

Senate Committee on Foreign Relations
Chairman Richard G. Lugar
Opening Statement for
Nomination Hearing
June 15, 2005

Today, the Senate Foreign Relations Committee meets to consider nominees to three key leadership positions in the Administration. President Bush has nominated Ronald Neumann to be Ambassador to Afghanistan; Gregory Schulte to be U.S. Representative to the Vienna Office of the United Nations and U.S. Representative to the International Atomic Energy Agency; and Michael Hess to be Assistant Administrator of the U.S. Agency for International Development in the Bureau of Democracy, Conflict and Humanitarian Assistance. We welcome these three distinguished nominees and look forward to our discussions with them.

Our first nominee, Ambassador Ronald Neuman has previously served as our Ambassador to Algeria and to Bahrain. Most recently, he has served as Counselor for Political-Military Affairs at our embassy in Baghdad.

As in Iraq, the outcome in Afghanistan will influence U.S. national security and the prospects for peace in the Middle East for many years to come. The United States and our Coalition allies are committed for the long term to help stabilize and reconstruct Afghanistan.

Afghans are taking on greater responsibility for rebuilding their own country. Last year, the citizens of Afghanistan democratically elected President Karzai, despite threats of violence from Al Qaeda and remnants of the Taliban. Afghanistan has made substantial progress in broadening democratic participation, enhancing the role of women, improving security, and building a new national army. More than five million children are now going to school, and construction of housing, roads, and hospitals is proceeding.

But much is left to be done in the effort to stabilize and reconstruct this war ravaged nation. The government must strengthen the rule of law, counter pervasive drug trafficking, and generate more economic opportunities, as well as continue to improve the quality and effectiveness of the police and Afghan National Army. Our new Ambassador must work creatively with the Afghan government and people to address these challenges.

Our second nominee, Mr. Gregory Schulte, most recently served as the Executive Secretary of the National Security Council. He was also Senior Director for Southeast European Affairs on the NSC Staff from 2000 to 2002, where he helped coordinate the U.S. response to the end of the Milosevic regime in Serbia and U.S. efforts to prevent a civil war in Macedonia. From 1992 to 1998, Mr. Schulte was assigned to NATO Headquarters in Belgium. Prior to his assignment to NATO, he served in the Pentagon as Director for Strategic Forces Policy and Assistant for Theater Nuclear Forces Policy.

If confirmed, Mr. Schulte would take his seat at the IAEA at a critical time for U.S. non-proliferation objectives – particularly in light of activities by Iran and North Korea. President Bush has put forward important proposals to strengthen the Nuclear Non-proliferation Treaty. He has proposed immediate ratification of Additional Protocols by Members of the IAEA to close treaty loopholes; a one-year freeze of any transfers of enrichment and reprocessing technology to states not

already in possession of functioning fuel cycles; and a suspension of the voting rights of Member States on the IAEA Board of Governors during periods when they are under investigation. The essence of these proposals is that access to peaceful nuclear technology is conditioned on responsible, verifiable behavior.

Responses from Vienna and our allies have varied, but support in favor of the President's proposals is substantial, as evidenced by the important endorsement of the last G-8 Summit at Sea Island. I look forward to hearing how Mr. Schulte will implement the President's agenda. Specifically, we need to fully understand the nominee's plans for working with the Director General of the IAEA and other members of the Board of Governors to ensure the success of U.S. proposals.

Our third nominee, Mr. Michael Hess, is President Bush's choice to lead USAID's Bureau of Democracy, Conflict and Humanitarian Assistance. He served 14 years on active duty in the Army and another 17 years as a reserve officer. His military service has included assignments to Turkey and Iraq in 1991, Bosnia in 1995 and 1996, Kosovo in 1999, and Iraq again in 2003, where he organized the post-war humanitarian response and then became Ambassador Bremer's deputy chief of staff. During these assignments, Colonel Hess led hundreds of men and women in planning and responding to complex contingencies and humanitarian crises. Since 1985, between mobilizations, he has worked in the Banking sector for Swiss Bank and now Citibank, where he is a senior risk reviewer and vice president.

The Bureau of Democracy, Conflict, and Humanitarian Assistance is the expeditionary arm of USAID. It is charged with preventing and ameliorating both natural and man-made disasters. Two hundred forty-two bureau personnel coordinate an army of public and private partners in responding to hotspots around the world. They provide rapid, flexible assistance to countries in transition or emerging from conflict. The Bureau has programs in Iraq, Afghanistan, Indonesia, Haiti, Liberia, Sudan, Sri Lanka, Democratic Republic of the Congo, Angola, Burundi and Bolivia, among others.

The nominee's primary challenge will be to plan and coordinate the efforts of various assistance organizations. For example, in Iraq DCHA is collaborating closely with the First Cavalry and now the Third Infantry Divisions. It has disbursed 997 grants, totaling more than \$119 million in Sadr City and other Baghdad districts. This cash-for-work program has provided temporary employment to an average of 23,000 Iraqis on a daily basis over the last 12 months, as well as cleaner and safer streets. This is a remarkable achievement, and precisely the sort of work that is making a difference on the ground.

This Committee has been intensely interested in improving post-conflict stabilization and reconstruction missions. In fact, tomorrow we are holding a hearing on the subject. We are eager to hear the nominee's views on USAID's role in these circumstances.

I congratulate each of you on your nominations. I ask that you deliver your statements in the order that you were introduced. If you are summarizing a statement, the text of your entire presentation will be included in the hearing record. Also, please introduce family and friends that may have accompanied you on this important occasion.

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