug trafficking in Haiti and all questions relating to criminal allegations against the Aristide Government should be directed to them.

*Question.* Did Aristide personally profit from the drug trade, as alleged by a former Aristide confidant in a BBC news story?

*Answer.* Any criminal allegations against former President Aristide are solely within the purview of the Department of Justice/DEA and questions should be directed to them.

*Question.* Are any United States or Haitian investigations of former President Aristide ongoing that includes complicity in narcotics trafficking? Will Haitian authorities investigate the former President for any alleged drug trafficking activities?

*Answer.* The Department of Justice/DEA is conducting an investigation of drug trafficking in Haiti. Questions relating to allegations against former President Aristide should be directed to them.

*Question.* Did Aristide's efforts at placing his loyalists in key positions—and his curtailing of the ability of the police to function—facilitate the trafficking of narcotics into the region and the United States?

*Answer.* The placement of Aristide loyalists in key positions in the Haitian National Police—many of whom were unqualified—relegated U.S.-trained officers to secondary positions and further undermined the effectiveness of an organization already weakened by a chronic lack of resources. As to whether or not the Aristide loyalists were themselves involved in drug trafficking, the question should be directed to the Department of Justice/DEA which is conducting an investigation into drug trafficking in Haiti. Certainly, there were no efforts to curb drug-related corruption nor prosecutions or convictions of government and HNP officials involved in drug trafficking during Aristide's tenure in office.

*Question.* The March 2004 INCSR states: "On October 5, 2003, a twin-engine Aztec aircraft landed near Cap-Haitien and offloaded 500 kilograms of cocaine. The Secretary of Public Security refused to take action to apprehend three traffickers lodged at the Continental Hotel until DEA pressure forced their arrest. Witnesses have often observed light aircraft landing with drug cargoes on route 9 in Port-au-Prince. Typically, HNP officers will block traffic and help with off-loading and ground transport."

Were concerns with this incident ever brought to the direct attention of President Aristide? What actions if any, did he personally take to prevent drug trafficking activities within the HNP? To the best of your knowledge, was there ever a reorganization of the HNP by President Aristide to address corruption and/or drug trafficking within the HNP?

*Answer.* The Embassy repeatedly expressed its concern about drug-related corruption to President Aristide and other officials of his Administration. With the exception of the expulsion of Jacques Ketant and three other drug traffickers, President Aristide took no significant actions to prevent drug trafficking activities nor did he undertake a reorganization of the HNP to address corruption and/or drug trafficking within the HNP. On the contrary, the appointment of his loyalists to key leadership

positions in the HNP exacerbated the problem of corruption and hindered the ability of the organization to effectively undertake counterdrug efforts.

*Question.* What additional assistance requirements do you anticipate for Haiti, and how will these needs be addressed?

*Answer.* We plan to provide additional assistance through USAID in the amount of \$65.481 million (\$4.0 million in Development Assistance and \$61.481 million in Economic Support Funds). We will send a Congressional notification soon on the planned use of the additional funds.

The additional ESF would provide immediate budget support to the interim Haitian government for operational expenses, emergency rehabilitation needs, and current debt service payments; protection for the interim president; funding to stand up and train an anti-corruption unit to effectively monitor all ministries of the Haitian government; technical assistance to the Finance Ministry to help with government revenue management; short-term and long-term technical assistance, equipment and training to strengthen the Haitian customs service and port operations; and other assistance to the Ministries of Justice, Agriculture, and Public Works. ESF will also support the repair of facilities and purchase electricity for vital government services and areas receiving less than two hours of electricity a day; support election planning and oversight; and training of judges and prosecutors.

The additional Development Assistance (DA) funding will initiate short-term job creation programs to build infrastructure that will, in turn, spur growth. One immediate action will be to provide jobs and training to marginalized urban youth and former gang members to clean up the urban environment. Activities will also be developed to rehabilitate schools and improve basic infrastructure such as irrigation, canals, roads, bridges, and wells. Other short-term employment will be in critical areas of public services such as garbage collection, water and sanitation, and road repair.

This \$4.0 million of DA and \$61.481 million of ESF is additional to (1) USAID's original programmed fiscal year 2004 level of \$52.4 million and (2) the additional funds that had been previously notified to Congress, including \$3.3 million in Child Survival and Health Funds, \$3.5 million in Transition Initiatives funding, \$3.5 million in Disaster Assistance, and \$1.0 million ESF for civilian police development and election support.

In addition to the originally programmed \$24.7 million of Public Law 480 food assistance for fiscal year 2004, an additional \$7.0 million of food assistance will be used for humanitarian assistance.

The total U.S. Government assistance package for Haiti for fiscal year 2004, including funding from all accounts, will be \$160.0 million.

*Question.* Given Romania's recent entry into NATO and support in Afghanistan and Iraq, what action is the Administration considering to strengthen United States-Romanian bilateral relations?

*Answer.* Long at Europe's periphery, Romania now is at the heart of Europe's transition and America's policy goals in Eurasia. Bilateral relations are stronger than ever before. Our political dialogue is high-level and frequent; United States and Romanian soldiers are fighting side by side in Iraq and Afghanistan; we are working together to promote stability and security in the Caucasus and Black Sea; and Romania's accession to NATO and a rotating seat on the U.N. Security Council this year offer new avenues for expanded partnership. The United States must continue to place a high priority on building on our recent successes, and press Romania to move ahead in key areas of reform.

Romania faces many challenges in the years ahead. Corruption is endemic, undercutting attempts to attract more foreign investment and pervading the daily lives of ordinary Romanians. The judicial system and public administration are in dire need of reform and reports of attacks on independent journalists have been on the rise. As Romania prepares for EU membership, planned for 2007, it will need to tackle these issues with increased vigor, and the United States must stand ready to help in any way it can to support Romania's aspirations to fully integrate itself with the West. Greater attention to these areas is equally critical to the long-term strength of the United States-Romanian partnership. One way we can contribute to meeting these goals is through the continued assistance provided to Romania through our Support for East European Democracy (SEED) program.

United States assistance to Romania plays an important role in supporting market-based reforms, promoting participatory democracy, strengthening civil society, and relieving human suffering. It also helps Romania to strengthen its anti-corruption activities across all sectors. SEED assistance is helping to expand a market-based private sector and improve the quality of life for people in Romania. Strengthening the institutional capacity of the government and private sector is a priority, as is enhancing private sector competitiveness and improving the privatization proc-

ess for state-owned assets. Promoting United States democratic governance objectives at the local level in the democratization and broader civil society spheres are accomplished through training and technical assistance.

SEED funds also help to advance child welfare, health care, and social assistance reform, all areas where Romania still is seriously behind. Finally, the Bucharest-based Southeastern Europe Cooperative Initiative's (SECI) Anti-Crime Center, which coordinates regional criminal task forces working to counter human trafficking, smuggling, and the drug trade, also receives SEED funding. With financial and other support from the Romanian Government, the SECI Anti-Crime Center has achieved a number of successes in the fight against trans-border crime.

Cooperation across such a wide range of issues has been crucial in building the strong partnership the United States shares with Romania today. We are confident that the relationships built over the years of providing such assistance have laid the groundwork for future cooperation based on common goals and values that will last long after Romania's graduation from U.S. assistance programs.

*Question.* What activities are being considered to bolster reform efforts in Macedonia and Albania that are necessary for consideration of these countries' respective entry into NATO?

*Answer.* The United States is committed to assisting the reform efforts of NATO's aspirant countries, and supports both Albania's and Macedonia's aspirations to join the Alliance.

This latest round of enlargement is not NATO's last and the door to membership remains open. However, there is no timetable for the next round of enlargement.

The Membership Action Plan (MAP) remains the road to NATO membership. Invitations will depend on the ability of each aspirant government to achieve the necessary political, economic, military, resource, and security reforms as described in their MAP Annual National Programs (ANPs). The Alliance will look at the progress that individual countries make on their ANPs when considering when to make future invitation decisions.

The United States will continue to assist aspirant countries bilaterally as well as through NATO structures. Within the funds approved by Congress, the Administration will continue to pursue targeted programs, including Foreign Military Financing and International Military Education and Training programs to further military reforms and NATO compatibility, as well as Support for East European Democracy programs to advance political, economic, and civil society reforms to bring these countries closer to NATO membership. Regular bilateral political, economic, and defense discussions provide continuing guidance to the aspirants' efforts.

The Adriatic Charter, which holds its second biannual Partnership Commission meeting in Skopje May 20, is another useful mechanism for promoting regional cooperation and concrete reforms by the aspirant countries that address common and specific ANP deficiencies.

*Question.* What is the State Department doing to safeguard the lives and dignity of North Korean refugees in China and elsewhere?

*Answer.* Since 1999, the State Department has funded a program that provides humanitarian assistance to vulnerable North Koreans in northeastern China. In Washington and through our Embassy and consulates in China we continue to press the PRC to live up to its obligation as a signatory to the 1967 Protocol Relating to the Status of Refugees and not deport any North Koreans back to the DPRK. We have also made numerous representations urging the PRC to allow the United Nations High Commissioner for Refugees access to North Koreans in China in order to assess their status.

*Question.* Are reports that North Korea tests chemical weapons on political prisoners accurate?

*Answer.* While we believe that North Korea possesses a chemical weapons program, we have no credible information to support claims from North Korean refugees that such weapons have been tested on prisoners.

*Question.* How have China and Russia pressured the North Koreans to give up their weapons programs? Could both countries do more?

*Answer.* We are working closely with China and Russia in the six party talks, which aim to give the DPRK the basis to make the strategic decision that giving up its nuclear weapons programs would be in its own best interests. From the first round of talks, in Beijing last August, China and Russia have joined the United States, the ROK and Japan to urge the DPRK to dismantle its nuclear weapons programs. The five parties share the common goal of a denuclearized Korean Peninsula. China has played an especially important role, helping to bring the DPRK to the table, to move the process forward. The five parties share the view that the dismantlement of North Korea's nuclear weapons program is a multilateral problem re-

quiring a multilateral response, and both China and Russia have indicated they are prepared to actively participate in a settlement that would achieve that outcome.

*Question.* Given North Korea's penchant for duplicity, how can the United States trust any future agreement with North Korea on weapons proliferation—or any other issue?

*Answer.* The United States seeks the complete, verifiable, and irreversible dismantlement (CVID) of North Korea's nuclear program. In any agreement with North Korea, we would not rely on trust alone. Verification of CVID will be a critical component of any agreement, and would involve the United States, the International Atomic Energy Agency (IAEA), and other parties as appropriate. Throughout the denuclearization process, the onus will be on the DPRK to provide complete and accurate information about its activities, fully cooperate with all necessary measures to verify that information, and to dismantle its nuclear programs in a verifiable manner. We are confident that, through appropriate verification measures, we could assess DPRK cooperation and compliance. Furthermore, for the long term, we would insist on DPRK return to full compliance with the Nuclear Non-proliferation Treaty (NPT) and an appropriate IAEA Safeguards Agreement. In addition, as the President enunciated in his remarks at the National Defense University on February 11, 2004, "nations that are serious about fighting proliferation will approve and implement the Additional Protocol."

*Question.* How involved is North Korea in the illicit narcotics trade, and what is the nature of its involvement?

*Answer.* For decades North Koreans have been apprehended for trafficking in narcotics and engaging in other forms of criminal behavior, including passing counterfeit United States currency. Defectors and informants report that large-scale opium poppy cultivation and production of heroin and methamphetamine occurs in the DPRK. A defector identified as a former North Korean high-level government official testified in May 2003 before the United States Senate that poppy cultivation and heroin and methamphetamine production were conducted in North Korea by order of the regime. The government then engaged in drug trafficking to earn large sums of foreign currency unavailable to the regime through legal transactions. The testimony and other reports have not been conclusively verified by independent sources. Defector statements; however, are consistent over years, and occur in the context of regular narcotics seizures linked to North Korea.

During 2003, there was one major heroin trafficking incident linked to North Korea. The "Pong Su," a vessel owned by a North Korean enterprise, was seized by Australian Federal Police (AFP) and other Australian security forces in mid-April 2003 after apparently delivering 125 kilograms of heroin to criminals at an isolated beach near Lorne, Australia. Another incident with a connection to North Korea occurred in June in Pusan, South Korea, where customs authorities seized 50 kilograms of methamphetamine from a Chinese vessel that had stopped at the port of Najin, North Korea, before arriving in Pusan. The "Pong Su" seizure and numerous drug smuggling incidents linked to North Korea over the past several decades, reflect official involvement in the trafficking of illicit narcotics for profit, and make it highly likely, but not certain, that Pyongyang is trading narcotic drugs for profit as state policy.

Japan is one of the largest markets for methamphetamine in Asia, with an estimated annual import of 10–20 metric tons. Traffickers from the DPRK have targeted the Japanese market in the past, and there have been regular, large seizures of DPRK methamphetamine in Japan since the mid-1990s. Although there were no seizures in Japan during 2003 that could be linked to the DPRK, Japanese authorities believe that roughly 30 percent of methamphetamine seized in Japan is connected to the DPRK.

There is no evidence that illicit drugs trafficked from the DPRK reach the United States, directly or indirectly.

State trading of narcotics is a conspiracy between officials at the highest levels of the ruling party/government and their subordinates to cultivate, manufacture, and/or traffic narcotics with impunity through the use of, but not limited to, state-owned assets. Law enforcement cases over the years have not only clearly established that North Korean diplomats, military officers, and other party/government officials have been involved in the smuggling of narcotics, but also that state-owned assets, particularly ships, have been used to facilitate and support international drug trafficking ventures.

The "Pong Su" narcotics seizure occurred within the context of a range of criminal activities perpetrated by North Korean officials. Those activities include the September 2002 admission by DPRK officials of involvement by state security in the kidnapping of a group of Japanese nationals held captive in North Korea for several decades. North Korean officials have been apprehended for drug trafficking and

other offenses in countries around the world and have used diplomatic pouches to conceal transport of illicit narcotics. Numerous North Korean defectors have publicly stated that opium was grown in North Korea and refined into heroin, which then was trafficked under the direction of an office of the ruling Communist Party of North Korea. Information developed by law enforcement in Japan, on Taiwan, and elsewhere has repeatedly pointed to the involvement of DPRK officials and DPRK state-owned assets in narcotics trafficking. Specific examples of involvement of officials and state assets include calls at North Korean ports by traffickers' boats to pick up drugs, travel by traffickers to North Korea to discuss aspects of the trafficking operation, and suspected drug trafficking by North Korean patrol vessels, which were thought to engage only in espionage.

DPRK-linked drug trafficking has evolved over the years from individual DPRK officials apprehended for trafficking in narcotics in the 1970s and 1980s to the apparent direct involvement of military officials and vessels providing drugs within North Korean territory to trafficking organizations for wider distribution in East Asia. The "Pong Su" incident seemingly signals a further shift in North Korean involvement in drug trafficking. It is the first indication that North Korean enterprises and assets are actively transporting significant quantities of illicit narcotics to a designated destination outside the protection of DPRK territorial boundaries. Information has also been acquired indicating that North Koreans, employed by state-owned enterprises located in various Asian countries, have attempted to arrange large-scale drug transactions with undercover narcotics officers. Informants have also reported traveling to North Korea as guests of the government to meet with military officials to arrange drug deals. Although some of the information gathered is incomplete or unverified, the quantity of information and quality of many reports give credence to allegations of state sponsorship of drug production and trafficking that can not be ignored. It appears doubtful that large quantities of illicit narcotics could be produced in and/or trafficked through North Korea without high-level party and/or government involvement, if not state support.

DPRK spokespersons deny any state involvement in criminality, ascribe that criminality to individuals, and threaten punishment under DPRK laws. However, year-after-year, incidents pointing towards increasingly large scale trafficking in narcotics, and other forms of criminality linked to the DPRK, accumulate.

The cumulative impact of these incidents over years, in the context of other publicly acknowledged behavior by the North Korean such as the Japanese kidnappings mentioned above points to the likelihood, not the certainty, of state-directed trafficking by the leadership of North Korea. What we know about North Korean drug trafficking has come largely from investigation of trafficking operations like that of the "Pong Su", which have gone wrong, and thus come to the attention of authorities. We know much less about the way North Korea is led and administered, thus the continuing uncertainty.

There is also strong reason to believe that methamphetamine and heroin are manufactured in North Korea as a result of the same state directed conspiracy behind trafficking, but we lack reliable information on the scale of such manufacturing. The United States will continue to monitor closely developments in North Korea to test the validity of the judgment that drugs are probably being trafficked under the guidance of the state and to see if evidence emerges confirming manufacture of heroin and methamphetamine.

---

QUESTION SUBMITTED BY SENATOR MIKE DEWINE

*Question.* Public reports suggest there are links between former senior Haitian officials in the Aristide government, and the deaths of and attacks on, a number of opposition members. There are also allegations that several of these individuals were involved with narcotics trafficking and corruption. Can you provide us with any documents that would substantiate these allegations?

*Answer.* INL has no information regarding the opposition members. We can tell you that what information is available has been briefed to members of Congress.

The Department of Justice/DEA is conducting an investigation of drug trafficking in Haiti and all questions relating to criminal allegations against the Aristide Government should be directed to them.

---

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

*Question.* Despite months of searching, we have found no weapons of mass destruction in Iraq and before the war there was no evidence that Iraq was respon-

sible for 9/11 or that Saddam Hussein was involved with al Qaeda. Yet these were two key justifications for launching a preemptive war in Iraq.

A recent Pew Research poll showed that the credibility and reputation of the United States have been badly damaged, especially in Muslim countries but also among our closest allies, as a result of the President's policy.

How has this affected your ability to build support not only for our policy in Iraq, but also in Haiti and other parts of the world?

Answer. Although weapons of mass destruction (WMD) have not yet been found in Iraq, the fact remains that Saddam Hussein had possessed and used such weapons in the past. He also made no secret of his intention to continue his efforts to acquire WMD. His capability to manufacture and distribute WMD was a real threat and his removal and capture, along with the disintegration of the Baathist party, has reduced that threat for Iraqis, the region and the world.

Although our country's policies may be unpopular in certain regions, we continue to work to explain and to build support for our policies and actions, both through traditional diplomatic channels and through public diplomacy. We are actively engaged with governments and publics in all parts of the world, including the Muslim world, advocating our policies and informing others about our American society and values. Though this mission is challenging, as evidenced in recent polls, we will continue to be vigorously engaged. Opposition to our policies is a reality, and we cannot afford to answer our critics with silence.

*Question.* As best I can tell, we are spending, at a minimum, \$21 million for private security contractors in Iraq to protect Ambassador Bremer and other CPA officials. USAID and other U.S. government agencies also have private security contractors, as do U.S. companies doing business there.

Who is paying for these security personnel? The other day they got into the middle of a firefight with Iraqis and they even called in their own helicopter for air support. An article in today's Washington Post entitled "Under Fire, Security Firms Form An Alliance," says, "The presence of so many armed security contractors in a hot conflict zone is unprecedented in U.S. history." It also describes how these individuals have gotten involved in combat without backup from the U.S. military.

Answer. The armed civilian contract employees to whom you have referred in your question have worked under the authority of the Department of Defense or the Coalition Provisional Authority, and not under the authority of the Department of State. Questions concerning these contract employees, and the contracts under which they operate, should be referred to the Department of Defense.

As to your specific reference to the protective detail assigned to Ambassador Paul Bremer, these personnel have been contracted by the Coalition Provisional Authority and are supervised and directed by them. A similar contract detail is planned for Ambassador Negroponte, and will possibly use some or all of the contract employees currently assigned to Ambassador Bremer. At the time of Ambassador Bremer's departure, the supervision of that contract will be assumed by the Department of State. It is our understanding that the current cost of this detail is approximately \$2.1 million per month.

As to the personal protection of other representatives of the Coalition Provisional Authority, the Department of State has not been involved in this activity, and has no way of determining these costs.

*Question.* Is the Administration moving to install Mr. Chalabi as the leader of Iraq after the June 30 deadline?

Answer. U.N. Special Advisor Lakhdar Brahimi is leading the effort to forge a consensus among Iraqis on the formation of the Iraqi Interim Government (IIG), which will administer the country as it prepares for national elections no later than January 2004. The composition of the IIG will reflect the outcome of Brahimi's broad consultations, including with members of the Iraqi Governing Council and the Coalition Provisional Authority. The Administration fully supports Mr. Brahimi's efforts.

*Question.* 85 percent of the troops are Americans. On the reconstruction side, no other nation comes close to us. The next biggest contributor is Great Britain, which has contributed a little more than \$1 billion.

Have you sought additional help from our allies, including our Arab allies, and what has been the result?

Answer. In terms of military contributions, there are currently 34 countries contributing approximately 24,500 troops. We are always seeking additional contributions. We recently approached about a dozen countries to request support for a dedicated force to provide security for U.N. operations in Iraq. Among these were one Arab, two Muslim and four South Asian countries.

The response to our solicitation of financial assistance has been even more encouraging. At the Madrid Conference, 38 nations pledged over \$13 billion, of which \$1

billion was committed to 2004 spending at the February conference in Abu Dhabi. Japan has pledged \$4.9 billion, Saudi Arabia pledged \$1 billion as well: \$500 million in grants and loans and an additional \$500 million in export credits and guarantees, along with Denmark (\$156 million) and Austria (\$12 million). In addition to its monetary pledge of \$5 million, Iran pledged \$1.5 billion in credit facilities, restoration of religious sites, tourism and pilgrimage, technical and advisory services, trade, investment, market access, and humanitarian assistance.

Kuwait has pledged \$500 million, and the United Arab Emirates, Italy, Spain, and South Korea each pledged over \$200 million. Arab and Muslim nations contributing other significant amounts include Qatar (\$100 million), Pakistan (\$100 million), Turkey (\$50 million), and Oman (\$3 million).

Arab and Muslim countries that made in-kind pledges included Bahrain, Egypt, Jordan, and Tunisia, nearly all of which included offers for assistance in police training. Two other Muslim countries are among the coalition-supporting nations: Morocco and Uzbekistan.

*Question.* What is the President, National Security Advisor, and OMB Director doing to defend the Administration's budget request for Foreign Operations?

*Answer.* This winter, President Bush submitted a robust request of \$21.3 billion for foreign operations. Since that time, President Bush and National Security Advisor Condoleezza Rice have forcefully advocated for the President's national security priorities as reflected in the Administration's fiscal year 2005 budget request.

In early February 2005, OMB Director Joshua Bolten testified before both the Senate Budget Committee and House Budget Committee defending the President's fiscal year 2005 Budget. Since that time, representatives of the Administration have appeared before numerous committees to defend the President's request for foreign operations. They include Secretary Powell's appearances before the Senate Budget Committee, Senate Appropriations subcommittees on Foreign Operations and Commerce, Justice and State, Senate Foreign Relations Committee, House Appropriations subcommittees on Foreign Operations and Commerce, Justice and State, and the House International Relations Committee. Deputy Secretary of State Richard Armitage, U.S. Agency for International Development Administrator Andrew Natsios, and Global AIDS Coordinator Randall Tobias, among others, have all appeared before a number of congressional committees to defend the Administration's fiscal year 2005 budget request for foreign operations.

#### HUMANITARIAN ASSISTANCE

*Question.* Mr. Secretary, in your written testimony you state "the President's Budget Request reflects a continued commitment to humanitarian assistance." But when I look at the budget request I don't see this commitment. For example:

- Child Survival and Health programs are cut by \$100 million;
- "Emergency" Refugee Assistance is down by about \$30 million;
- "Regular" Refugee Assistance is down by about \$30 million;
- The budget for Food Aid is flat lined; and
- Funding for the Global Fund to Fight HIV/AIDS, TB, and Malaria is cut by \$350 million.

I don't want to rehash all of the numbers, but last year's budget also proposed deep cuts to many of these same accounts. This subcommittee had to restore many of those funds. How do these cuts reflect a "continued commitment" towards humanitarian assistance?

*Answer.* Even though we are on a war-time footing, foreign assistance is a higher priority than it has been in many years. This is most clearly evidenced by the President's additional funding requests for the Global HIV/AIDS Initiative (GHAI) and the Millennium Challenge Account (MCA). Overall funding for foreign assistance has increased greatly.

While much of the recent foreign assistance funding increase is because of massive assistance efforts in Iraq and Afghanistan, the Administration is requesting a total of nearly \$4 billion for the GHAI and the MCA in 2005. Some of the activities that have been funded under the traditional Child Survival and Health account will be covered under the GHAI and USAID is likely going to manage funding for "threshold" countries under the MCA. In regard to food aid, it is always difficult to predict emergency humanitarian needs, but the Public Law 480 account has the flexibility to shift some resources from the food for development programs to meet emergency relief requirements. And in the case of extreme need, there is the authority to draw on the Bill Emerson Humanitarian Trust, or even seek supplemental appropriations from the Congress.

By no means is there a cut in foreign assistance.

*Question.* Do you agree that our foreign aid agreements with Egypt should be renegotiated so the Egyptian Government no longer holds a veto over the use of U.S. aid dollars, and that more of our aid should be used to strengthen the role of civil society groups?

*Answer.* The Government of Egypt (GOE) and the USG jointly agree every year on the use of aid dollars. Our assistance program is codified in our bilateral Treaty agreement with the GOE; something that we do not believe should be changed at this time. Such joint decision-making has been the principle and practice of this assistance since the beginning of our program with Egypt more than twenty years ago. This program, rooted in the Camp David Accords, has achieved many benefits for the United States and Egypt and is one whose programs are continually evolving.

Our most recent discussions with the GOE, held in November 2003 on the topic of a new Democracy and Governance assistance funding, were frank and are ongoing. In 1998, we negotiated funding changes to the program. At these discussions, we jointly agreed with both the GOE and the Government of Israel to reduce economic assistance funding levels. Such levels will take us from \$535 million for fiscal year 2005 to \$415 million for fiscal year 2008. These discussions were held in a productive atmosphere with the GOE officials charged with renegotiating this significant package. If changes are to be made to the program, we are confident that we will have an engaged partner. However, a full renegotiation of the agreement would require changes to the Accords—a difficult and costly exercise to implement.

The GOE does not hold a veto over U.S. Government assistance to Egypt. This is evidenced by the fact that we have just completed a review of the assistance program that intends to advance new program initiatives in the areas of economic reform, democracy and governance, health, education, and the environment, among other areas. Changes to the formulation of our assistance program for Egypt do not inhibit us from making these initiatives, and despite some GOE resistance to some of our proposals we have been and will continue to discuss these proposals in detail with the GOE.

One specific area where we will advance changes is in the realm of democracy and governance. We agree with you that more of our aid dollars should be used to strengthen the role of civil society groups in this area. We believe that these groups are critical to ensuring that reform and development are achieved within Egypt, and are confident that the changes taking place in Egyptian society today will support such assistance.

*Question.* What is the United States doing to make sure that Charles Taylor is transferred to the Special Court for Sierra Leone before the Court's mandate expires, possibly as early as mid-2005?

*Answer.* We share the concern of Congress that Charles Taylor not escape justice simply by remaining a fugitive until the Special Court's mandate expires.

We are in frequent contact with Nigeria on the issue of Charles Taylor. We have made clear to President Obasanjo and others that our mutual goal must be for Charles Taylor to be answerable to the charges and answerable to the Special Court for Sierra Leone. As part of his introductory calls and our ongoing efforts on this subject, recently confirmed Ambassador Campbell will raise the Taylor issue with President Olusegun Obasanjo and other senior leaders.

We are looking at appropriate ways to ensure that Taylor will not escape justice because of the expiration of the Special Court's mandate.

Charles Taylor and the people of Sierra Leone must know that Taylor will answer for his actions.

*Question.* Bob Woodward, in his recent book "Plan of Attack," writes that \$700 million in funds appropriated for Afghanistan and the war on terrorism was diverted for use in preparing for the U.S. invasion of Iraq. This was apparently done without any knowledge of Congress. Were you aware of this?

*Answer.* No. Questions about how DOD prioritized its funding prior to OIF should be directed to the Pentagon.

*Question.* The Administration has rejected Richard Clarke's claim that the Bush Administration was not sufficiently focused on al Qaeda before 9/11. I don't want to get into that, but isn't a key issue whether launching a preemptive war against Iraq, which posed no imminent threat to the United States or to our allies and there was no evidence—none—that Saddam Hussein was involved with al Qaeda or 9/11, has made us safer from terrorists?

*Answer.* Operation Iraqi Freedom has made the United States safer from terrorists by eliminating one of the principal state sponsors of terrorism, an enemy of the United States and our Middle East allies.

The Iraqi regime posed a threat because it was the sworn enemy of the United States and those who supported our efforts to contain Iraq in accordance with the decisions of the United Nations Security Council. The Saddam Hussein regime was

a threat because it had used chemical weapons against its neighbors, and its own people. It was a threat because it sought for years to acquire a broad variety of weapons of mass destruction in violation of international law, including seventeen U.N. Security Council resolutions and Iraq's own treaty commitments. It was a threat because it invaded its neighbor Kuwait, a longstanding friend and ally of the United States. It was a threat because it attacked Israel with scud missiles in 1991. It was a threat because it had connections to terrorist groups. And it was a threat because it provided safe haven for known terrorists. Iraq thus did pose a threat to the United States and its allies and interests. As we continue to prosecute the global war on terrorism, including in Iraq, we will continue to reduce the terrorist threat to our country and our citizens.

The Iraqi regime had connections to terrorist organizations such as the Abu Nidal Organization and the Mujahedin-e-Khalq. Members of a terrorist network headed by a senior al Qaeda terrorist affiliate, Abu Musab Zarqawi, established a nascent presence in Iraq in mid-2002, probably with the knowledge of at least some Iraqi security officials. Zarqawi and his associates are still in Iraq, and it was Zarqawi who most recently claimed personally to have carried out the barbaric beheadings of United States and Coalition nationals. Zarqawi also oversaw the assassination of USAID officer Laurence Foley in Jordan in October 2002. Iraq provided material assistance to Palestinian terrorist groups, and paid \$25,000 financial tributes to the families of Palestinian suicide bombers.

It has never been the contention of this Administration that the terrorist attacks of September 11, 2001 were orchestrated jointly by Iraq and al Qaeda, as your question suggests.

*Question.* Can you provide any evidence—evidence, not speculation—that Americans are safer, either at home or when they travel abroad, because of the removal of Saddam Hussein, given the damage the war has done to our credibility and our reputation, and the anger it has caused throughout the Muslim world?

*Answer.* We do not agree with your implication that the security of the United States has been damaged by Operation Iraqi Freedom. Quite the contrary, the President has demonstrated that he means what he says and that the United States will not stand idly by when the safety and security of the American people are in jeopardy.

We also are confident that the United States and its citizens are safer at home and abroad because of the removal of a ruthless tyrant. Iraq was a longstanding state sponsor of terrorism. The Iraqi Intelligence Service itself targeted United States citizens, and it supported extremist and terrorist groups to further its agenda. Only the most well-known example was the attempt by Iraqi agents to assassinate former President George H.W. Bush on a trip to Kuwait. The Iraqi Intelligence Service reportedly instructed its agents that their main mission was to obtain information about United States and Israeli targets. Iraq for years was a safehaven, transit point, and operational base for groups and individuals who directed violence against the United States, Israel and our allies. Iraq provided safe haven and support for the Abu Nidal Organization, an extremely violent terrorist group that has become largely moribund in recent years. Among its earlier terrorist acts, the group machine-gunned scores of Christmas travelers in simultaneous and coordinated attacks at airports in Rome and Vienna in 1985. Five U.S. citizens were among those killed. With the fall of the Saddam Hussein regime, terrorist organizations have lost their state sponsor and haven. This undoubtedly has made America, and the rest of the world, safer.

Iraq also supported the anti-Iranian Mujahedin-e-Khalq, the Palestine Liberation Front, and the Arab Liberation Front, all extremely violent terrorist groups. Moreover, Baghdad provided material assistance to other Palestinian terrorist groups in the forefront of the intifadah being waged against Israel. The Popular Front for the Liberation of Palestine-General Command, HAMAS, and the Palestine Islamic Jihad are only the three most important of the terrorist groups to which the Saddam Hussein regime extended outreach and support, although his support to those groups was less than that provided by Damascus and Tehran. As previously noted, Saddam Hussein paid the families of Palestinian suicide bombers large sums of money; these terrorists undertook attacks that have killed innocent American citizens in Israel. All of these groups have lost a principal state patron that provided them with a safe haven, financial support or an operational base to conduct terrorist acts against the United States and its allies. The removal of that regime, and the consequent blow to these terrorist groups formerly under Saddam's wing, unquestionably have made the United States and its citizens safer, both at home and abroad.

*Question.* Our credibility as a nation has been badly damaged. In countries like Jordan, Pakistan and Morocco—allies of ours that receive hundreds of millions in U.S. aid, a majority of the people supports Osama bin Laden and believes our mo-

tives in Iraq are to control Middle East oil and dominate the world. This has given fodder to Muslim extremists who call for the annihilation of America. How has this made us safer?

Answer. Any suggestion that the motives of the United States in Iraq are to control Middle East oil and dominate the world is belied by the fact that the United States now is in the process of handing over sovereignty over Iraq to the Interim Iraqi Government. The IIG will prepare the way for the election of the first truly democratic government in Iraq's history. This is the best riposte to those in the region who might question our motives.

Moreover, the President last year announced a "forward strategy for freedom" in the broader Middle East and North Africa. Operating principally through the U.S. Middle East Partnership Initiative, the President's vision recognizes that political, social and economic reforms are urgently needed in the region. It aims to encourage reform and democracy as alternatives to fanaticism, resentment, and terror. It is the lack of opportunity, the lack of firm democratic institutions, sensationalized media reporting, and a collective sense of powerlessness that drives young people to revere and support terrorists such as Usama bin Laden as an alternative to their present situation. The President is committed to working with our friends and allies, both within and outside of the region, to give these young people a reasonable basis for hope for a better life.

*Question.* Democracy is on life support in Russian. Every day, President Putin acts more like the autocratic rulers of the past. Is this the beginning of a new cold war, as Senator McCain has warned? What does it mean for Russia's future?

Back during the Clinton Administration, Senator McConnell and I were very critical of Russia's policies in Chechnya, where the Russian army was ruthlessly targeting civilians. During the past two years, the situation has not improved, but this Administration, especially since September 11, has been only mildly critical. Do you agree, as we told the Clinton Administration four years ago, that the Russians, as well as the Chechen rebels, have committed war crimes in Chechnya, and what are we doing to try to get them to stop?

Answer. A historic positive transformation has occurred in Russia during the twelve years since the collapse of the Soviet Union. In the 1990s, Russia made great strides in securing basic freedoms, such as expression, religion and the ability to choose its leaders through elections. However, the pattern of official pressure on the independent broadcast media, irregularities in elections, the arrest and detention of some prominent business executives, and other developments have raised questions about Russia's commitment to democracy and the rule of law. The international community, including the United States, can help Russia become a more open society through continued engagement and assistance, especially in the area of developing democratic institutions. Ultimately, however, it is up to the Russians to determine the kind of political system in which they live. While in Moscow in January, I emphasized that the United States wants a robust partnership with Russia, but that without a basis of common principles, the U.S.-Russian relationship will fail to reach its potential.

Regarding Chechnya, we continue to be very concerned about credible reports containing allegations that Russian forces have committed atrocities, including extrajudicial killings, torture and rape. Such allegations raise fundamental questions of compliance with international humanitarian law. We are concerned as well by reports that allege Chechen forces have committed some similar abuses. The well documented and numerous human rights abuses committed by all parties to the conflict in Chechnya must be stopped. Russian authorities need to redouble efforts to control the behavior of government forces, both local and federal.

In April, the United States voted in favor of the EU-sponsored resolution on Chechnya at the U.N. Commission on Human Rights that strongly condemned human rights violations in Chechnya. The resolution—which failed—urged the Russian government "to take urgently all necessary measures to stop and prevent violations of human rights and international humanitarian law . . ." The United States recognizes that Russia has a right to take appropriate measures to protect its citizens from terrorist attacks, but any military activities in Chechnya must be conducted within the framework of international humanitarian law. We condemn any and all abuses of human rights by all parties to the conflict. The settlement of the Chechen conflict must be a peaceful one, and we see free and fair elections of Kadyrov's successor as a possible first-step to defusing the violence in the region.

*Question.* Just this week, the Global Fund to Fight AIDS, the World Health Organization, UNICEF, and the Clinton Foundation, announced that they are joining forces to provide generic AIDS drugs to poor countries at a fraction of the cost that U.S. drug companies charge.

The United States, however, has so far refused to join them, which means we are paying 4–5 times the cost per person for AIDS drugs. Given that the lives of millions of people are at stake, what steps are being taken to resolve the Administration's differences with the WHO with respect to safety and efficacy standards for HIV combination therapies?

Answer. Our policy for the procurement of antiretroviral treatments under the Emergency Plan is to provide drugs that are safe, effective, and of high quality at the lowest cost regardless of origin or who produces them to the extent permitted by law. This may include true generics, copies or brand name products. A true generic drug is one that has undergone review to ensure that it is comparable to an innovator drug in dosage form, strength, route of administration, quality, performance characteristics, and intended use. Drugs that have not gone through such a process are more accurately described as copies.

On March 29–30, 2004, in Gaborone, Botswana, an international conference was held on fixed-dose combination (FDC) drug products. The conference included representatives of 23 governments, drug regulatory agencies, research-based and generic pharmaceutical industry, public health leaders, health care providers, advocacy groups (including persons living with HIV/AIDS), academia, and multilateral and non-governmental organizations. We were very pleased with the broad international support and participation that the conference generated, including from the conference co-sponsors: the Joint United Nations Program on HIV/AIDS (UNAIDS), the World Health Organization (WHO), and the Southern African Development Community (SADC).

The conference successfully completed a vital step forward in developing commonly agreed-upon scientific and technical international principles to evaluate the quality, safety, and efficacy of FDCs for use in treating HIV/AIDS, tuberculosis, and malaria. The conference sponsors, representatives, and experts agreed that the final principles are not intended to and should not impede access to safe, efficacious, and high quality FDCs by people living with HIV/AIDS. The principles are not intended to address specific quality issues, or to develop clinical, therapeutic, or regulatory guidelines. Rather the document will provide scientific and technical principles for considering, developing, and evaluating FDCs for use in treatment. It is anticipated that the principles will be of use to regulatory agencies around the world, as well as to pharmaceutical companies and other organizations involved in developing and evaluating FDCs. In this regard, the principles will aid us in determining the standards we will expect fixed-dose combination drugs to meet to qualify for our purchase and expedite the process by which we can purchase lower-cost, non-patented FDCs with confidence.

We have the highest respect for the WHO and its prequalification pilot program. However, the WHO is not a regulatory authority. We must be assured that the drugs we provide meet acceptable safety and efficacy standards and are of high quality.

Under the Emergency Plan, we intend to support programs that will have a sustainable positive impact on health. If the medications in question have not been adequately evaluated or have had problems with safety or cause resistance issues in the future, we will be appropriately held accountable. We will continue to work with WHO and the international community on this important area. The finalization and adoption of the principles document for FDCs will be a major step forward for all. The final statement of principles is expected to be released during the second quarter of 2004.

*Question.* The Colombian Government is working on a law that would give concessions to members of paramilitary and rebel groups in return for giving up their arms. The first version of this law was widely criticized because it would have allowed drug traffickers and terrorists to avoid jail. A second version has been drafted, but it still leaves many questions unanswered. The State Department has said that it will not support any agreement that allows these people to avoid extradition to the United States. But there are many others who were responsible for horrific crimes, for whom there are not extradition warrants. Do you agree that while we want to support the demobilization of these armed groups, we should not support an approach that allows people who have committed gross violations of human rights to avoid the punishment they deserve?

Answer. The United States has always supported the Government of Colombia's position that it would enter into a peace process with any of the illegal armed groups willing to first declare a ceasefire. A credible peace process can help end the violence in Colombia and achieve an enduring peace. To be credible, we believe that a peace process must include the rapid disarmament and demobilization of illegal armed groups, justice for victims, and legal accountability for the perpetrators of

gross human rights violations and narcotics trafficking. We have insisted that in any process:

(1) We will continue to seek extradition of any Colombians who have been indicted in the United States now and in the future;

(2) Gross violators of human rights should be subject to judicial process for their crimes in Colombia;

(3) There should be the rapid disarmament, demobilization and reintegration of former militants; and,

(4) The Government of Colombia should control any zones in which members of illegal armed groups are concentrated for the purposes of demobilization and disarmament.

#### COLOMBIAN CONTRACTORS

*Question.* I am very concerned about the use of American contractors in Colombia, where they are flying light weight aircraft in very dangerous circumstances. Pilots have written letters in protest for which they have been reprimanded. Planes have crashed, a shell company consisting of little more than a post office box has been set up to avoid legal liability and the families of the men who have been kidnapped or killed have not been able to get their questions answered.

There was a series of articles last November in the *Times Picayune*, which I hope your staff has made available to you. There are serious problems with the way this program has been managed and I hope you will look into it. I would appreciate any information you can provide regarding steps taken to improve oversight of this program, and to ensure that there is appropriate accountability, both on the of the U.S. Government and civilian contractors, when negligence or misconduct occurs.

*Answer.* The United States Government employs civilian contractors because of the flexibility in planning they allow and because the skills they provide are often not otherwise available to the government. They provide training, equipment, infrastructure development, and expertise to the Government of Colombia and Colombian civil society in a variety of areas. Both the Departments of State and Defense contract out work requiring the piloting of aircraft and are constantly evaluating operations to refine procedures and improve security for contract personnel in this area.

With regard to contractors who work in the aerial eradication program, State has taken several measures to improve their safety and welfare. In response to increased hostile groundfire this past year, we successfully encouraged the Colombian National Police to add an additional helicopter to each squadron of aircraft that escorts and provides protection to spray missions. We also have coordinated with the Colombian Army to prioritize ground troop presence in areas slated for eradication where hostile fire is anticipated. Conducting spray operations is inherently dangerous work. All of the pilots in the spray program receive specialized training for the type of flying and local conditions that they will face. We also provide advanced survival training for our pilots in the case of a forced landing.

Each spray mission is planned taking into account the need for maximum security, using all available intelligence. If a spray mission should face significant risk, it is either cancelled or conducted with stepped up coordination with Colombian security forces on the ground. Counter Drug Brigade and other Colombian army ground troops conduct interdiction operations in the vicinity of aerial eradication to provide increased support when required. Armed security escort helicopters and at least one search and rescue helicopter accompany every spray mission.

The contractors presently held hostage by the Revolutionary Armed Forces of Colombia (FARC) and the subject of the *Times-Picayune* articles you mention, were employed by the Department of Defense, which can provide you additional information regarding those air operations.

#### ISRAELI-PALESTINIAN CONFLICT/MIDDLE EAST REFORM

*Question.* [Part I] In a recent press conference with Prime Minister Sharon, President Bush endorsed Mr. Sharon's position regarding the right of return of Palestinian refugees and Israeli settlements in the West Bank. Were you consulted on the specifics of the President's announcement prior to the press conference? This unilateral decision diverges in significant respects from the policy reiterated by past U.S. presidents. Do you support this decision? How is this decision consistent with U.N. Resolutions 242 and 238, which the United States is on record supporting? What impact do you expect this decision to have for U.S. relations with Muslims in Iraq and elsewhere in the Middle East?

[Part II] The President recently announced his "Greater Middle East initiative." So far, the reaction of several key Arab leaders has been one of skepticism, at best.

What is the President's "Greater Middle East initiative?" Is it in the budget, or is it just another way of describing what we are doing already?

[Part III] Are we going to stop giving hundreds of millions of dollars in aid and selling weapons to autocratic, corrupt governments in the Middle East that do not show any interest in becoming more democratic and that arrest people who speak in support of democracy? Doesn't this make a mockery of the President's message?

Answer. [Part I] The President stated our views regarding certain realities that we believe will shape the outcome of negotiations on permanent status issues. The President also made clear that permanent status issues must be negotiated between the parties, and stated that we have no intention of prejudicing the outcome. It remains U.S. policy that issues of refugees and borders must be decided by mutual agreement and direct negotiation between the parties in accordance with U.N. Security Council resolutions 242 and 338 and the roadmap.

[Part II] The Greater Middle East initiative is an effort to marshal the will and resources of the G-8 and the EU in support of indigenous efforts in the Middle East to bring about political, economic, and educational reform. Despite initial skepticism, many Arab leaders recognize the need to address reform issues and have welcomed our willingness to help. Both the political statement and the specific action plan to support reform that we and our G-8 partners will endorse at the Sea Island Summit remain under discussion. We understand that, once final decisions have been made on possible programmatic elements of this initiative, the White House will be consulting with OMB and Congress on resources.

[Part III] Our military assistance to certain select countries in the Middle East is aimed at enhancing the ability of these governments to maintain regional stability and to assist us in the global war on terrorism. We also use this aid to enhance the professionalization of the officer corps and to strengthen the separation between civilian and military functions. At the same time, we are very sensitive to the need for greater political openness and economic modernization in a number of these countries; these concerns are the impetus for the Greater Middle East Initiative and our efforts to promote political, economic, and educational reform through programs such as those taking place under the auspices of the U.S. Middle East Partnership Initiative.

*Question.* The situation in Haiti is obviously dire. The Administration says there is a new opportunity now that President Aristide is gone, although I gather the other Caribbean nations have so far refused to recognize the new government because of concerns about the way President Aristide left the country.

Do you plan to submit a budget amendment or supplemental request for Haiti, or are you planning to just continue business as usual? I ask because your budget request for Haiti for fiscal year 2005 is \$24 million, down from \$27 million in fiscal year 2004.

Answer. At this point, there is no need for a supplemental request for Haiti.

The fiscal year 2004 allocation for Haiti, including food aid, is approximately \$55 million. In addition, we have provided more than \$3 million in emergency assistance for the immediate humanitarian needs of the Haitian people, and nearly \$5 million to the Organization of American States (OAS) for its Special Mission for Strengthening Democracy in Haiti. The fiscal year 2005 budget request is \$54 million.

We already have identified an additional \$40 million from existing funds for this year that we are reallocating to meet Haiti's short term needs. We are continuing to review other potential sources of funding for Haiti, and are working with the Haitian diaspora and international donor community to encourage their contributions and support.

*Question.* In his November 6 speech to the National Endowment for Democracy, President Bush said that Syria has left its people a legacy of "torture, oppression, misery, and ruin." The State Department's human rights reports say that torture is commonplace in Syria, and they describe the gruesome techniques used there, from electrical shocks to pulling out fingernails, to "using a chair that bends backwards to asphyxiate the victim or fracture the victim's spine."

And yet, in October 2002, the Justice Department deported, or "rendered," a Syrian-born Canadian citizen, Maher Arar, who it suspected of links to terrorism, to the custody of the Syrian government. It did so on the basis of a promise by the Syrian dictatorship that Arar would not be tortured. As you know, Arar was ultimately released, and claims that he was in fact tortured.

A. How can we trust mere assurances from governments like Syria or Egypt that they won't torture people we turn over to them, when we know they abuse prisoners routinely? Should we turn over people to the custody of governments that use torture?

B. Doesn't this policy of turning over prisoners to repressive regimes undermine the President's message that America is going to stand up for human rights and democracy, especially in the Middle East?

Answer. Mr. Maher Arar was detained in New York on September 26, 2002 by United States immigration and law enforcement authorities after his name appeared on an immigration watch list. He was subsequently refused entry into the United States under Section 235C of the United States Immigration and Nationality Act based on information in the possession of United States law enforcement officials. United States immigration law gives the Attorney General the discretion to deport an alien to the country in which he was born. I refer you to the Canadian government and the United States Justice Department for the specifics of Mr. Arar's case.

As a matter of principle, and in accordance with international law, the United States does not turn people over to governments that we know intend to abuse them. We strive to uphold international prohibitions against the use of torture and we regularly call on other governments to do the same.

*Question.* Aren't we asking for trouble when we gloss over these facts and cozy up to a government that behaves this way?

Answer. The fact is we need Pakistan's help on many matters of great importance to our national security. In the Global War on Terrorism, Pakistan has assisted the capture of more than 550 terrorists, including many al-Qaeda. It has also recently undertaken operations against al-Qaeda and Taliban forces on the Pakistani side of the Afghan border. Such operations are continuing, and have helped disrupt efforts to attack our forces in Afghanistan. Pakistan's cooperation is also necessary for the success of our nonproliferation efforts. Information provided by the Government of Pakistan has been crucial to our ongoing efforts to put out of business the network established by Pakistani nuclear scientist A.Q. Khan.

In the context of this important alliance, we engage Pakistan in frank discussions of all issues to seek solutions that serve our interests while preserving a critical relationship.

*Question.* Over the past two years we gave Pakistan a total of \$1.3 billion. All that time we knew or had reason to suspect that Pakistan was selling nuclear weapons technology to our enemies. And, if we didn't suspect it—we should have. You are requesting another \$700 million for Pakistan in fiscal year 2005. What consequences has Pakistan suffered from selling nuclear weapons technology to Iraq and North Korea? What message does this send to other nations?

Answer. As Under Secretary of State for Arms Control and International Security John Bolton testified on March 30, 2004 to the House International Relations Committee, we have no information that contradicts President Musharraf's assurances that the top levels of the government of Pakistan are not implicated in the activities of A.Q. Khan. Pakistan has taken concrete steps to eliminate this network and ensure that this kind of proliferation will never happen again. Pakistan continues to share with the U.S. Government information being developed through ongoing investigations. We are also continuing to work with Pakistan to bring its export controls in line with international standards.

*Question.* For the past four years, I and other Members of Congress, and the State Department, have sought the assistance of the Lebanese and Syrian governments in a case involving the abduction of two American children by their Lebanese father. United States and Lebanese courts have awarded the mother, Elizabeth Murad, sole and permanent custody of the children. There is compelling evidence that the father and children are in Syria, yet despite appeals to President al-Asad, the Syrian government has done nothing. Your staff has been extremely helpful, but so far we've gotten nowhere. Syrian officials say they are attempting to solve this issue. What is your assessment of the Syrian Government's efforts? Will you discuss this personally with President al-Asad?

Answer. We have been vigorously pursuing a resolution to the Murad child custody case for four years. During that time, we have raised the case with both the Lebanese and Syrian governments at every possible level, including with President Asad himself. While we appreciate the assurances of various Syrian government officials that they are working with us to find the Murad children and return them to their mother, we find it difficult to believe that neither the Syrian or Lebanese governments have been able to locate the father or the children. Clearly, both governments need to redouble their efforts to find Liz Henry Murad's children and return them to her as soon as possible.

*Question.* In the State Department's "Performance and Accountability Report to Congress," the Department concludes that it is "on target" or "above target" in meeting almost all of its goals with respect to sustainable development and environmental programs. Yet, while we can point to accomplishments here or there, if you

look at the big picture, environmental degradation is getting steadily worse, not better. According to the State Department, these are good programs. But there is less than \$300 million in this budget to protect the environment worldwide. In fact, we have consistently given you more than you've asked for, yet it is far less than many U.S. States spend. Shouldn't we be spending a lot more on these programs, which the State Department says are effective, to protect the environment?

*Answer.* We appreciate your strong interest in international environmental initiatives. Under the new State/USAID Strategic Planning Framework, the United States identifies advancing sustainable development as one of four key strategic objectives. In reducing poverty throughout the developing world, sustainable development encompasses economic, social and environmental factors. Major initiatives to achieve this goal have been undertaken in sectors related to water, energy, forests, fish, climate, health, education, and science.

We are also continuing to address environmental protection through substantial contributions to the Montreal Protocol Multilateral Fund and the Global Environment Facility. We are awaiting Senate action on a landmark agreement—the Stockholm Convention on Persistent Organic Pollutants—to phase out ozone depleting substances and we have taken significant measures to conserve depleted fish stocks and other ocean resources.

Regarding funding for both social and environmental programs, in addition to the nearly \$300 million in Department appropriations cited in the Report, the Department also administers foreign operation program resources totaling nearly \$2 billion. These funds have enabled us to leverage needed additional resources from foreign governments, international organizations and the private sector to strengthen international cooperation and build public-private partnerships. The aforementioned \$300 million funds key components of State operations as well as international organizations, including the Pan American Health Organization and the World Health Organization, to maintain their efficiency and financial viability.

*Question.* On January 12, President Bush issued a proclamation, effective immediately, suspending entry into the United States of foreign officials who have been involved in corruption that has had serious adverse effects on the national interests of the United States. It also bars entry of their families. The Secretary of State is to identify persons covered by this proclamation, and to implement it. Are you doing that? Are you developing a list of persons who cannot enter the United States on account of this proclamation? For example, are former President Aleman of Nicaragua, or former President Portillo, both of whom stole millions, on your list? If not, shouldn't they be?

*Answer.* The President gave me, as Secretary of State, responsibility for administering this 212(f) Presidential Proclamation on his behalf. I have approved procedures for implementation of the Proclamation and have delegated the decision-making to the Under Secretary for Political Affairs. Consistent with the procedures I approved, our overseas posts have been given comprehensive instructions relating to implementation of the Proclamation. The procedures involve initially identifying persons potentially subject to the Proclamation and watchlisting them. If the person actually applies for a visa or holds a visa that might be revoked, the facts are developed more fully to permit a decision by the Under Secretary whether the visa should be denied or revoked.

The Department has not administered the Proclamation on the basis of a list. Names are entered in the visa lookout system by posts or the Department on a routine basis, and decisions subsequently are made on a case-by-case basis. In recent months, the Department has found a number of former officials subject to the Proclamation.

The visa records of the Department, including the visa lookout system and records of decisions under the Proclamation, are deemed confidential pursuant to Section 222(f) of the Immigration and Nationality Act, and may be used for only the purposes specified in that section. Thus we are not generally disclosing the names of persons entered into the lookout system or specifically found subject to the Proclamation.

*Question.* What specific steps is the Administration taking to ensure that U.S. aid is conditioned on the transparent management of oil and mining revenues in recipient countries?

*Answer.* The Administration has made reducing corruption and enhancing transparency a top foreign policy priority because we believe they are central to supporting sustainable development, creating stable democracies, and advancing our national security interests. The Administration works to promote transparent management of all public sector resources, including those derived from oil and mining, even if a country does not receive U.S. assistance. We promote international efforts to raise transparency standards and improve public financial management wherever

possible, including through international financial institutions (IFIs), through our own bilateral aid programs, in our policy dialogue with the U.N. system and in the Organization for Economic Cooperation and Development (OECD), and through a vitally important G-8 initiative that supports developing country efforts to raise transparency standards and reinforces these other efforts.

Among our bilateral, regional and multilateral programs that promote transparency, good governance and anti-corruption are the Millennium Challenge Account and the African Growth and Opportunity Act. We also pursue these objectives actively in the Summit of the Americas, Asia Pacific Economic Cooperation, and the UNDP/OECD-led Middle East and North Africa good governance initiative. All of these programs emphasize transparency, accountability and good governance.

The Millennium Challenge Account (MCA), funded initially at \$1 billion for fiscal year 2004, targets U.S. assistance at countries that govern justly, invest in their people, and encourage economic freedom. It recognizes that development must primarily come from within countries rather than from outside. The Millennium Challenge Corporation (MCC) uses independent indicators that address rule of law, control of corruption, and other governance criteria to select countries eligible for MCA assistance. Countries that fail to pass the corruption indicator, compiled by the World Bank Institute, are presumed not to qualify. Countries ultimately selected for MCA participation will enter into a compact with the MCC that requires effective, accountable, and transparent use of U.S. assistance.

The African Growth and Opportunity Act (AGOA) provides significant benefits to countries selected for participation, including improved access to U.S. credit and technical expertise and liberal access to the U.S. market. As with the MCA, rule of law and efforts to combat corruption are among AGOA's eligibility criteria.

The G-8 initiative on Fighting Corruption and Improving Transparency provides a particularly good avenue for G-8 governments to build partnerships with developing countries to increase transparency and thereby use public resources wisely. Efforts will focus on transparency in public budgets, including revenues and expenditures, government procurement, the letting of public concessions and the granting of licenses. Partner governments will conclude voluntary compacts with G-8 governments, specifying the concrete steps they will take to bring greater transparency and accountability to managing public resources. Special emphasis will be given to cooperating with countries rich in oil and mineral resources. For these countries the compacts will pay particular attention to transparency of revenue flows and payments in these sectors. For their part, G-8 countries will support partner countries by providing bilateral technical assistance and political support.

At Sea Island, Nigeria, our fifth largest oil supplier, was one of four pilot countries to conclude such a compact, demonstrating its full ownership of an aggressive program of reform that will lead to greater transparency and accountability. The governments of Peru, Nicaragua, and Georgia concluded similar agreements with the G-8 governments at Sea Island. We hope that more countries will follow the leadership and commitment of the four pilots, and that they will provide models and a demonstration effect for countries that follow.

*Question.* Are you confident that adequate procedures are in place to prevent the diversion or misuse of revenues from Iraqi oil production?

*Answer.* United Nations Security Council resolution 1483 (2003) established that Iraq's oil export revenues would be deposited in a special fund, the Development Fund for Iraq (DFI.) Until the transfer of Sovereignty, the Coalition Provisional Authority in Iraq (CPA) had signature authority over DFI. An international body called the International Advisory and Monitoring Board (IAMB) was established to act as an external audit committee for the regular audits of the DFI. Under U.N. Security Council resolution 1546 (2004), which provided for United Nations recognition of the Iraqi Interim Government (IIG), full signature authority over the DFI transferred to the IIG. The resolution also continues the role of the IAMB to ensure that proper audits of the DFI continue to be carried out, which the USG fully supports. The CPA also reconstituted the Board of Supreme Audit and established Inspectors General for Iraqi ministries, which remain in operation under the interim government.

*Question.* I am concerned about the way the Leahy human rights law conditioning U.S. assistance to units of foreign security forces (sic). I would appreciate your answers to the following questions:

What instructions has the Department of State sent to embassies for establishing a database of alleged human rights violators?

What instructions do embassies have in place to gather information on alleged violators and do their sources include non-governmental organizations?

Are embassies vetting individuals and units before they receive security training and what criteria are they using to determine whether to provide training?

What is the status of the Department of State database housed in the Bureau of Democracy, Human Rights and Labor? Does the database track information on alleged human rights violators, requests for training, and instances of denials of training?

Answer. Department guidance to posts, issued most recently in February 2003, updated Leahy Amendment guidance and again instructed all posts to keep track of allegations of gross violations of human rights involving any unit of the security forces, regardless of whether that unit is currently receiving training or assistance or regardless of the passage of time.

Posts have clearly been instructed that any time throughout the year that they become aware of any information regarding incidents which reasonably could be deemed to be credible information of a gross violation of human rights by any unit of the host nation's security forces receiving or proposed to receive FOIA-funded assistance or involved in DOD-funded training regardless of the passage of time, posts should so inform the Department by cable. Posts are instructed to report information regardless of the source, including, but not limited to reporting by State, DOD, DAOs/SAOs, NGOs, and the media. To the extent practicable, posts are asked to identify the unit that has allegedly committed the violation of human rights and include post's view as to whether the violation of human rights rises to the level of being a gross violation and whether it believes the information is credible.

Both embassies and the Department are vetting units proposed for training and/or assistance before such training or assistance is received. The Department is cognizant of the Senate report accompanying the fiscal year 2002 FOIA, which stated that the term "unit" should be "construed as the smallest operational group in the field that has been implicated in the reported violation."

The test database in the Bureau of Democracy, Human Rights and Labor (DRL) currently includes the names of approximately 100 individuals and units about which we have serious human rights concerns. The names are drawn from post, NGO and media reports. Many are drawn from the 2002 and 2003 *Country Reports on Human Rights Practices*. Since the database was established for testing the Benetech Corporation's Martus software in the Department in 2003, DRL has been working with the Bureau of Political-Military Affairs, Information Resource Management and Administration to develop and test a technology-based solution with security and encryption packages that could allow Martus to be available to most posts and Department officers. At this time, the test database does not track requests for training and instances of denials of training.

*Question.* I am very concerned about the deepening crisis in Darfur in Western Sudan, a situation that both President Bush and U.N. Secretary General Kofi Annan have condemned and expressed alarm about. Today's Washington Post quotes the Secretary General saying there is a risk of "genocide" there and that U.N. troops may be needed.

Would the Administration support a U.N. monitoring force?

Would you support increasing the size and deploying part of the Civilian Protection and Monitoring Team, currently in Sudan, to the Darfur region to try to deter human rights violations?

Has the Administration called upon the leadership of the African Union to declare Darfur an emergency, condemn the human rights abuses, and called on the Sudanese government to facilitate and support these desperately needed initiatives?

Answer. The Administration supports a United Nations Peace Keeping Operation (UNPKO) in Sudan. We have been studying how a UNPKO might operate in Sudan. We expect that there will be a monitoring mission mandated under Chapter VI to help monitor the peace. We have been talking with our Troika partners (the U.K. and Norway) and the United Nations about a mission and look forward to receiving a report from the Secretary General. We would not expect a UNPKO to be created until after the signing of the comprehensive agreement which would include further details on monitoring and security arrangements, although we will continue planning for such a mission.

We have agreed to support the Darfur Ceasefire Commission with logistical assets, and CPMT assets will be made available to the Commission in the short term to get things going. Due, however, to the complexities surrounding the situation in Darfur, we agreed with the African Union and the parties that it would be best to have an independent international monitoring team operating in Darfur. The ceasefire monitoring team will monitor the ceasefire within the provisions of the Ceasefire Agreement and when necessary investigate alleged violations of the Agreement.

The African Union (AU) has taken a very active role in responding to the crisis in Darfur. In particular, with U.S. encouragement, the AU took the lead on establishing the Ceasefire Commission designed to plan, verify and ensure the implemen-

tation of the rules and provisions of the Darfur ceasefire accord signed on April 8 in N'djamena.

*Question.* The Bush administration has recognized the role that family planning plays in reducing abortions. The President himself has said: "one of the best ways to prevent abortion is by providing quality voluntary family planning services." Yet funding for U.S. family planning has declined since 1995 and remains below the 1995 level. How do you reconcile the Administration's claim of support for family planning with these budget cuts?

Please provide any information available to the Administration that the Mexico City Policy has reduced the number of abortions, either in a particular country, or worldwide.

The State Department recently provided me with a list of activities deemed coercive which it says the Chinese Government must eliminate in the countries where UNFPA provides support, in order for UNFPA to receive U.S. funding. This, however, represents a misreading of U.S. law. The Kemp-Kasten amendment does not impose any requirements on China or any other government. Rather, it imposes restrictions on any (organization) or "program" that supports or participates in the management of coercive activities. Is it the Administration's position that no matter what form of assistance UNFPA provides in these Chinese countries, unless China eliminates these coercive activities UNFPA is ineligible to receive U.S. funding? In other words, if UNFPA were to only provide information (as opposed to any other form of assistance) to Chinese family planning workers about voluntary family planning services, it would still be ineligible to receive U.S. funding until China eliminates each of the activities deemed coercive?

*Answer. Funding for Family Planning.*—President Bush has sustained funding for family planning assistance at levels between \$425 and \$446 million per year, compared to \$372–\$385 million per year during the four years preceding the President's inauguration. The President is committed to maintaining these levels because he believes that one of the best ways to prevent abortion is by providing quality voluntary family planning services.

*Mexico City Policy.*—President Bush restored the Mexico City Policy in 2001 to clearly separate U.S. Government support for family planning assistance from abortion-related activities. The President's directive of August 29, 2003 extended the Mexico City Policy to cover all Department of State funding to foreign non-governmental organizations for family planning assistance.

There are many foreign NGOs through which USAID and the Department of State can provide family planning information and services to people in developing countries. The President determined that assistance for family planning will be provided only to those foreign NGO recipients and sub-recipients whose family planning programs are consistent with the values and principles the United States wants to promote as part of its foreign policy.

*Funding for UNFPA.*—Per your request, the Department recently provided you a list for illustrative purposes of a coercion-free environment with respect to family planning in China. While, as you correctly point out, the Kemp-Kasten Amendment does not impose any requirements on China or any other government, it has been the consistent policy of the Bush Administration to urge the Chinese government to remove coercive practices from its family planning programs.

As you note, the Kemp-Kasten Amendment is relevant to all organizations or programs that receive U.S. funds under the Foreign Operations Appropriations Act. In light of Kemp-Kasten, and China's regime of severe penalties on women who have births outside those allowed under China's national and local birth planning laws, Secretary Powell determined on July 21, 2002, that China's coercive law and practices amounted to "a program of coercive abortion," that UNFPA's funding in China amounted to "support for or participation in the management of" China's program, and that, therefore, it was not permissible to continue funding for UNFPA at that time. In notifying Congress of his decision, the Secretary pointed out, "Regardless of the modest size of UNFPA's budget in China or any benefits its programs provide, UNFPA's support of, and involvement in, China's population-planning activities allows the Chinese government to implement more effectively its program of coercive abortion."

The Department has been in consultations with China since 2002, but China has not eliminated its coercive practices. The Department has also discussed with UNFPA its Fifth Country Programme in China and has suggested various proposals that would permit the United States to fund UNFPA consistent with Kemp-Kasten. We continue to consult with the Chinese government and with UNFPA. The Department is currently reviewing the status of China's family planning program and UNFPA's funding in China with the view to determining whether funding for UNFPA is permissible in fiscal year 2004 in light of Kemp-Kasten.

## MILLENNIUM CHALLENGE CORPORATION

*Question.* As Chairman of the Board of the Millennium Challenge Corporation, how much of the \$2.5 billion in the President's budget request for the Millennium Challenge Account (MCA) do you anticipate obligating in fiscal year 2005? Of the \$1 billion Congress appropriated in fiscal year 2004, how much do you anticipate obligating this year?

*Answer.* This question has been sent to MCC for response.

The Committee notes that no response was received.

*Question.* I also want to thank you for agreeing to provide \$2.5 million for programs to protect intellectual property rights overseas. This is an important, bipartisan initiative that is widely supported here in Congress. I am not going to micro-manage the process or favor one group over another for receiving this money—that is an issue for your Department to determine. However, I am wondering if you could get back to me, for the record, with more details on INL's plans for this \$2.5 million.

*Answer.* The State Department shares Congress's strong commitment to protecting the intellectual property of U.S. artists, inventors and industries from foreign counterfeiters and pirates. We view the State Department's role in this effort as crucial to our country's economic growth and to the well-being of our citizens.

In response to the fiscal year 2004 budget report language regarding the allocation of \$2.5 million in crime funds for anti-piracy programs, the State Department initiated a process to seek new training and technical assistance proposals from various United States government agencies and our overseas missions, with input from industry. We received over 90 proposals covering 46 countries, reflecting the growing demand for training and technical assistance from our foreign law enforcement partners.

These are largely proposals for government-to-government training and technical assistance programs focused on building legal regimes and intellectual property law enforcement capacity. The proposals range from educating foreign judges and prosecutors on international IP standards, to hands-on border enforcement and forensics training for foreign customs officials.

The State Department is now completing its review of these proposals and will soon begin consulting interested parties, including the Appropriations Committees, on its recommendations. Our goal is to begin obligating the funds for these programs during the summer of 2004.

*Question.* As you know, I have been urging the Administration to rejoin the International Coffee Organization (ICO). While the ICO will not solve the international coffee crisis, which has undermined U.S. assistance and counter-narcotics efforts around the world, it could be a useful instrument to help forge a multilateral consensus on how to address this crisis.

What is the status of the U.S. membership in the ICO? And, where is the Administration in terms of formulating a comprehensive strategy to address the coffee crisis, as urged by the Congress in resolutions passed at the conclusion of the 106th Congress?

*Answer.* While we all understand our membership in the ICO will not solve the coffee crisis, we view the ICO as a potentially important tool in bringing concerned parties together. We hope we will soon meet the conditions under which the United States might rejoin.

A joint State-USTR delegation is attending meetings of the ICO in London May 14–21, where we anticipate the ICO will take positive steps to resolve our concerns on Resolution 407 and satisfactorily address legal and regulatory concerns before we can accede to the 2001 International Coffee Agreement. We will also seek to address institutional issues such as a voting structure that currently favors the EU. After these meetings, Under Secretary of State Larson will meet for a second time with members of U.S. Industry regarding their programs. In anticipation of needing to meet an obligation for dues to the ICO, the State Department will continue to work closely with OMB and the appropriate congressional committees. We expect to be able to make a final decision on membership in the coming months, and before the next ICO meetings in September.

Although coffee prices have seen a significant rebound in the last year, we have made our review of membership in the ICO the focal point of our activity related to the coffee crisis. However, we see the ICO primarily as a tool in implementing our broader efforts. Should we join the ICO, we will do so with a positive agenda to improve opportunities for producers and enhance the choices available to consumers. Recognizing that the coffee crisis has a variety of causes and differing effects, the Administration's programs are generally focused on the unique needs of individual countries or regions.

USAID is providing resources and coordinating initiatives to address the worldwide humanitarian crisis caused by low coffee prices. Currently, USAID supports coffee activities in over 25 countries in Latin America, Africa, and Asia. These programs work to promote small- and medium-holder coffee systems compete in the international market. USAID is using a two-pronged approach. First, where potential exists for coffee farmers to effectively compete for premium prices in a differentiated market, USAID is working to improve local capacity to produce quality coffee that the market demands and to promote effective marketing thereby increasing the price farmers earn for their product. Second, USAID programs assist farmers that cannot compete within the coffee sector to diversify their activities and identify other sources of income.

*Question.* Can you give me a status report on the implementation of FIA, especially with respect to the role of DRL in assigning officers to human rights positions?

*Answer.* Starting with the Summer 2004 Foreign Service assignment cycle, which began in October 2003 and covers assignments for positions coming open between May and October 2004, DRL developed a list of priority positions on which it wanted to concentrate during this first stage of the development of this procedure. The list of priority positions to be filled during the Summer 2004 cycle was given to the regional bureaus concerned.

DRL's Executive Office reviews all bidders on these positions and provides the Assistant Secretary with their names and pertinent information on their assignment history and experience. In addition DRL actively recruits and encourages eligible bidders who are well and favorably known to the bureau to bid on human rights reporting positions overseas, including senior positions. Using this information and other details available to DRL, the Assistant Secretary determines our preferred candidates. Those names are then given to the regional bureaus that bring the preferred candidates to panel for assignment. Thus far, no regional bureau has disagreed with a DRL recommendation. In any case, no assignment will be finalized without the approval of DRL's Executive Office. We anticipate expanding formal recommendations in the next cycle to include more senior positions that have responsibility for human rights.

The excellent cooperation between DRL and the regional bureaus exhibited during the initial 2004 assignment cycle suggests that the objective of the legislation will be clearly and effectively met and the assignment of officers to human rights reporting positions in the manner envisioned by the FIA will become a routine aspect of the assignments process.

*Question.* The situation in Indonesia continues to be very discouraging. Recently, the Indonesian Supreme Court cut by half the jail sentence of a Muslim cleric who had been convicted for his involvement in a Southeast Asian terrorist network linked to al Qaeda.

In the province of Aceh there are reports of atrocities by the Indonesian military and police.

It has been almost two years since the killings of two Americans and one Indonesian near the Freeport gold mine in Papua in August 2002, and we are still waiting for the results of the investigation.

There does not seem to be any progress in bringing to justice those responsible for the killings and destruction in East Timor after the 1999 referendum there.

A. Indonesia is an important country and we have important interests in that part of the world. But President Megawati and the military hierarchy don't seem to be listening to us when it comes to human rights. Or am I missing something?

*Answer.* As the world's most populous Muslim country, Indonesia takes on global significance. Indonesia is an example that Islam and democracy are compatible. Most political and economic trend lines for Indonesia are heading in a positive direction, even if they start from a low base. Indonesia is becoming ever more democratic—it will hold its first-ever direct presidential election this year.

However, we remain concerned about Government's poor human rights record, particularly in Aceh where martial law is currently imposed. The need for accountability for human rights abuses committed by the Indonesian military and pro-Indonesian militias in East Timor in 1999 cannot be ignored. We have repeatedly urged the Indonesian government to fulfill its commitment and pursue its internal investigation in a vigorous, expeditious and credible fashion. Together with the United Nations and concerned member states, the United States supports efforts such as those of the Serious Crimes Unit—a Timorese Prosecutor's office funded by U.N. peacekeeping contributions—to ensure justice for past human rights abuses in East Timor. We continue to consult with partners on options to ensure a credible level of justice for past human rights abuses in East Timor.

*Question.* B. If the investigation produces enough evidence to bring charges against those responsible for this crime, will you insist that they be prosecuted and appropriately punished, not just let off with a slap on the wrist the way it always seems to happen in Indonesia?

*Answer.* The United States has no higher priority in its dealings with the Government of Indonesia than seeking justice in the murder of American citizens in Papua. We have told the Government of Indonesia, at the highest levels, that we expect a full and impartial investigation, and that failure on this front would have negative consequences for our overall bilateral relationship. The Indonesian government, at the highest levels, has stated its commitment to a complete and transparent investigation into the killings. We expect the Indonesian Government to fulfill that commitment.

*Question.* C. Please provide a detailed accounting of State Department counterterrorism assistance—training, equipment, and any other assistance—provided to Indonesian security forces, including the police, during fiscal year 2002, fiscal year 2003, and the current fiscal year, as well as any such assistance proposed for fiscal year 2005, and which entities within Indonesia will be the recipients for this assistance.

*Answer.* The State Department provides capacity building assistance to the Indonesian National Police's (POLRI) counterterrorism unit—"Special Detachment 88." Our counterterrorism (CT) assistance totaled \$8 million in fiscal year 2002 and \$4 million in fiscal year 2003. We have requested \$4 million for fiscal year 2004 and \$6.5 million for fiscal year 2005. This funding will support training of three Counterterrorism Investigation (INV) teams (90 officers total) by ATA/FBI. As part of this training, we supply certain investigative equipment to the teams. The first team of CT investigators (30) graduated July 18, 2003, and the graduates were immediately assigned to investigate the Parliament bombing and the August 5, 2003, Marriott Hotel Bombing.

We will train three Explosives Incidents Countermeasures (EIC) teams (45 officers total). The first EIC team (15 officers) began training 25 August 2003. As part of this training, we supply the teams with certain tactical equipment. We will also train six Crisis Response (CRT) Teams (144 officers total). The first CRT team (24 officers) began training September 1, 2003. We provide certain tactical (SWAT) equipment and vehicles. Our assistance will support two CRT Train-the-Trainer (CRT-TTT) classes (24–36 officers) in fiscal year 2004–2005 to develop trainers to sustain and expand the CT Task Force.

In addition to counterterrorism assistance, we provide anti-terrorism assistance ("regular" ATA). In fiscal year 2001, we provided \$1,260,779 for courses in Hostage Negotiation Management, Vital Installation Security, Explosive Incident Countermeasures, Post Blast Investigation, and Terrorist Crime Scene Investigation. In fiscal year 2002, we provided \$865,955 for courses in Critical Incident Management, Hostage Negotiation Management, and Mail Security. We provided \$778,712 in 2003 for courses in Senior Crisis Management, WMD Awareness Seminar, and Explosive Incident Countermeasures.

The State Department, in conjunction with the Department of Justice, is assembling a package of equipment and training to the Attorney General's new CT and Transnational Crime Task Force to handle all terror trials. This assistance package will be approximately \$750,000 and is anticipated to begin in Spring, 2004.

*Question.* What specific procedures will be taken to ensure that this assistance will not be used in a manner that violates human rights?

*Answer.* Training for the Indonesian military is restricted to non-lethal programs, and covers topics designed to promote the establishment of a more professional military, such as national security decision-making, defense restructuring, civil-military relations, military justice, and peacekeeping operations, not to mention English language training. Training for the police is either specifically focused on appropriate use of force, human rights and democratic policing (ICITAP), or in the case of anti-terrorism assistance (ATA), includes a specific module on human rights.

All refresher and advanced training provided by ATA also includes specific modules to ensure that graduates remain cognizant of their human rights responsibilities.

*Question.* Please describe in detail the process by which the Administration ensures that members of the Indonesian military and police slated to receive U.S. training or other assistance have not previously engaged in human rights abuses.

*Answer.* The Embassy section or agencies that proposes a candidate for training requests biographic information from the candidate. The nominating section vets the candidate and/or unit, drawing from its files. If the candidate passes the initial screening, the candidate's name is submitted to other Embassy sections and agencies for screening.

If at any point in the process, any doubt or hint of past human rights violations arise, the Embassy rejects the candidate. In a few cases, the Embassy may recommend that a further investigation is needed. If so, a more thorough screening continues and the Embassy forwards the case to Washington for decision.

*Question.* How are proposed participants vetted? Who conducts the vetting? What data banks and other sources of information are used for vetting?

*Answer.* The Embassy Defense Attache's Office, Office of Defense Cooperation, Regional Security Office, Consular Section, Political Section, and other agencies all vet proposed candidates. They draw on their agencies' national-level databases and records, as well as files held at post. Questionable candidates are referred to the Defense Intelligence Agency for a more thorough search of the National Intelligence Database.

*Question.* Does the vetting process include review of information available to United States and Indonesian human rights organizations?

*Answer.* Yes, when those files are available on line or when the Embassy Political Section has reason to believe that derogatory information exists about a specific individual. Again, in cases where credible derogatory information exists the Embassy rejects the proposed candidate. If any questions arise in the case of police candidates, the name is submitted for assessment to Indonesian Police Watch, an NGO that monitors Indonesian police activities.

*Question.* Does the vetting include review of relevant records available to other governments with which the U.S. Government has a close working relationship (e.g., the Jakarta Embassies of Australia, the United Kingdom, Canada)?

*Answer.* Yes, certain U.S. Government databases have links to the records maintained by key allies. In some cases, Embassy officers consult allied embassies with regard to the background and reputation of candidates.

*Question.* Will the Administration insist on transparent and credible prosecutions of those responsible for the killing and wounding of United States and Indonesian civilians in Timika, August 31, 2002, prior to the provision of IMET assistance to the Indonesian military? If Indonesia fails to bring the killers to justice, what steps is the Administration prepared to take?

*Answer.* We have repeatedly made clear to senior Indonesian Government officials, in meetings both in Indonesia and Washington, that we expect a full and impartial investigation of this crime, and that failure to conduct such an investigation would have a negative impact on bilateral relations. Our assistance to the Indonesian military is currently limited to E-IMET, and future provision of IMET would take into account the results of the investigation of the Papua murders. We will re-examine all aspects of our bilateral relationship should there be no credible investigation and appropriate follow through on the results of the investigation.

*Question.* Has Indonesia signed an Article 98 Agreement? If not, has Indonesia been the recipient of a presidential waiver on national security grounds?

*Answer.* Indonesia has not signed an Article 98 agreement to date. Indonesia does not require a waiver under the American Servicemembers Protection Act (ASPA) as it is not a party to the Rome Statute of the International Criminal Court.

*Question.* Recent media reports on the use of funds from the U.N.-Iraq Oil for Food Agreement to procure support from prominent world political leaders included the names of senior Indonesian government figures, including President Megawati and DPR (House of Representatives) Speaker Amien Rais. What, if anything, has the Administration done to investigate these charges? What would be the consequences for U.S. policy should the substance of these media reports be validated?

*Answer.* The Indonesian press has reported the claims of various international media outlets that President Megawati Soekarnoputri and People's Consultative Assembly Chairman Amien Rais received valuable oil contracts from the former Saddam Hussein regime. In response, several political figures close to Megawati and Amien issued strong public denials that the two figures received benefits from the Iraqi Government. Embassy Jakarta reports that other Indonesian sources have privately confirmed these public denials.

President Megawati's opposition to the war in Iraq was consistent with domestic political pressures she faced and established trends in Indonesian diplomacy.

The United States strongly supports the U.N.'s independent Volcker commission charged with investigating allegations of corruption under the Oil for Food (OFF) program, including allegations that many prominent international figures took bribes. In addition, the Iraqis have insisted upon their own investigation.

CPA Administrator Bremer has directed the Iraqi Board of Supreme Audit, which functions much like our General Accounting Office, to undertake the investigation. It is working cooperatively with the Volcker commission to investigate OFF abuses and bring the facts to light. CPA is cooperating closely with both of these efforts.

*Question.* What has the Administration done in the past six months to bring an end to the bloodshed in Aceh and to restore the December 2002 cease fire that the United States played a critical role in arranging?

*Answer.* U.S. officials continue to press Indonesian authorities to seek a negotiated settlement to the conflict in Aceh. The Ambassador and other U.S. officials have done so privately at the highest levels of the Indonesian Government, and the Embassy did so publicly, including through issuance of a statement criticizing the decision to extend martial law in November 2003. Through our USAID mission in Indonesia, we support NGOs working on human rights in Aceh, along with a newsletter and website that report on events in Aceh, critical elements given the limited press access to the province.

Embassy officials have visited Aceh on numerous occasions to meet with civilian and military officials as well as civil society figures. Embassy officials monitored legislative elections in the province, helping to ensure a fair vote. In meetings with Indonesian officials in Aceh and Jakarta, Embassy officers have stressed our belief that the conflict is not amenable to a military solution, and our belief that special autonomy represents the best chance for a long-term solution. We have also reiterated our willingness to provide economic assistance for reconstruction in Aceh should another cease fire take place, as well as our willingness to facilitate such a cease fire, if requested. The United States continues to coordinate its actions closely with Japan, the EU, and the World Bank.

*Question.* In a recent edition of The Wall Street Journal there was a mention that the Administration is going to pledge \$400 million to Cyprus, if a peace agreement between the Greek and Turkish Cypriots is reached. Where is this money going to come from, existing funds, a budget amendment, or supplemental request?

*Answer.* The pledge will not go forward in view of the April 24 rejection of the unification plan by Greek Cypriot voters.

*Question.* I can think of a number of countries, who are not going to become members of the European Union, where \$400 million is desperately needed—including several in Latin America, Africa, and Asia. How is this amount of funding for Cyprus justified in light of pressing needs in a number of places that are desperately poor and have closer ties with the United States, such as Haiti, The Philippines, and Liberia?

*Answer.* The European Union has decided to make available 259 million Euros to northern Cyprus, for the purpose of ending the isolation of the Turkish Cypriots. In light of the efforts of the European Union, we are reviewing our policy towards the Turkish Cypriots. Our efforts in Cyprus aim to resolve a long-standing obstacle to peace and stability at the intersection of two regions critical to U.S. national interests and security. Proposals to fund support for Cyprus reunification come at a time of significant increases in the fiscal year 2004 budget and fiscal year 2005 request for such undertakings as the Millennium Challenge Corporation and the President's Emergency Plan for AIDS Relief.

---

#### QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

*Question.* The United States took great pains to ensure appropriate ethnic and geographical representation in Iraq's interim decision-making bodies. Why was the same attention not given to gender representation, even when women compose a majority of the population?

*Answer.* We recognize that the women of Iraq have a critical role to play in the revival of their country and we strongly support their efforts. Women play a key role both at the national and provincial level—in the Iraqi Governing Council (IGC) and the governorate and local councils. The IGC has 25 members, including three women. We are making every effort to ensure women are represented at every level of government and, that they continue to be a central part of the Iraqi Interim Government that will take over after the June 30 transition to sovereignty. The State Department is currently focusing programs on preparing women for future leadership roles within the IGC. For example, USAID has focused on women's equality and empowerment through assistance to local government . . . USAID-funded conferences and trainings have helped Iraqi women learn about democracy, legal rights and women's civil society organizations that enable women to advocate for their own rights.

*Question.* What is being done now, and what more could be done, to ensure the full participation of women in the political process after the hand over of power on June 30?

*Answer.* President Bush has repeatedly stated that supporting and promoting respect for women's rights is a U.S. foreign policy imperative. The CPA and U.S. Gov-

ernment are working closely with the Iraqi Governing Council (IGC) to ensure that women will be well represented in the Iraqi Interim Government. The Law of Administration for the State of Iraq for the Transitional Period, also known as the Transitional Administrative Law (TAL) makes clear that “the electoral law shall aim to achieve the goal of having women constitute no less than one-quarter of the members of the National Assembly . . .” The United States is committed to doing all it can to ensure the full and fair representation of women and all Iraqis, in the administration of Iraq now and in the future.

*Question.* What is the State Department doing to help Iraqi women overcome these hurdles? For example, do programs to support the development of political parties advocate and foster the integration of women in political party structures and decision-making? Are there programs to train Iraqi women to effectively compete in the electoral process?

*Answer.* The United States has sponsored, and will continue to sponsor, a wide range of initiatives to reach out to Iraqi women, from homemakers to professionals and politicians, to ensure their rights and opportunities to fully participate in Iraqi civil society.

—Earlier this year, Under Secretary Dobriansky hosted a roundtable with Iraqi women to elicit their ideas for ensuring the full integration of women in the reconstruction process. As a result of these discussions, the Office of International Women’s Issues provided a list of qualified women inside and outside Iraq who are available to work with the Coalition Provisional Authority on reconstruction issues.

—The State Department helped send a delegation of Iraqi women to the June 2003 Global Summit of Women (GSW) conference in Morocco. Forty women ministers and over 700 delegates from approximately 80 countries met to discuss women’s economic development and business. It was the first GSW meeting held in the Arab world, and provided Iraqi women with the opportunity to network with their counterparts in the region.

—The Department of State’s Educational and Cultural Affairs Bureau is organizing a series of International Visitor (IV) Programs on business opportunities for professional Iraqi women. It is also organizing interactive Digitized Video Conference programs between members of Iraqi women’s NGOs and their counterparts in the United States.

Since April 1, 2003, USAID has focused on women’s equality and empowerment in Iraq, through assistance to local government and civil society organizations, directly and immediately touching the lives of Iraqi women. USAID-funded conferences and training have helped Iraqi women learn about democracy, human rights, women’s legal rights, and women’s civil society organizations that enable women to advocate for their needs at both the local and national government levels. The CPA and USAID, for example, are working with local women’s groups to establish nine centers for women in Baghdad and five in Southern Iraq to provide educational programs, job skills training, rights awareness seminars, and mentoring programs. Additionally, in early 2003, the United States committed approximately \$2.5 billion in humanitarian and reconstruction aid to Iraq. In November 2003, Congress approved President Bush’s request for an additional \$18.7 billion over the coming 18 months. Some of these funds will be used to restore Iraq’s infrastructure, while other portions are allotted to democracy building, economic development, employment, medical, and educational needs, with full attention to the equal participation of women.

The leadership experiences gained through involvement in these various activities, including in-country councils, conferences, external visits, and inter-organizational collaboration are helping prepare Iraqi women for professional and political careers. By supporting these types of initiatives the United States is working to expand the pool of trained Iraqi women, a vital task given the centrality of Iraqi women to the future prosperity and stability of Iraq.

*Question.* The Iraqi Governing Council passed Resolution 137 in a closed session in December 2003. The resolution sought to impose sharia—Islamic law—in the new Iraq. Imposing sharia would have severely rolled back rights that women have enjoyed in Iraq since the end of the Ottoman Empire. Iraqi women took to the streets protesting the measure and succeeded in having it revoked. The Transitional Administrative Law has a bill of rights for all citizens and says that sharia is one of many sources of law.

How confident are you that the rights of women will be preserved in Iraq after the transfer of sovereignty?

What is being done now to lay the groundwork for preserving the rights of women in Iraq?

Answer. The Transitional Administrative Law (TAL) guarantees the basic rights of all Iraqis, men and women, including freedoms of worship, expression, and association. The TAL also protects union and political parties and outlaws discrimination based on gender, class, and religion. Looking ahead beyond the June 30 transfer of sovereignty, this Law provides that the electoral system should aim to achieve the goal of having women constitute not less than 25 percent of the Transitional National Assembly. In addition, seven women were recently appointed as Deputy Ministers in the current Iraqi administration.

As for other groundwork, U.S. policy is to ensure that Iraqi women are fully involved as planners, implementers, and beneficiaries in the reconstruction of their country. The Administration has worked closely with Congress to establish programs dedicated to promote equal rights and economic opportunities for Iraqi women.

On March 8, I announced two more initiatives: First, a \$10 million Iraqi Women's Democracy Initiative to promote women's political participation. A comprehensive and open RFP for this initiative has been posted, with proposals due by June 1. We expect to select the winning entries and inaugurate actual projects on the ground shortly thereafter. The second initiative is a United States-Iraq Women's Network. This is a public-private partnership between Americans and Iraqis to mobilize expertise and resources for Iraqi women. At the same time, USAID is implementing civic, economic, and political training programs for Iraqi women totaling \$17 million.

There is also significant international support for women's initiatives in Iraq. The British government, through DFID, supports women's programs. The recent Iraq Reconstruction Conference in Europe devoted a special panel to the subject of women. Finally, the international NGO community is actively engaged in supporting Iraqi women's programs as well.

*Question.* What can we count on you to do to ensure that our assistance funds support the hard work of indigenous Afghan women's NGOs and help build Afghanistan's civil society?

Answer. In fiscal year 2004, \$60 million was specifically earmarked by Congress to support women and girls in Afghanistan, and we have exceeded that requirement. USG programs that benefit women are a mix of components within existing programs (\$65,469,000) and new programs (\$15,000,000) that focuses on advancing the participation and voice of Afghan women in local governance, and their access to services. The U.S. Agency for International Development, Department of State, and many other government and non-government entities are engaged in funding and implementing projects.

#### AFGHANISTAN—RELEASE OF 2004 SUPPLEMENTAL FUNDS FOR AFGHAN WOMEN

*Question.* Congress provided substantial fiscal year 2004 supplemental appropriations for aid to Afghanistan. \$60 million was directed to programs to aid Afghan women. How will the \$60 million be allocated, and when will it be released?

Answer. In fiscal year 2004, while Congress earmarked \$60 million for Afghan women and their development, the United States Agency for International Development (USAID) has been spending \$71.8 million on advancing the status of women in Afghanistan. These funds include the continuation of projects including education (\$29 million), healthcare (\$10.3 million), private-sector integration (\$1.5 million), political development by supporting the Bonn Process (\$15 million) and government support to the Afghanistan Ministry of Women's Affairs (\$1 million). Through these initiatives, USAID is working to ensure that women are active participants in the private and public sectors of Afghan life. The supplemental funds also went to the Women's Empowerment Program (\$15 million), which helps women participate in community activities and local governance. This program includes the Women's Private Sector Initiative, which strives to provide women with enterprise-skills training and other tools to strengthen the environment for women's involvement in the private sector.

The Empowerment Program also includes the Women's Teacher Training Institute and Afghan Literacy Initiative, which target young girls who do not have formal access to school with literacy-development programs.

*Question.* Outwardly, there has been progress on women's rights in Afghanistan, with a women's bill of rights and a set-aside for 25 percent of the lower house of the legislature for women. However, there has been little improvement in the lives of most Afghans—men, women, and children—especially those in rural areas.

What is the strategy to reach women and other vulnerable Afghans in rural areas?

Answer. Much of the \$60 million specifically earmarked by Congress to support women and girls in Afghanistan has gone to those living in rural areas.

In education, the Afghan Primary Education Program (APEP) has set aside \$20 million of a total \$95 million in fiscal year 2004 to provide accelerated learning for girls, train female teachers, provide textbooks for girls in both the formal and informal school systems, and provide vocational training for women. In addition, we are contracting the reconstruction of a women's dormitory (\$8 million) that will house 1,000 women from rural areas and allow them to reside in safe surroundings while they attend University of Kabul and/or the Education University.

In healthcare, the Rural Expansion of Afghanistan's Community-based Healthcare (REACH) program is significantly lowering maternal and child mortality and morbidity in Afghanistan. Of the \$52 million total funding for REACH in fiscal year 2004, over \$10 million is being given in grants for the delivery of health services by local women-focused NGOs and to vocational training for women as community healthcare workers and midwives. The first class of 25 rural-based midwives graduated from an 18-month long training in April 2004, and by summer 150 trained midwives will be attending to Afghan women and children.

In the private sector, we are providing \$3.5 million for private sector development for women and to secure women's property rights by helping to educate women about their property rights in Islam and assisting women in accessing sensitively delivered legal assistance to use new, more transparent administrative and judicial processes.

To support democracy, civil society, and the elections, \$25,000,000 of a total \$139,900,000 in fiscal year 2004 funding is being used to support women's participation in the democratic process. A portion of these funds was used to provide technical assistance to the Constitutional Commission and the Constitutional Loya Jirga, including support for public education campaigns and consultations focused specifically on ensuring that women's views were incorporated in the constitutional process. Women participated in all phases of the drafting process, made up 20 percent of the Loya Jirga Delegates, and succeeded in passing a new constitution enshrining equal rights for women. These funds are also being used to ensure the registration and participation of women in upcoming national elections. We have set aside \$10 million to develop a community empowerment initiative that ensures women's participation in local governance, builds capacity of women's community development councils, oversees women's block grants issued by the Ministry of Rural Rehabilitation and Development, and supports the coordination of multiple activities and services for women at the community level. The program will also provide small grants to the councils to develop community-owned centers that provide a venue for women to participate in governance issues; that provide them with services such as literacy training, health education, early childhood development assistance, vocational training and micro credit, and where they can develop cooperative enterprises. We are also providing \$1 million to help fund the Ministry of Women's Affairs and \$2.5 million to fund the new Office of Women's Internal Affairs and Human Rights in the Afghan Ministry of Foreign Affairs. The United States-Afghan Women's Council and State Department have fostered women's participation in the political, social, and economic sectors through exchanges, mentoring, and specific projects totaling nearly \$1 million for programs in rural-based women's centers, including adult literacy and vocational training.

Finally, our PRTs are supporting women and girls, with \$469,000 spent to renovate women's dormitories at Kandahar University and Kunduz Teacher's Institute and for the rehabilitation of a women's sponsored silkworm production factory in Mazar-i-Sharif. We expect other PRT projects supporting women to be nominated for funding in the future.

*Question.* What is being done to improve security so aid efforts can reach more of the population of Afghanistan?

*Answer.* The presence of Provincial Reconstruction Teams (PRTs) throughout Afghanistan is intended to provide a secure environment for NGOs to safely carry out activities. PRTs are a multinational effort. In addition to the ten United States-led PRTs, the UK, New Zealand, and Germany (under NATO) are also leading PRTs around the country, and several other nations have indicated a willingness to lead their own. PRTs will form the basis for an expanded NATO/ISAF presence in Afghanistan, particularly critical in the run-up to September 2004 elections.

*Question.* On March 8, 2004—International Women's Day—President Hamid Karzai was quoted as saying, "Please, my dear brothers, let your wives and sisters go to the voter registration process. Later, you can control who she votes for, but please, let her go."

What is your strategy to really empower women and have them participate in society as equal citizens under the law?

Answer. First, we want to get women registered to vote and into voting booths. Second, we are funding programs to development of civil society, particularly human rights for women. Here are some details.

The Constitutional Loya Jirga approved a new Constitution in January 2004. Women were fully engaged in the constitutional process. Two of the nine members of the Constitutional Drafting Committee, and seven of the 35 members of the Constitutional Review Commission were women. Women held almost 20 percent of the 502 seats, or 105 places, in the Constitutional Loya Jirga.

Women achieved a significant gain with the Constitution's specific mention of women as citizens, and its provision to set aside 25 percent of its seats in the lower house and 17 percent in the upper house of Parliament for women. Afghan women will have the right to vote and run for office in the elections, which are scheduled to take place in September 2004.

As of May 20, 2.56 million eligible voters have been registered to vote. Overall, 807,000 or 31.5 percent of registered voters are female, with a 45 percent level in the Central Highlands. Separate secure spaces have been created for women at polling stations and at voting facilities.

Special efforts are being made to educate using focus group discussion, community interaction and NGO meetings designed to encourage village leaders, men and women on the importance of women voting. Special emphasis has been given to increasing information targeted at women. Over 3,000 civic education classes have been held for a total of 70,500. Of that group, approximately 25,000 have been women. Two Asia Foundation partners are conducting civic education seminars related to the elections. Through a local Afghan NGO called Awaz, 200,000 cassette tapes will be distributed in the south, southeast and east, specifically targeting messages for women, encouraging them to participate in the process and vote. Approximately 400 traveling theater productions carry similar messages to the provinces. Many of these performances will feature the role of women in the elections.

Media use is critically important. Through a Kabul-based media center, the United States has also funded video documentaries and made-for-TV features on women in elections, women in politics, and three "All Women's Radio Stations" that host political programs to encourage women to register to vote. The percentage of women registering to vote in cities such as Mazar-e-Sharif and Herat where these shows are aired are double the national average. The United States supports content for Radio and Television Afghanistan (a national agency) on elections, and specifically provided content to the Internews/Tanin network on its recent weekly program on Women and Islam.

In fiscal year 2004, \$60 million was specifically earmarked by Congress to support women and girls in Afghanistan, and we have exceeded that requirement. U.S. programs that benefit women are a mix of components within existing programs (\$65,469,000) and new programs (\$15,000,000) that advance the participation and voice of Afghan women in governance, and their access to services. We have many projects in place to ensure the protection and promotion of women's rights. The United States addressed the needs of women in many of its reconstruction programs and implemented more than 175 projects to increase women's political participation, role in civil society, economic opportunities and education. The United States has allocated \$2.5 million for the construction of Women's Resource Centers in 14 provinces throughout Afghanistan. In Kabul and nearby towns, the United States supports the establishment of an additional 10 neighborhood-based Women's Centers. All these Centers will provide educational and health programs, job skills training and political participation training to women. Through the United States-Afghan Women's Council, the United States is providing \$1 million for educational training at the Centers.

In sum, our strategy for Afghanistan includes supporting and encouraging Afghanistan to evolve into a nation that respects human rights, possesses strong democratic institutions and an independent judiciary, and conducts free and fair elections. We encourage full implementation of the Constitution and establishment of programs that promote economic and political empowerment.

*Question.* How are we ensuring that women will be involved fully in electoral and political processes?

Answer. The United States is providing \$15 million to assist in voter registration, and another \$8.86 million to support the electoral process in Afghanistan through programs that include civic and voter education, focus group research, training for political parties and civic activists. Extensive voter education will be required to inform the population about both the importance of the elections and the procedures for participating in the elections, which are scheduled for September 2004. Special programs have targeted women, educating them on the importance of voting and political participation. Voter registration is underway, and as of May 20, 2.56 million

eligible voters have been registered to vote. Overall, 807,000 or 31.5 percent are female, with a 45 percent level in the Central Highlands. Special efforts are being made to encourage women to register, approaching village leaders and the men and women themselves through focus group discussions, community interaction and NGO meetings. The rural nature and security concerns make registration difficult, so the United States is funding a program of mobile vans to go directly to voters in their villages. In Mazar-e-Sharif and Herat, where women have their own radio programs, women are registering at twice the national average.

To support democracy, civil society, and the elections, \$25 million of a total \$139.9 million in fiscal year 2004 funding is being used to support women's participation in the democratic process. A portion of these funds were used to provide technical assistance to the Constitutional Commission and the Constitutional Loya Jirga, including support for public education campaigns and consultations focused specifically on ensuring that women's views were incorporated in the constitutional process. These funds are also being used to ensure the registration and participation of women in the national elections, which are scheduled for September 2004. The United States funded a \$1.2 million program in political party development and domestic election monitoring and also funded a countrywide program on civic education, particularly for women, to promote their acceptance of and familiarity with democratic norms and civic responsibility in Afghanistan.

The United States also funded a project to promote women's participation in the political process in central Afghanistan, offering workshops and discussion groups to rural women and support to potential female Constitutional Loya Jirga and parliamentary candidates. We have set aside \$10 million to develop a community empowerment initiative that ensures women's participation in local governance, builds capacity of women's community development councils, oversees women's block grants issued by the Ministry of Rural Rehabilitation and Development, and supports the coordination of multiple activities and services for women at the community level. The program will also provide small grants to the councils to develop community-owned centers that provide a venue for women to participate in governance issues, have access to services such as literacy, health education, early childhood development, vocational training and micro credit, and where they can develop cooperative enterprises. We are also providing \$1 million to help fund the Ministry of Women's Affairs and \$2.5 million to fund proposals from the new Office of Women's Internal Affairs and Human Rights in the Afghan Ministry of Foreign Affairs.

#### MILLENNIUM CHALLENGE ACCOUNT AND CORE DEVELOPMENT ACCOUNTS

*Question.* Funding for the MCA in fiscal year 2004 was far below the level needed to meet the President's commitment, and the fiscal year 2005 budget request includes only \$2.5 billion for the MCA. Moreover, core development accounts are being depleted. This year's request is \$56 million below last year's enacted levels.

—How do you justify the reductions in the core development accounts?

—Do you expect to meet the President's commitment of \$5 billion in new funds for the Millennium Challenge Account without further reductions on other development assistance?

Answer. These questions have been sent to MCC for response.

The Committee notes that no response was received.

*Question.* Over the past decade, 370 women have been brutally murdered in a string of unresolved murders in the cities of Juárez and Chihuahua, Mexico. Over 450 women have been abducted—of those, 30 are Americans—and over 100 have shown signs of sexual assault, rape, beating, torture and mutilation. Media reports have tied the killings to drug running and have implicated state and local police. Mexico's President, Vicente Fox, has been slow to act on this issue. Recently, bending to international pressure, he has appointed a federal commission to prevent and punish violence against women in Ciudad Juárez and a special prosecutor to coordinate federal and state efforts to punish assailants, but both efforts lack funding and teeth.

What are you doing to raise the profile of these murders and get the Mexican Government to take effective action?

Answer. The murders of women in Ciudad Juárez are a matter of great concern to the Department of State. The Department of State, with the assistance of the U.S. Embassy in Mexico City and the U.S. Consulate General in Ciudad Juárez, has closely followed the situation and the inconclusive efforts of Chihuahua state law enforcement authorities to resolve these murders. Department of State officials have met with Mexican human rights organizations to discuss the latter's view that these cases have been mismanaged by Mexican state and local law enforcement. Department of State officials have also discussed the matter with officials of the Mexican

Government. I raised the issue with my Mexican counterpart during the November 12, 2003, United States-Mexico Binational Commission meeting, reiterating our concern over this tragic situation.

As you know, President Fox has ordered the Federal Attorney General's Office (PGR) to assist local authorities in bringing to justice those responsible for these crimes. In June of last year, units of the Federal Preventive Police were sent to Ciudad Juárez to reinforce the local authorities. In August, a joint task force was created between the PGR and the State Attorney General's office. In October President Fox appointed a commissioner to coordinate the Mexican Federal Government's participation in the case, and in January of this year the PGR named a special prosecutor on the matter.

While we cannot independently verify the figures, we note the Mexican Government claims that the recent appointments and coordination efforts appear to have reduced the incidence of murders of women in the city. The Mexican Government has also advised that, while overall the investigations are still not advancing as fast as they wish, of 328 cases involving murders of women, 103 convictions have been obtained, and arrest warrants have been issued in another 27 cases.

We note that Mexico has been open to outside expert evaluation of the problem and has invited numerous entities, including the United Nations Office on Drugs and Crime and the Inter-American Commission on Human Rights Rapporteur on the Rights of Women, to visit Ciudad Juárez to examine the situation.

Offers of technical assistance and training have been made to Mexican law enforcement authorities by U.S. law enforcement authorities and a working group has been formed with the Mexicans to facilitate the provision of assistance. The U.S. Government funds and coordinates a broad range of training programs as well as material and technical assistance to Mexican federal law enforcement agencies to increase their crime-fighting capacities, including their ability to render assistance to Mexican state and local law enforcement. We have offered to tailor technical or other assistance to the PGR or to state and local police, if desired by the appropriate Mexican authorities, to help them address the crimes in the Ciudad Juárez area.

*Question.* What revenues are being generated by Iraqi oil production? How are these funds being accounted for? What percentage of Iraq's reconstruction is being paid for from Iraqi oil revenues?

*Answer.* Iraq's 2004 first quarter oil revenues just surpassed the \$4 billion mark. Since the liberation of Iraq, over \$9 billion has been generated. The current budget projects 2004 revenues of \$14.175 billion, but some current projections estimate that it will rise to at least \$14.5 billion.

The Iraqi Oil Ministry accounts for oil revenues with assistance from the Coalition Provisional Authority in Baghdad. Oil export revenues, in accordance with United Nations Security Council Resolution 1483, are deposited directly in the Development Fund for Iraq. This fund, as well as the export oil sales themselves, are subject to external audit by an independent public accountant that reports both to CPA and to the International Advisory and Monitoring Board (IAMB) endorsed by the resolution. The IAMB includes representatives from the International Monetary Fund, the World Bank, the Arab Fund for Social and Economic Development and the United Nations.

The United Nations and World Bank needs assessment for Iraq's reconstruction from 2004 to 2007 totaled \$56 billion. CPA currently projects that oil revenues from 2004 to 2007 will finance \$12.1 billion of capital projects, or just under 22 percent of the total estimated reconstruction cost of \$56 billion.

---

#### QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

*Question.* Would you support and work for a modification of the MCC's eligibility criteria to provide a greater focus on women and to include these additional indicators in the criteria in order to endure that this half of the world's population is not left to suffer discrimination and disparate treatment even as their countries move toward greater development?

*Answer.* I strongly believe that the participation of women is vital to the success of a country's long-term development strategy. The MCC criteria already support this proposition. In the selection of eligible countries, the Board is required by the legislation establishing the MCC to, where appropriate, take into account and assess the treatment of women and girls. Eligibility criteria already require "political pluralism, equality and rule of law," "respect for human and civil rights," and "investments in the people of the country, particularly women and children." The indicators used this past year reflect this emphasis. Countries that did not provide suffrage or civil rights for women were unlikely to score well on the indicators regarding po-

litical rights, civil liberties, or voice and vote. Countries that did not provide adequate education or health care for women did not score well on indicators of primary education and inoculation rates. To provide a check on these indicators, the Board was able to consider information from the State Department Human Rights Report regarding the treatment of women and girls and to consider both the level and trend of girl's enrollment rates in primary school.

The eligibility criteria in the MCC's legislation already place a clear and rightful emphasis on the role of women. No additional legislative language is needed. I believe the MCC should evaluate its methodology and indicators each year to make sure it is meeting the criteria and be open to including new indicators that provide a better measure of whether a country has, as the statute states, demonstrated a commitment to "just and democratic governance, economic freedom, and investments in the peoples of such country, particularly women and children."

#### BASIC EDUCATION FUNDING AND THE G-8 SUMMIT

*Question.* Mr. Secretary, you and I agree that basic education is important to our strategic and developmental interests around the world. You have spoken eloquently on the subject many times, and our National Security Strategy recognizes the link between poor education and reduced security. Unfortunately, the Administration's budget request would cut basic education support by \$23 million under Development Assistance.

Last December, 18 Senators and 63 Members of the House wrote to the President urging him to use the G-8 Summit this June as a venue to launch a significant U.S. Initiative on basic education and galvanize the world community to achieve the goal of education for all by 2015.

Reports suggest the Administration is proposing that the Middle East be a principal focus of this year's G-8 Summit. I understand that priority. I do not think it is incompatible with a major initiative to promote basic education.

—Please explain the proposed funding cut for basic education in the Development Assistance account in light of our strategic objectives.

—Please comment on the possibility that the Administration might make this year's G-8 Summit the "Basic Education Summit".

*Answer.* Education is a priority issue for this Administration. It is an important long-term investment in sustaining democracies, improving health, increasing per capita income and conserving the environment. Economic growth in developing countries requires creating a skilled workforce. President Bush has helped to give education a strong profile in the G-8 in recent years, and work is being carried forward actively both multilaterally and bilaterally. We are working internationally to support countries' efforts to improve the education and to get measurable results on enrollment and educational achievement.

Since the submission of the USAID fiscal year 2005 Congressional Budget Justification, projections on basic education levels have changed somewhat for both fiscal year 2004 and fiscal year 2005. While there is a \$22 million reduction in Basic Education funded by Development Assistance (DA) from fiscal year 2004 to fiscal year 2005 (from \$234 million to \$212 million), the currently projected total for basic education from all accounts for both fiscal year 2004 and fiscal year 2005 is \$334 million. The Administration intends to continue to maintain its strong interests in this area. In fact, the United States support for basic education from all accounts has more than doubled from fiscal year 2001 to fiscal year 2004, in recognition of its importance to giving people the tools to take part in free and prosperous societies.

#### FEMALE GENITAL CUTTING

*Question.* It is my understanding that USAID is developing a strategy for eliminating female genital cutting around the world. I would like to call to your attention the work of the group Tostan in Senegal, which has impressed observers by inspiring the mass abandonment of female genital cutting in more than 1,200 villages since 1997. This kind of extraordinary progress should be encouraged.

Please provide me with (a) a timetable for the timely completion of USAID's strategy, (b) an indication of the likely role of multi-dimensional programs such as Tostan in that strategy, and (c) your sense of whether it might be possible to begin supporting effective programs such as Tostan even before the strategy is completed.

*Answer.* (a) USAID will complete its Female Genital Cutting (FGC) Abandonment Strategy and implementation plan by early summer.

(b) Multi-dimensional programs such as Tostan currently are integral to USAID's work. Accordingly, USAID incorporated eradication of FGC into its development

agenda and adopted a policy on FGC in September 2000. To integrated this policy into programs and strategies, USAID:

- Supports efforts by indigenous NGOs, women's groups, community leaders, and faith-based groups to develop eradication activities that are culturally appropriate and that reach men and boys as well as women and girls.
- Works in partnership with indigenous groups at the community level, as well as with global and national policymakers, to reduce demand by promoting broader education and disseminating information on the harmful effects of FGC.
- Collaborates with other donors and activists to develop a framework for research and advocacy and to coordinate efforts, share lessons learned, and increase public understanding of FGC as a health-damaging practice and a violation of human rights.

(c) USAID currently funds Tostan projects in Senegal, Guinea, Burkina Faso, and Mali.

In addition to our work with Tostan, USAID is involved with other, comparable organizations. For example, in Nigeria, USAID's local partners include the Women's Lawyers Association and Women's Journalists Association. These groups work with us in programs involving community media and traditional media advocacy to change social norms regarding FGC.

We have conducted an evaluation for Tostan approach. Recently, we supported the dissemination of the findings and results at a symposium in Dakar, Senegal attended by national and international nongovernmental organizations as well as government ministries.

In Mali, we worked with an important women's Islamic group which reversed a previous stance when they affirmed that female circumcision is optional and that the practice is not mandatory under Islam.

*Question.* I would like to have clarification on the Administration's position on contributions to the Global Fund for fiscal year 2005. The President's budget provides on \$200 million for the Global Fund in fiscal year 2005. This is less than half of the \$547 million Congress provided in 2004 and far less than the \$1.2 billion needed from the United States if we are to meet one-third of the Fund's projected need for 2005. The Global Fund is a critical partner in the 14 countries that are part of PEPFAR (President's Emergency Plan for AIDS Relief) and is needed, perhaps even more acutely, in all the other countries that PEPFAR won't reach. (The Global Fund currently provides grants in 122 countries.) The Global Fund is also currently the most important new source of funding to fight TB and malaria globally.

- Why has the Administration proposed such severe cuts to the Global Fund?
- How will the Global Fund be able to renew existing grant awards from Rounds 1–3, fund Round 4, and award grants in Rounds 5 and 6 to the many countries that are equally needy yet left out of the 14 country initiative, if the United States commitment to the Global Fund is cut by more than half?
- How can we provide leadership to the Fund while providing only \$200 million, which is only six percent of its budget and less than one-third of what is needed to keep existing programs running?
- Will you support funding the Global Fund at a level of \$1.2 billion to meet its 2005 need?

*Answer.* The President's Emergency Plan for AIDS Relief made a \$200 million per year commitment of pledges for the five-year period of 2004–2008. Our fiscal year 2005 request therefore remains the same as our request in fiscal year 2004. We were the first donor to make such a long-term pledge of support to the Global Fund, which together with our previous donations to the Fund still represents nearly 40 percent of all pledges and contributions through 2008.

The American people can be extremely proud of our record of support for the Global Fund. Our support for the Global Fund is an integral part of the President's Emergency Plan. As you note, we cannot make every country a focus country, and there are other nations equally needy. When the United States contributes to a project of the Global Fund, it means that our dollars are leveraged in these grants by a factor of two, since the United States thus far has provided one-third of all Fund monies. So it is in our interests, as well as the interest of all people struggling against HIV/AIDS, malaria and tuberculosis, to see to it that the Global Fund is an effective partner in the fight against these diseases.

The Fund nevertheless is a relatively new organization, particularly in comparison to the 20 years of bilateral HIV/AIDS programs carried out by the United States and other bilateral donors. Like all new organizations, it is quite understandably undergoing some growing pains. As of April 1, 2004, the Global Fund had disbursed approximately \$280 million since the Global Fund's Board approved its first round of funding in January 2002. This compares to the first \$350 million under the Presi-

dent's Emergency Plan sent to our focus countries only three weeks after the program first received its funding.

This is not to criticize the Global Fund for being slow—indeed, the United States is one of the donors that has been urging the Global Fund to move carefully to ensure accountability and avoid waste. It does highlight, however, the potential effectiveness of bilateral assistance where donors already have an in-country presence.

We need both multilateral and bilateral avenues of assistance; neither the Global Fund nor bilateral donors can do it all. Other bilateral donors also need to step up with greater technical assistance to Global Fund projects, without which those projects will founder.

In addition, the United States believes that in order for funds to be effectively and efficiently disbursed, Country Coordinating Mechanisms (CCMs) and Local Fund Agents (LFAs) must be actively engaged in overseeing the implementation of grant activities. The United States would like to see in particular, a stronger representation of the private sector, NGOs and people living with the diseases on CCMs, which are largely chaired by government ministries. Engaging a broader representation of various stakeholders will help reduce potential acts of corruption and will allow for a wider distribution of funds so that more individuals in need can be served.

The Global Fund has already announced, in advance of the June Board meeting, that technically approved Round Four proposals will not exceed the cash already on-hand; so that at least through this Round, no funding gap exists. And we along with other donors believe that as a new organization, it may be best for the Global Fund not to press its current capacity too far, with Round Five not occurring until 2005 and Round Six in the following year. Its first projects will not come up for review and possible renewal until August 2004, and we will have a better sense at that time of its performance record and future needs.

#### TUBERCULOSIS TREATMENT

*Question.* Will you push to expand overall U.S. funding to fight tuberculosis to our fair share of the global effort—about \$350 million—including our fair share to the Global Fund? (The United States is currently investing about \$175 million in tuberculosis from all sources including our contribution to the Global Fund.)

*Answer.* The fight against tuberculosis (TB) is a very high priority for the United States Agency for International Development (USAID) and the United States is the largest bilateral donor for international TB. Over the last several years, our funding commitment to international TB programs has increased dramatically—from \$10 million in fiscal year 1998 to about \$84 million in fiscal year 2004. TB is a key area in our programs to address infectious diseases. We focus on strengthening TB control at the country level by supporting programs to expand and strengthen the World Health Organization recommended “Directly Observed Treatment Short Course (DOTS)” strategy in 34 countries, including activities in 16 of the 22 high-burden TB countries. We also support research related to new and improved treatment regimens, new diagnostics and approaches to improve the delivery of TB treatment to patients co-infected with TB and HIV/AIDS. In the near future, we will expand our research activities by initiating a new partnership with the Global Alliance for TB Drug Development. We work in close partnership with the National Institutes of Health (NIH) in the area of research, and with the Centers for Disease Control and Prevention (CDC) in supporting DOTS programs throughout the developing world.

The U.S. Government also is the largest bilateral donor to the Global Fund; it has made almost one-third of the contributions (almost \$1 billion) and more than one-third (almost \$2 billion) of the pledges to date. At its eighth board meeting in June in Geneva, the Global Fund approved a fourth round of grants. The four rounds of grants will provide more than \$3 billion over two years and more than \$8 billion over five years to almost 130 countries. The two-year funding for the four rounds includes 13 percent (almost \$400 million) for TB grants, 3 percent (almost \$100 million) for HIV/TB grants, and 1 percent (more than \$20 million) for integrated (HIV, TB, and malaria) grants.

The resources required to fight TB are considerable. While we have to continue with our investments, we need to balance increased funding to TB with other extremely important programs, such as malaria and child and maternal health. USAID and the Centers for Disease Control and Prevention (CDC) are working actively with the Stop TB Partnership and other donors to help meet those needs and to identify new resources to support TB control worldwide.

*Question.* Will you ensure that the President's AIDS Initiative makes it a priority to expand access to TB treatment for all HIV patients with TB and links TB programs to voluntary counseling and testing for HIV?

Answer. The Office of the U.S. Global AIDS Coordinator is committed to the appropriate coordination and integration of tuberculosis and HIV/AIDS services and programs. As you are aware, opportunistic infections, such as TB and malaria, play a fundamental role in the overall health of HIV infected individuals. TB is frequently the first manifestation of HIV/AIDS disease and the reason many people first present themselves for medical care.

Since both tuberculosis treatment and HIV/AIDS treatment require longitudinal care and follow-up, successful TB programs may provide excellent platforms upon which to build capacity for HIV/AIDS treatment. The Emergency Plan for AIDS Relief will support TB treatment for those who are HIV-infected and develop HIV treatment capacity in TB programs. In addition, interventions that increase the number of persons diagnosed and treated for HIV/AIDS will increase the need for TB treatment and care services. Therefore, action is required to build or maintain necessary tuberculosis treatment capacity. For example, laboratories, clinical staff, community networks, and management structures used for TB control can be upgraded to accommodate HIV/AIDS treatment. Finally, because the prevalence of HIV infection is high among persons with tuberculosis, TB programs will be important sites for HIV testing in the focus countries as well as ensuring that TB testing is available in HIV testing, treatment and care sites.

*Question.* Mr. Secretary, in September 2002, the National Intelligence Council released a report that identified India, China, Nigeria, Ethiopia and Russia, countries with large populations and of strategic interest to the United States, as the “next wave” where HIV is spreading rapidly. (India already carries one-third of the global TB burden, and because AIDS fuels TB, TB rates will also skyrocket as AIDS spreads.)

—Congress mandated a 15th country be included as a part of the President’s AIDS Initiative. The PEPFAR strategy report stated that this 15th country will be named shortly. Do you know that country this will be? If so, can you name the country?

—If not, what consideration is being given to include India as the 15th country, given the large number of HIV cases already present, the growing HIV problem that is likely to become a more generalized epidemic and India’s strategic importance?

—India has a remarkable TB program that has expanded over 40 fold in the last 5 years, treated 3 million patients, and trained 300,000 health workers. I would suggest that India’s TB program has important lessons for the scale-up of AIDS treatment programs in India and globally and we should support it and use it as a model in fighting HIV/AIDS. Will you support such an effort?

Answer. Consultations regarding the selection of a 15th country have been underway. As a first step, Ambassador Randall L. Tobias, the U.S. Global AIDS Coordinator, has consulted with senior officials within the Administration, including at the U.S. Agency for International Development (USAID), the U.S. Department of Health and Human Services (HHS), and the U.S. Department of State, about possible candidate countries for the 15th focus country. From this consultative process, the following list of 39 countries were identified by one or more of the agencies named above as a potential candidate for the 15th focus country.

#### EMERGENCY PLAN FOR AIDS RELIEF

##### 15TH FOCUS COUNTRY—INITIAL CANDIDATE COUNTRIES

Albania, Armenia, Azerbaijan, Bangladesh, Belarus, Bolivia, Brazil, Burma, Cambodia, China, Croatia, Egypt, El Salvador, Estonia, Georgia, Guatemala, Honduras, India, Indonesia, Jordan, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Macedonia, Mexico, Moldova, Nepal, Nicaragua, Peru, Philippines, Romania, Russia, Tajikistan, Thailand, Turkmenistan, Ukraine, Uzbekistan, and Vietnam.

Currently, these countries are being considered in the context of the ten standards listed below. These considerations provide a basis for comparative analysis and discussion regarding the potential candidates. It is important to note that these do not represent weighted criteria against which countries will be quantitatively evaluated. We do not expect that any one country will excel in all areas; instead, each country is being evaluated for its collective strengths and weaknesses.

—*Severity and Magnitude of the Epidemic.*—The prevalence rate, the rate of increase in HIV infection, and the total number of people living with HIV/AIDS.

—*Commitment of Host-Country Government.*—The basis of leadership’s willingness to address HIV/AIDS and stigma and its desire to partner in an amplified response.

- Host-Country commitment of resource potential.*—The degree to which the host government has the capacity and the determination to make trade-offs among national priorities and resources in order to combat HIV/AIDS.
- Enabling Environment.*—The level of corruption, stigma, free press, state of government bureaucracies and the strength of bilateral partnerships, all of which support effective use of Emergency Plan resources.
- U.S. Government In-country Presence.*—Whether the country has a strong U.S. Government bilateral in-country presence by USAID and/or HHS.
- Applicability of Emergency Plan Approaches.*—Whether modes of transmission of HIV/AIDS in the host country are receptive to Emergency Plan interventions.
- Potential Impact of Emergency Plan Interventions.*—How many people can be reached and the effect of intervention on the trajectory of disease.
- Gaps in Response.*—Whether the U.S. Government's technical expertise, training, development and strengthening of health care systems and infrastructure would fill gaps in the current response.
- Existence of Other Partners.*—Whether non-governmental organizations and other partners have a substantial in-country presence and can facilitate rapid expansion of services and efficient use of funds.
- U.S. Strategic Interests.*—The Emergency Plan is ultimately a humanitarian endeavor. At the same time, applicability of U.S. strategic interests may further the sustainability of programming, engender new sources of support, and offer increased opportunities for partnerships.

With regard to India, it is among the potential candidates for the 15th focus country. As you know, India has the second largest population of HIV-infected persons in the world, second only to South Africa. Regardless of its selection as a 15th focus country, an amplified response is necessary to stem the potential for a generalized epidemic that would greatly increase India's HIV/AIDS burden. India has a well-developed national strategic plan to address HIV/AIDS and a comparatively large pool of health professionals to assist in its implementation.

In addition, the President's Emergency Plan for AIDS Relief includes nearly \$5 billion to support on-going bilateral HIV/AIDS programs in approximately 100 countries worldwide, including in India. The U.S. Agency for International Development (USAID) and the U.S. Department of Health and Human Services (HHS) are highly engaged and active in the HIV/AIDS response in India. India is a participating country in HHS' Global AIDS Program through which HHS allocated \$2.3 million for HIV/AIDS programs in India in fiscal year 2002, and \$3.6 million in fiscal year 2003. USAID allocated \$12.2 million to HIV/AIDS prevention and care activities in India in fiscal year 2002, and \$13.5 million in fiscal year 2003. Additionally, both the U.S. Departments of Defense and Labor have HIV/AIDS programs underway in India. Numerous other donors, including governments, the private sector, multilateral organizations, and foundations, also fund HIV/AIDS programs in India.

With regard to using India's tuberculosis program as a model for HIV/AIDS treatment, the President's Emergency Plan for AIDS Relief is focused on identifying and promoting evidence-based best practices in combating HIV/AIDS. The Directly Observed Therapy-Short Course (DOTS) treatment that has been so effective in India has served as a model for HIV/AIDS treatment programs in Haiti and elsewhere. It is important to note that unlike TB, HIV therapy is life-long and therefore DOTS will likely require modification to be utilized on a large scale. One of the most important lessons drawn from the DOTS program is its use of community health workers to expand access to treatment. The network model of treatment and care promoted by the President's Emergency Plan implements this lesson by using community health workers to expand access to HIV/AIDS treatment in rural areas where consistent access to medical health professionals is limited.

The President's Emergency Plan for AIDS Relief also recognizes the importance of local context in implementing effective HIV/AIDS treatment programs. India's human resource capacity is significantly greater than that of many focus countries of the President's Emergency Plan, as is the reach of its health care infrastructure. These advantages play a significant role in India's tuberculosis treatment success, but represent limiting factors in access to treatment in the focus countries. Thus, the Emergency Plan, while actively implementing best practices identified from the success of DOTS therapy, focuses significant resources in building human capacity and strengthening health infrastructure in the focus countries to support expanded treatment programs.

*Question.* The Administration has raised safety concerns about generic drugs manufactured overseas. In some cases, these concerns are legitimate and we would all agree on the importance of safety and quality. For this reason the WHO carefully evaluates the safety and effectiveness of drugs, whether manufactured overseas or

in the United States. Yet, you have questioned the WHO approval process because it is not a regulatory body that requires clinical trials.

In the last week, the Global Fund, the World Bank, UNICEF, and the Clinton Foundation negotiated an agreement that will significantly expand the use of fixed dose combination drugs made in India and South Africa. This will dramatically increase the number of AIDS patients being treated.

—Given the urgent need of millions of AIDS victims, will you consent to allowing the purchase and use of drugs prequalified by WHO while you develop standards and a process to determine whether WHO meets the bar?

—What is the timeline the Administration will use to put in place and judge whether the generic drugs manufactured overseas are safe and efficacious for purchase with bilateral dollars? How are you going to deal with the variations in the procurement of drugs? Will there be an collaboration with the coalition?

Answer. Our policy for the procurement of antiretroviral treatments under the Emergency Plan is to provide drugs that are safe, effective, and of high quality at the lowest cost regardless of origin or who produces them to the extent permitted by law. This may include true generics, copies or brand name products. A true generic drug is one that has undergone review to ensure that it is comparable to an innovator drug in dosage form, strength, route of administration, quality, performance characteristics, and intended use. Drugs that have not gone through such a process are more accurately described as copies.

On March 29–30, 2004, in Gaborone, Botswana, an international conference was held on fixed-dose combination (FDC) drug products. The conference included representatives of 23 governments, drug regulatory agencies, research-based and generic pharmaceutical industry, public health leaders, health care providers, advocacy groups (including persons living with HIV/AIDS), academia, and multilateral and non-governmental organizations. We were very pleased with the broad international support and participation that the conference generated, including from the conference co-sponsors: the Joint United Nations Program on HIV/AIDS (UNAIDS), the World Health Organization (WHO), and the Southern African Development Community (SADC).

The conference successfully completed a vital step forward in developing commonly agreed-upon scientific and technical international principles to evaluate the quality, safety, and efficacy of FDCs for use in treating HIV/AIDS, tuberculosis, and malaria. The conference sponsors, representatives, and experts agreed that the final principles are not intended to and should not impede access to safe, efficacious, and high quality FDCs by people living with HIV/AIDS. The principles are not intended to address specific quality issues, or to develop clinical, therapeutic, or regulatory guidelines. Rather the document will provide scientific and technical principles for considering, developing, and evaluating FDCs for use in treatment. It is anticipated that the principles will be of use to regulatory agencies around the world, as well as to pharmaceutical companies and other organizations involved in developing and evaluating FDCs. In this regard, the principles will aid us in determining the standards we will expect fixed-dose combination drugs to meet to qualify for our purchase and expedite the process by which we can purchase lower-cost, non-patented FDCs with confidence.

We have the highest respect for the WHO and its prequalification pilot program. However, the WHO is not a regulatory authority. We must be assured that the drugs we provide meet acceptable safety and efficacy standards and are of high quality.

Under the Emergency Plan, we intend to support programs that will have a sustainable positive impact on health. If the medications in question have not been adequately evaluated or have had problems with safety or cause resistance issues in the future, we will be appropriately held accountable. We will continue to work with WHO and the international community on this important area. The finalization and adoption of the principles document for FDCs will be a major step forward for all. The final statement of principles is expected to be released during the second quarter of 2004.

#### MICROENTERPRISE

*Question.* USAID has been a global leader in the area of microenterprise, but we need to coordinate our efforts with other major players—particularly the World Bank and the United Nations Development Programme (UNDP). The Microenterprise for Self-Reliance Act of 2000 states that the Administrator of USAID and the Secretary of State should “seek to support and strengthen the effectiveness of micro-finance activities in the United Nations agencies, such as the UNDP, which have provided key leadership in developing the microenterprise sector.”

What steps have you taken to strengthen the effectiveness of microfinance activities in the UNDP?

Answer. The United Nations Development Program (UNDP) and USAID are both active members of the Consultative Group to Assist the Poor (CGAP), the 28-donor coordinating body for microfinance. USAID played a leading role in founding CGAP and the agency's financial and technical support has strengthened donors, including UNDP, in a number of ways. Over the past 18 months, for example, CGAP has coordinated a "peer review" process to increase aid effectiveness in microfinance. Seventeen donors, including USAID and UNDP, have been assessed through this process. In each case, the peer review team has identified very specific areas for improvement and has proposed steps to strengthen the strategic clarity, staffing, instruments, knowledge management, and accountability of the microfinance activities of the agency being reviewed. The findings have been shared with other donors. UNDP has taken a number of concrete steps to respond to the findings, and the Administrator of the UNDP provides leadership to the microfinance peer review initiative.

USAID has also worked with other CGAP members to develop stronger donor practices, including the recent drafting of core principles for microfinance that is in the process of being endorsed by all CGAP members. At the last annual meeting, the CGAP member donors also endorsed new requirements for membership, including comprehensive reporting of microfinance activities and results. USAID has also used CGAP to collaborate on developing new tools for microfinance donors, such as common performance measures. USAID, UNDP and CGAP took the lead in developing specialized microfinance training for donor staff, and many staff from UNDP and other donors have benefited from the week-long course.

USAID also takes responsibility for developing knowledge and "how-to" materials in specific areas, such as post-conflict microfinance and rural and agricultural finance. USAID invites participation from other donors in this work. Last month, for example, we convened a donor forum on recent innovations in rural finance and their implications for the donor community. Finally, in the field, USAID is often involved with UNDP in in-country donor coordination efforts in the microfinance arena.

*Question.* I am concerned that the UNDP has not joined USAID's efforts (which are required by Public Law 108-31) to develop cost-effective poverty-assessment tools to identify the very poor and ensure they receive microenterprise loans.

Will you work with Congress to ensure that UNDP expands its microfinance efforts for the very poor and uses the poverty measurement methods that USAID is developing so that we can be sure that these funds are reaching the people who need them the most?

Answer. USAID has invited CGAP's technical and financial collaboration in developing the poverty assessment tools, as a means to ensure that the broader donor community is aware of and involved in this important work. An ambitious work plan is underway to have the tools designed, field-tested and ready for implementation by USAID in October 2005. Over the coming year, USAID will be testing preliminary tools in the field with diverse partners. This should begin to provide evidence of the value and practicality of the USAID tools for other donors, including UNDP. We hope that the tools will prove sufficiently valuable and cost-effective to suggest ways for donors and practitioners to better serve very poor clients.

*Question.* Last year, the Appropriations Committee included language in the report that accompanied the Foreign Operations bill (S. Rept. 108-106) indicating that "The majority of microenterprise development resources should be used to support the direct provision of services to poor microentrepreneurs through these networks. Funding for administrative, procurement, research and other support activities not directly related to the delivery and management of services should be kept to a minimum." I am concerned to learn that by USAID's own reporting, only 45 percent of microenterprise funding in 2002—the most recent year for which detailed data are available—went to Private Voluntary Organizations, NGOs, credit unions and co-operatives (the groups that should be receiving the bulk of the monies) while the balance went to consulting firms, other for-profit organizations, business associations, research entities, and government agencies.

What are you doing, or what can you do, to ensure that a majority of these funds will, in fact, reach the extremely poor women Congress intended for them to reach?

Answer. USAID's microenterprise development support continues to benefit the very poor in a variety of ways. Using the measures established by the U.S. Congress, the portion of USAID's fiscal year 2002 microenterprise development funding that benefited the very poor was 50 percent. The services provided to poor and very poor entrepreneurs included "poverty loans," other financial services such as safe savings accounts, and other support including business development services. The

Microenterprise for Self-Reliance Act of 2000 defined poverty loan limits, by region, for purposes of assessing the extent of service to very poor clients. Poverty loans comprised a majority (63 percent) of all loans held by microfinance institutions reporting data in 2002.

Just as women are disproportionately represented among the very poor, so too are they disproportionately represented among clients of USAID-supported microfinance institutions. Women clients constituted more than two-thirds of the total clients of all microfinance institutions in fiscal year 2002,<sup>1</sup> and the trend is upward. The Near East has seen the most dramatic change: the percentage of women clients of USAID-supported microfinance institutions in the region has more than doubled since 2000, rising from 27 percent to 55 percent.

USAID achieves these results in part through collaboration with private voluntary organization (PVO) networks, which are the backbone of U.S. assistance to the microenterprise development field. USAID has long supported the development of PVO networks (including cooperative development organizations). The share of USAID funding received directly by U.S. PVOs, NGOs, cooperatives and credit unions for services to poor entrepreneurs averaged around 46 percent in the 1997–2003 period.

USAID works with other direct service providers as well, to ensure that ever more poor clients receive microenterprise support from USAID-assisted awardees. Banks, non-bank financial institutions, and business associations complement the agency's traditional partners and provide diverse financial and business services to poor microentrepreneurs. In fiscal year 2003, direct service providers received an estimated 58 percent of total USAID microenterprise funding directly through grants, cooperative agreements, and contracts. This figure understates the extent of support to direct service providers. Of the funds awarded to consulting firms, a significant portion (often more than 50 percent of the contracted amount) is typically designated for direct service providers, including PVOs, NGOs, cooperatives and credit unions. Thus the actual share of USAID funding awarded to direct service providers is consistently over two-thirds of the total.

USAID is a global leader in supporting innovations that benefit very poor women entrepreneurs. The following examples from India illustrate creative approaches to overcoming gender and socioeconomic disadvantages:

—In India, the rural dairy initiative seeks to help 4,000 micro-scale dairying households in the Himalayan state of Uttaranchal move from subsistence to commercial production. With \$750,000 from USAID, AT India (a local non-governmental organization) is facilitating delivery of business development services and credit, helping very poor women in remote areas integrate into the economy and find profitable markets for their dairy products. Financial services are delivered through small producer networks called mutually aided cooperative societies; microcredit allows easy access to services as producers move from subsistence level to commercial scale of operations and enter into competition with government-sponsored dairies. Business services are supplied through private-sector providers and include milk and milk products collection, distribution and marketing businesses, as well as a range of veterinary, nutritional and other livestock services.

—Also in India, SEWA (Self-Employed Women's Association) Bank has used the tools USAID developed under the AIMS (Assessing Impact of Microenterprise Services) project to develop a number of new products and services for its clients. The SEWA Bank recently introduced a one-day loan to meet the credit needs of vegetable vendors. In addition, it now offers a special savings account designed to pay for marriage expenses, and has started a financial literacy program to help its members improve their personal financial management. SEWA is also reviewing the appropriateness of its products for each of the major sub-sectors in which its members work. Future plans may include a loan product to finance girls' education.

*Question.* I am concerned about signals that the State Department is backing off of its commitment to microenterprise. First, microenterprise is no longer mentioned in USAID's Congressional Budget Justification (CBJ). The "Pillars and Programs of Special Interest" tables in the fiscal year 2002, fiscal year 2003, and fiscal year 2004 CBJs all include a separate line for microenterprise under the "Economic Growth, Agriculture, and Trade" category. In the fiscal year 2005 CBJ, there is no reference to microenterprise in this table. Second, microenterprise is not mentioned at any

<sup>1</sup>Excluding Bank Rakyat Indonesia (BRI). BRI's numbers are typically excluded from analyses of USAID microenterprise development funding because the Bank's client base is so large it would skew the findings for the rest of the institutions that receive USAID support.

point in the USAID Strategic Plan for 2004–2009. Finally, you made no mention of microenterprise in your prepared testimony.

Are the State Department and USAID backing off their commitment to microenterprise? Given that there is no specific reference to microenterprise in this year's USAID CBJ, what level of microenterprise funding do you believe is appropriate?

Answer. The State Department and USAID remain firmly committed to support for microenterprise development and recognize its important contribution to economic growth and poverty reduction. In fact, I wrote in the February 2004 issue of the State Department publication *Economic Perspectives*, "I am proud of America's key role in promoting microenterprise. U.S. objectives are threefold: to improve access to financial services for the world's poor; to support access to business services that specifically address constraints felt by poorer entrepreneurs; and to improve the business climate through regulatory, legal and policy reforms. Our efforts are global, from Mali in Africa and Jordan in the Near East to Azerbaijan in Europe and Peru in Latin America. Our successes will be universal, with the concerted efforts of the international community."

In fiscal year 2003, USAID substantially exceeded the \$175 million funding target set by Congress. In fiscal year 2004, the agency will once again surpass the agreed upon target of \$180 million. Despite the very tight budget in fiscal year 2005, USAID considers a microenterprise funding target of \$180 million to be appropriate for that year as well.

*Question.* In the May edition of *Vanity Fair* (page 230), there is an article entitled "The Path to War" which states that one week prior to your speech at the U.N. Security Council in New York on February 5, the White House provided you with a lengthy document intended to serve as the basis of your UNSC speech that "was a laundry list of intelligence gathered by the government about Iraq's weapons programs." According to the article, this dossier was "cobbled together in Vice President Richard Cheney's office by a team led by Cheney's chief of staff, I. Lewis "Scooter" Libby, and John Hannah, the Vice President's deputy assistant for national security affairs." The article reports that you and your State Department staff rejected the White House dossier—which ultimately grew to over 90 pages—and started from scratch by drafting a new speech based on CIA analysis at CIA Headquarters.

—Is this account accurate? If so:

—Why did you and your State Department staff reject the White House-provided information as the basis for your Security Council speech? What specifically did you find objectionable in this material?

—Why did you rely on the CIA—rather than your own intelligence analysts at the State Department's INR bureau—to draft this speech? Do you find INR's analysis on Iraq matter in any way deficient? Please elaborate. Why didn't you rely on intelligence analysis provided by DOD to make your Security Council speech.

—How skeptical were you prior to the recent Iraq war regarding the quality of intelligence reporting provided by sources from the Iraqi National Congress?

—If the account is not accurate, which parts are not accurate and what are the facts?

Answer. Shortly after the President gave the State of Union speech in January 2003, a small interagency team under State Department leadership was sent to the CIA to work with Intelligence Community (IC) analysts to prepare my presentation to the U.N. Security Council. Working directly with DCI Tenet, the Deputy DCI, John McLaughlin, and key CIA, DIA, NSA, and other analysts, the team carefully reviewed, vetted and assessed a large volume of material from a variety of sources. I urged the IC to conduct a careful sourcing review of all of the intelligence information in my presentation. As a result, on a number of occasions during the preparation process, we decided to omit information from my presentation. It would not be appropriate for me to comment further on intelligence matters and this deliberative process. But I will say that I gave a draft of my proposed presentation to Assistant Secretary for INR, Carl Ford, and he in turn provided me his comments. Let me say also that INR's overall assessment of Iraq's BW and CW programs paralleled the Intelligence Community's assessment of those programs. Where the INR assessment of Iraq's WMD programs differed from the IC was in the status of Iraq's nuclear program. I reviewed that difference of views and decided to go with the view of the majority of the IC.

The briefing I presented to the United Nations Security Council on February 5, 2003, was based on the best intelligence information that was available to us, available to the United Nations over a period of years, and available to the foreign intelligence services whom we worked with closely and for whose efforts we had great respect. We all believed that Saddam Hussein had the capabilities and the intent to produce WMD. We still believe that. At the time of my briefing, we also believed

that stockpiles of prohibited weapons were in Iraq, including WMD. We were right about missiles and other conventional ordnance. But we haven't found stockpiles of chemical or biological weapons, nor have we found an active nuclear program.

*Question.* The May edition of *Vanity Fair* contains an article entitled, "The Path to War," and cites Sir Christopher Meyer, the British Ambassador to the United States, as stating that President Bush made clear in a White House meeting on September 20, 2001, with you, Dr. Rice, Prime Minister Blair and Ambassador Meyer, that he was determined to topple Saddam Hussein from power. According to the article, Amb. Mayer stated that "[r]umors were already flying that Bush would use 9/11 as a pretext to attack Iraq . . . On the one hand, Blair came with a very strong message—don't get distracted; the priorities were al-Qaeda, Afghanistan, the Taliban. Bush said, "I agree with you, Tony. We must deal with this first. But when we have dealt with Afghanistan, we must come back to Iraq."

—Do you recall this conversation? Is this an accurate characterization of that meeting? Please elaborate.

—Other former Bush Administration officials—Richard Clarke, former Secretary O'Neill—have suggested that going to war with Saddam was a high Administration priority immediately after Sept. 11, or sooner. What is your recollection of specifically when the Administration made invading Iraq a high priority? What specific event or piece of intelligence was the catalyst for the decision to go to war against Iraq?

*Answer.* After September 11, I spoke on numerous occasions with Principals, the President, and other foreign leaders and officials, to include PM Blair and Ambassador Meyer, regarding our response to the September 11 attack. These and other conversations were part of a process of careful and deliberate considerations that the President undertook as he considered how to respond to the September 11 attacks. It would not be appropriate for me to discuss specific, privileged, pre-decisional conversations with the President. As we know, in September 2001, the President directed the U.S. Government to respond against those who perpetrated or facilitated the 9/11 attack—Al-Qaeda and the Taliban regime in Afghanistan that provided al-Qaeda safehaven.

The United States' decision, more than a year later, to undertake military operations against Iraq was based on Saddam Hussein's refusal to comply with U.N. Security Council resolutions and his defiance of the international community, his capabilities and intent to possess CW, BW, and nuclear weapons—in the past he had used CW against the Iranians and against his own people—and, as we believed then, his possession of stockpiles of CW and BW weapons as well as an active nuclear weapon development program. The Iraqi regime's failure to comply with the U.N. resolutions and to continue to defy the international community was made clear in the months after the Security Council unanimously passed resolution 1441 and after U.N.-mandated inspections resulted in reports to the Council that Iraq was not providing the immediate, unconditional and active cooperation that had been demanded by the Council.

*Question.* You were recently quoted in the press (e.g., in the April 3, 2004 editions of the Washington Post and The New York Times) as stating that your characterization of mobile biological laboratories in your presentation to the United Nations last year appears to have been based on faulty intelligence sources. In your 2003 Security Council speech, you cited information regarding mobile biowarfare labs, citing eyewitness accounts and saying, "[w]e have firsthand descriptions of biological weapons factories on wheels and rails."

—Please elaborate on the nature and extent of your concern with the intelligence reporting on this issue—which at the time you indicated was based on multiple sources. What have you since found out about these apparently faulty intelligence sources, and where within the Intelligence Community do you believe that responsibility lies for not adequately vetting these sources?

—Do you believe the U.S. Intelligence Community should initiate a reassessment of its vetting procedures for human source reporting?

—Do you consider Intelligence Community reporting related to Iraq any more reliable now than it was before the recent war with Iraq?

*Answer.* My presentation at the U.N. Security Council on February 5, 2003 reflected the best and most rigorous intelligence, based on the information at hand at the time. In the preparation for that presentation at the United Nations, I had insisted on multiple sources for all intelligence. For example, there were four separate sources for the information I presented on the mobile biological labs. Recently, the Director for Central Intelligence (DCI) acknowledged that the Intelligence Community had previously had access to information that called into question the credibility of one of the sources on these labs. I understand that, because of this lapse, the DCI has publicly stated the Intelligence Community's review process will be

scrutinized carefully and, where needed, adjusted. As for the other three sources, I also understand that their previously solid credentials are now also in question—but to go into this any further would cause my answer to be classified, so I will stop here. At the end of the day, the President, the Vice President, the other cabinet officers and I continue to have confidence that the Intelligence Community presents us and other senior U.S. officials with timely and credible information and its best analysis, based on what is known at any given time.

---

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

*Question.* How was the Administration so wildly off the mark on the costs, difficulties and duration of our involvement in Iraq?

*Answer.* Many agencies worked to provide the best possible estimates of the resources that would be required to free Iraq from the repressive regime of Saddam Hussein and to ensure that Iraqis were able to form an independent, united, prosperous and peaceful Iraq after the conflict. The innumerable variables in making such calculations made this very difficult.

I would refer you to my interagency colleagues for comment on their remarks.

*Question.* Why were those working on post-war plans dismissed by DOD/the Administration? Why weren't the State Department and the Army War College listened to? Why hasn't CPA put to use the best practices espoused by numerous government agencies, especially since CPA is operating in fits and starts and cannot obligate the \$18 billion in its hands?

*Answer.* Our focus now is on supporting the reconstruction and political transformation of Iraq and preparing for a transition on June 30 to Iraqi self-rule, the dissolution of CPA, and the establishment of an American embassy, not on revisiting previous differences of opinion.

Our policy in Iraq has always been a fully cooperative, interagency effort, directed by the President. Given the magnitude of the undertaking, it should not be surprising that there were interagency disagreements at times over personnel and planning. State did its best to contribute constructively to the planning effort, and I am proud of our contributions.

On your questions regarding CPA contracting policies, I would refer you to my CPA and DOD colleagues.

*Question.* What happens to CPA Funds when CPA Disbands on June 30, 2004? Mr. Secretary, Congress appropriated \$18.4 billion for Iraqi reconstruction and humanitarian aid last October to the Coalition Provisional Authority. In November, the Coalition Provisional Authority established it would cease operations on June 30, 2004 and hand-over the governance of Iraq to an interim government. A recent CPA Inspector General Report states that the CPA has only obligated \$900 million of the \$18.4 billion for reconstruction, or 5 percent. That fact, in and of itself, is inconceivable, but I want to ask these questions.

What happens to the remaining \$17+ billion of taxpayer money allocated to the CPA when the CPA shuts its doors on June 30? Will it transfer to State? DOD? Will Congress have to reallocate these funds? What is State doing to fill the void left by CPA?

*Answer.* After June 30, the Secretary of State will have responsibility for the continuous supervision and general direction of all U.S. assistance for Iraq, including the \$18.4 billion Iraq Relief and Reconstruction Fund (IRRF). Each implementing agency (State, Defense, USAID, HHS, and Treasury) will execute assistance programs according to its own regulations under the overall guidance of U.S. Mission in Baghdad. The Coalition Provisional Authority expects to have obligated \$5 billion of the \$18.4 billion to programs in Iraq by June 30. OMB has thus far allocated about \$11 billion to appropriate implementing agencies, and not a single allocation to CPA or its successor. In addition, \$2.5 billion of 2003 Iraq reconstruction assistance continues to fund thousands of projects as money is obligated and disbursed to those projects. Funds are allocated according to the spending plan described in the quarterly 2207 report to Congress. The State Department is working to ensure a smooth transition from CPA authorities to the U.S. Mission Baghdad. Program Management Office (PMO) policy oversight and general oversight functions will transfer to the Mission, while many of its projects, particularly in the construction sector will continue to be supervised by a temporary organization called the Project and Contracting Office.

*Question.* Mr. Secretary, on March 31, you pledged an additional \$1 billion in U.S. funding to the reconstruction of Afghanistan. President Karzai says Afghanistan requires at least \$27 billion in foreign aid over the next five years. The donor con-

ference garnered a total of \$4 billion for this year. I applaud the donors and the Administration's pledge, but I have several questions.

When does the State Department anticipate sending the request for an additional \$1 billion to Congress: Fiscal year 2005? Fiscal year 2006? As a supplemental? How will the money be used? Is the State Department committed to allocating at least 10 percent of this pledge toward the plight of Afghan women? For how many years will the United States continue to provide economic assistance to Afghanistan? How much funding will be allocated during that time-frame?

Answer. In fiscal year 2004, the United States is providing \$2.2 billion for Afghanistan's reconstruction, which includes the \$1 billion pledge announced in Berlin. In fiscal year 2005, we have requested an additional \$1.2 billion for Afghanistan. This money will be used for a wide variety of programs and purposes, including security assistance (building the Afghan National Army, training national police, counter-narcotics, rule of law, etc.), reconstruction and development projects (road construction, health clinics, education, power generation, etc.) humanitarian relief (shelter construction, etc.), and economic growth initiatives (capacity-building, domestic revenue generation, etc.). Though no decisions have yet been made regarding the precise allocation of future year funds, support for women and girls in Afghanistan remains a high priority, and we will continue to allocate funds for these initiatives.

Since fiscal year 2001, the United States has provided over \$4 billion total for Afghan reconstruction, and as Secretary Powell has stated on numerous occasions, we are committed to Afghanistan for the long haul. We must ensure that Afghanistan never again reverts to a sanctuary for terrorism, a challenge that will require significant resources over a prolonged period of time. However, the progress made to date has been substantial, and we are confident that with continued, steady support, Afghanistan will ultimately re-join the community of nations as a stable, democratic, and self-reliant partner.

*Question.* The Antiterrorism Assistance program (ATA) has been a valuable tool to train international security forces and police forces in antiterrorism methodologies and tactics. I am proud Louisiana has played such an active role in ATA. I understand the State Department is committed to providing such training overseas for programs in Afghanistan and Iraq and for the establishment of regional training centers closer to the home nations of the participants in ATA. It certainly makes sense to conduct training in Afghanistan and Iraq, but the other overseas training is certainly a deviation from the commitments the State Department made to the State of Louisiana. At the behest of the State Department, the State of Louisiana committed resources to expand its training infrastructure to accommodate increased training. If the State Department continues to move ATA funds overseas, programs in Louisiana will be threatened.

Is the State Department committed to upholding the pledges it made to Louisiana and other states to conduct ATA within the United States? Will State continue to fund ATA within the United States at fiscal year 2002 levels?

Answer. We share your view that the Antiterrorism Assistance program has been an extremely valuable tool in the United States Government's effort to fight the war on terrorism. Many allied nations have the will to combat terrorism, but ATA helps them develop and maintain the skill they need in a variety of disciplines.

Louisiana State University and the Louisiana State Police Academy have been valuable partners in antiterrorism training over the years, as has New Mexico Tech in Socorro, NM, the Nonproliferation and National Security Institute in Albuquerque, NM, the Federal Law Enforcement Training Center in Brunswick Georgia, the Pacific Northwest National Laboratory in Hanford, Washington, the ATF K-9 Training Center in Front Royal, VA, the FBI Academy in Quantico, VA, Fort A.P. Hill in Bowling Green, VA, the ATF laboratory in Beltsville, MD, the Armed Forces Institute of Pathology in Rockville, MD, and a number of other U.S. facilities and institutions.

Since September 11, 2001, ATA has also provided intensive in-country training programs in key countries such as Pakistan, Indonesia, Afghanistan, Colombia, and Iraq. The Department of State does not plan to discontinue U.S.-based training in favor of overseas training. Rather, the Coordinator for Counterterrorism, with my concurrence, has tasked ATA with broadening its menu of training options to include in-country programs, fly-away courses, emergency antiterrorism assistance training teams, and customized consultations as well as standard training at U.S. facilities.

We believe ATA has responded well to the demand for flexibility in responding to shifting terrorist threats. The ATA budget for training has increased in recent years, and the Louisiana institutions continue to meet training requirements effectively. However, there is no way the Department can guarantee specific levels, types

and locations of training into the future, as those decisions will depend upon as yet undetermined requirements and funding levels. Please be assured that the Department will continue to utilize all platforms that prove effective in improving the counterterrorism capabilities of our partner nations.

#### SHORTFALL OF ARABIC LINGUISTS

*Question.* Secretary Powell, I fully support your efforts to recruit the next generation of diplomats through the DRI. Not only is recruiting vital to our armed forces but it is also imperative for State to recruit Foreign Service employees. Foreign language training is critical to the success of our members of the Foreign Service. More importantly these men and women must speak the right languages.

What efforts are being taken to ensure the State Department has sufficient numbers of speakers of languages such as Arabic, Farsi, and Pashtun?

*Answer.* The Department of State has developed and started to implement a coherent, integrated strategic plan for meeting its language proficiency goals. This plan involves close collaboration among the Bureau of Human Resources, the Foreign Service Institute, and the functional and regional bureaus and posts with foreign language requirements. Our approach involves targeted recruitment, credit in the hiring process for language proficiency, and incentives to acquire, maintain, improve language skills to highly advanced levels, and to re-use over a career the critical and difficult languages that are in high demand as we build the language cadres needed. This strategic plan is reinforced by the high priority value that the Department's corporate culture places on language proficiency among our officer corps.

#### CRITICAL LANGUAGES

*New Policy on Hiring Preference.*—To boost our language capability, in December 2003 the State Department instituted special preference for hiring into the Foreign Service, applicable to both generalists and specialists. This preference is given to candidates who speak languages for which our current needs are critical. These languages include Arabic, Chinese (Cantonese or Standard/Mandarin), Indic languages (e.g. Urdu, Hindi, Nepali, Bengali, Punjabi), Iranian languages (e.g. Farsi/Persian, Dari, Tajiki, Pashto), Japanese, Korean, Russian, and Turkic languages (e.g. Azerbaijani, Kazakh, Kyrgyz, Turkish, Turkmen, Uzbek). This list is a reflection of foreign policy objectives, language-teaching considerations, and supply of speakers among current employees, so it is subject to revision as needs evolve.

Specifically, candidates with a speaking score of 2 or higher on a 1 to 5 scale in a critical needs language get a 0.4 point increase on the hiring registers, while 0.17 remains the increase for other languages. Candidates who benefit from the new policy have already passed the relevant Foreign Service entrance exams. As a result of this policy, generalist candidates who have their scores adjusted upward are moved up on the list of eligible hires, thereby increasing the chances that they would be offered an appointment into the Foreign Service.

Language skills factor prominently in the assignments process, affecting job opportunities for the Foreign Service, and the promotion process. In addition, Language Incentive Pay provides financial incentives for the acquisition, improvement and repeated use of languages. This emphasis on languages throughout a career is balanced and appropriate.

A priority has been to develop and expand our Arabic language programs to support efforts in Iraq, Afghanistan, Libya, and elsewhere in the Middle East. Arabic language training has more than doubled between fiscal year 1999 and fiscal year 2003.

FSI has recently published a "Language Continuum" that is parallel to FSI's other career and training-related continua. A collaborative effort with the personnel system and the operational bureaus, this Continuum outlines for the Department and its employees a way to meld the principles of strategic workforce planning and the "Open Assignments" system, by serving as a roadmap to weave language proficiency development and use into a successful career progression. The Language Continuum is designed to help Foreign Service personnel plan a long-term integrated approach to language learning and use, leading the motivated and talented more often to attain the advanced language skills needed. In partnership with regional bureaus, posts, and the Bureau of Human Resources, "beyond S-3/R-3" training opportunities may be arranged at select educational institutions overseas, at a FSI field school or at FSI/Washington. ("S-3/R-3" represents a speaking/reading General Professional Proficiency.) This targets the need to continuously build and expand the cadre of sophisticated users of critical languages, who can better understand the positions and assumptions of others and communicate our own perspectives more co-

gently and persuasively in order to effectively defend and advance the interests of the United States.

The Language Continuum provides a “roadmap” to systematically guide employees at different stages in their careers through the multiple training opportunities; outlines a strategic plan for achieving the language competency needed for tenuring and for promotion to the senior level; describes available resources beyond course offerings, including such resources as home stays, guided self-study and language learner counseling; addresses the language-training needs of eligible family members; and provides learning tips to foster more effective language proficiency, and use and improvement to advanced levels.

#### GIRLS’ EDUCATION

##### *Background*

*Question.* There are about 70 million girls not attending school in the developing world. They make up three-fifths of the 115 million children out of school. The 2003/04 EFA Global Monitoring Report found that 70 countries are currently at risk of not achieving the Millennium Development goal of gender parity (an equal number of girls and boys in school) by 2005.

Research shows that improving girls’ education is one of the most effective development investments countries can make. Providing education for girls:

- Boosts economic productivity
- Lowers maternal and infant mortality rates
- Reduces fertility rates
- Increases life expectancy
- Protects against HIV/AIDS
- Improves educational prospects for the next generation
- Promotes better management of environmental resources

Encouraging girls’ enrollment in school is a focus of basic education funding. The Administration’s request for basic education under DA in fiscal year 2005 is \$212 million, representing a \$23 million cut from the fiscal year 2004 appropriation under DA.

Mr. Secretary, the effectiveness of educating girls is very well documented.

Educating girls:

- Boosts economic productivity
- Lowers maternal and infant mortality rates
- Reduces life expectancy
- Protects against HIV/AIDS
- Improves educational prospects for the next generation

Getting more of the 70 million girls who are currently out of school into classrooms is one of the primary goals of the basic education program.

Given these benefits, I am very concerned by the Administration’s request for a \$23 million reduction in basic education support under Development Assistance.

Could you please comment on the rationale behind this?

Answer. I couldn’t agree with you more on the value of girls’ education. Education can lead to improved lives and livelihoods not only for girls but ultimately impacts entire families and communities. In addition to the points you have made, I would add, that in these troubled times around the world, literacy and learning are the necessary foundation for both democracy and development. That is why education is a strong priority for this Administration.

While there is a small decrease in the fiscal year 2005 Development Assistance account for basic education, funding from all USAID-managed accounts is currently projected to be the equivalent of fiscal year 2004, \$334 million, which excludes funding from recent supplementals. I would also like to note that total funding for basic education programs has more than doubled since 2001.

#### COORDINATED EDUCATION AND HIV/AIDS STRATEGY

*Question.* There is strong evidence that keeping children in school—especially girls who are much more susceptible to the HIV/AIDS virus—reduces the chance that they will become infected.

In Swaziland, UNAIDS found that 70 percent of high school age adolescents attending school are not sexually active, while 70 percent of out-of-school adolescents are sexually active.

A World Bank study called *A Window of Hope* reports that in Zimbabwe, girls who received primary and some secondary education had lower HIV infection rates—a trend that extended into early adulthood.

Despite this, the focus has been on using schools as a venue for teaching about AIDS, rather than recognizing the protective nature of education—that simply being educated helps protect people from infection.

Given the value of education as the most effective vaccine against AIDS that we currently have:

Doesn't basic education—and not just AIDS education—have to be central to AIDS prevention activities?

Answer. Basic education is the foundation for success in the majority of the Agency's development activities, including agriculture, private sector development, and health. To be successful in the fight against HIV/AIDS, it is essential that USAID continue working around the world to promote completion of basic education for all and integrate AIDS prevention messages into all of the other sectors, including education.

#### COORDINATED EDUCATION AND HIV/AIDS STRATEGY

*Question.* Should the United States have a coordinated strategy on basic education and HIV/AIDS prevention?

Answer. The U.S. Agency for International Development has both prevention and mitigation strategies that link basic education to lessening the impacts of HIV/AIDS. At the primary level, USAID has model curricula to raise learner awareness of the disease and self-protection and parallel curricula for teacher training—increased awareness and basic learning skills combined do contribute over time to lowered rates of infection. USAID is also supporting a technical position at UNESCO to advance basic education and HIV/AIDS strategies at a global level, and through UNESCO, as a member of UNAIDS, with in-country strategies.

At the mitigation level, USAID developed a model to project the work force impacts of the disease. This model guides how the education sector needs to respond to assure continued human resources necessary for countries and sectors to avoid system and economic collapse, e.g., teachers and managers necessary to meet education sector demands. To offset education work force losses in countries worldwide, a multi-lingual Internet education portal has been built to train teachers and provide resources they need.

*Question.* “The worldwide advancement of women’s issues is not only keeping with the deeply held values of the American people; it is strongly in our national interest. Women’s issues affect not only women; they have profound implications for all humankind. We, as a world community cannot even begin to tackle the array of problems and challenges confronting us without the full and equal participation in all aspects of life.”—SEC. POWELL, March 7, 2002

Mr. Secretary, your words before the United Nations in March 2002 imply that you and your administration understand the important role advancing the rights of women has in the reconstruction of a nation, particularly a nation where women’s rights have been violently oppressed for decades.

Yet, since that time, for whatever reason your administration has seemingly chosen not to pursue an aggressive, long-term agenda directly aimed at protecting and improving the lives of women in Afghanistan and Iraq. Instead, we have employed a “rising tide lifts all boats” strategy based on a misperception that overall aid given by the United States will inevitably benefit all members of the Afghan and Iraqi population. In fact, in your 2003 report on the status of women and children you state:

“Overall U.S. humanitarian and reconstruction assistance [in Afghanistan] will be over \$1 billion in fiscal year 2002 and 2003 combined. Most of these funds are intended to benefit the country and Afghan families as a whole—men, women and children alike. Some aid is targeted specifically toward Afghan women, children and refugees. This combination means that it remains impossible to define a distinct dollar amount devoted just to the three population groups feature in this report.”

Making matters worse, while the entire report is about current systemic barriers to reconstruction such as security, economic development, health care, and education, there is almost no mention of the unique barriers to women in these areas.

Mr. Secretary, in the words of Martin Luther King “Peace is not just the absence of conflict, it is the presence of justice.” Particularly justice for those for whom justice has been denied. In other words, the advancement of civil rights requires aggressive action and targeted programs aimed at eliminating discrimination and promoting equality. I know that you know this to be true. Why, then, do your recent policies in this area continually fail to acknowledge this reality?

Answer. The United States works proactively with women's issues in Afghanistan and Iraq, and has done so from the inception of both programs. A list of activities addressing women in Afghanistan and Iraq is attached.

In Afghanistan, the United States Agency for International Development (USAID) assists Afghan women through directed grants to non-governmental organizations and integration into broad programs. We are now combining all of our smaller women's activities into multi-year programs. Early in its Afghanistan program, USAID used small grants to help establish the Ministry of Women's Affairs, support women's NGOs, and provide women with job opportunities. USAID has also ensured support for women into humanitarian programs, such as food aid. The current program intends to establish and fund seventeen women's centers.

In Iraq, USAID bases its reconstruction programs on the belief that women's consent and active participation matters in politics, economic opportunity, and social settings. Since April 1, 2003, USAID has focused on women's equality and empowerment through local government and civil society organizations—two avenues that allowed the most immediate and direct impact on their lives. USAID helped build the social structures needed to support Iraq's women with increased school enrollment for girls and health programs aimed at mothers.

Reaction to explicit changes in women's roles typically occurs about a year after programs begin. This implies that civil society organizations and female leaders will be challenged in 2004 even as they move beyond their initial footholds. To support women in the second year of reconstruction, USAID programs allow for a sustained approach to women's equality. In governance, legal changes will include codifying women's rights, solidifying the role of women in government, and supporting women's civil society organizations. Economic programs which target women and give them new opportunities are also being developed.

*Question.* Mr. Secretary, as you know, the U.S. sponsored resolution calls on nations to eliminate laws and regulations that discriminate against women and prevent them from participating in society and the political process. I understand that you and your administration have been working with leaders in both Iraq and Afghanistan to ensure that their constitutions recognize and protect the rights of women. According to recent reports, your administration remains confident that the Afghan and Iraqi Constitutions "will make acceptable provisions on the issue of women's rights."

It is my understanding that both constitutions contain a provision that states that when there is a conflict between the constitution and the law of Islam, the law of Islam is supreme. While other Islamic nations have established systems that recognize the sanctity of religion and the importance of human rights, what assurances to you have that religion will not be used as a means of discrimination against women?

Answer. None of the world's major religions, including Islam, discriminate against women. It is traditional practices and interpretations of religious teachings that result in discrimination. Governments that permit women to be made subservient to men can be expected also to make men subservient to men, and are antithetical to democracy. There are numerous instances, not only in Islamic countries, where conservative elements in strongly patriarchal societies attempt to limit a recent extension of civic and economic rights to women. Afghanistan's constitution states that "no law can be contrary to sacred religion of Islam and the values of this constitution," which includes guarantees for the rights of women. A reliance on Islamic jurisprudence applies only to laws or provisions not covered by the constitution. The United States, as an external influence in Iraq and Afghanistan, can help blunt reactionary efforts against recent gains by women through explicit inclusion of females in governance, economic and social programs.

*Question.* Last Wednesday, at a donors' conference in Berlin, President Karzai said his country would need \$28 billion over the next seven years to fully recover from decades of war. Experts say that without this funding, most of which will have to come from international donors, the reconstruction efforts will likely fail. Correct me if I am wrong, but it is my understanding that our total contribution to non-military reconstruction efforts in Afghanistan since 2002 has been a little over \$2 billion. At the same time, in one year alone, the United States has allocated \$18.4 billion for similar reconstruction in Iraq.

Mr. Secretary, no one on this committee would suggest that reconstruction in either of these two countries is any more or less important than the other but in terms of strategic planning and long term goals, these disparate allocations don't make sense.

First, if one looks at the indicators of need for non-military reconstruction it is clear that there is a greater need for efforts in Afghanistan than our budget reflects.

	Iraq	Afghanistan
Literacy Rate (percent) .....	40	36
Women (percent) .....	29	21
Infant Mortality Rate .....	55/1,000	143/1,000
GDP (dollars in billions) .....	\$58	\$19

Second, according to a recent IG report, of the \$18.4 billion we allocated, only \$900 is under contract. In other words, we are not spending 95 percent of the money we have allocated for reconstruction in Iraq.

These disparities may lead some to suspect that there are ulterior motive at hand here. Can you address this criticism?

Answer. USAID programmed approximately \$1 billion in fiscal years 2002 and 2003 combined and an additional \$1 billion in fiscal year 2004. The Administration's "Accelerating Success" initiative was intended to significantly increase both the amount and the impact of assistance. While this is a sizeable amount, and we thank Congress for its generosity, the needs in Afghanistan will require a sustained commitment for the next several years.

#### SUBCOMMITTEE RECESS

Senator MCCONNELL. Thank you all very much. The subcommittee will stand in recess to reconvene at 2:30 p.m. on Wednesday, April 21, in room SD-124. At that time we will hear testimony from the Honorable J. Cofer Black, Coordinator, Office of the Coordinator for Counterterrorism and the Honorable Andrew Natsios, Administrator, United States Agency for International Development.

[Whereupon, at 4:30 p.m., Thursday, April 8, the subcommittee was recessed, to reconvene at 2:30 p.m. Wednesday, April 21.]