

Senate Committee on Foreign Relations
Chairman Richard G. Lugar
Opening Statement For
Nominations Hearing
September 8, 2004

The Committee on Foreign Relations meets today to consider three nominations for positions at the Overseas Private Investment Corporation (OPIC), the World Bank, and the Inter-American Development Bank.

President Bush has nominated Robert Mosbacher, Jr. to be President and CEO of OPIC; Robert Holland, III to be U.S. Executive Director at the World Bank; and Jan Boyer to be U.S. Alternate Executive Director at the Inter-American Development Bank. We welcome these three distinguished nominees and look forward to our discussions with them.

Our first nominee, Robert Mosbacher, is currently President and CEO of Mosbacher Energy Corporation in Houston, Texas. He has served in this position since 1986. An attorney by training, he also serves on the board of directors of JP Morgan Chase & Co., the Methodist Hospital System, and on the executive committee of the U.S. Oil & Gas Association. In addition, he has roots on Capitol Hill, having worked on the staff of former Senator Howard Baker.

If confirmed, Mr. Mosbacher would take charge of an agency whose primary function is to facilitate international development through U.S. investment overseas, while expanding international opportunities for American businesses. OPIC's programs support private investment in less-developed countries by reducing risks, particularly currency inconvertibility, expropriation, and political violence. OPIC is authorized to finance investment through loans, guarantees and insurance. It does so by charging its clients fees, similar to a private financial institution. Therefore, it operates on a self-sustaining basis without cost to the U.S. taxpayer. OPIC's authority to guarantee and insure U.S. investments abroad is backed by the full faith and credit of the U.S. government. This is critically important at a time when American companies are seeking to compete and prosper in the global marketplace.

Our second nominee, Bob Holland, currently serves as U.S. Alternate Executive Director at the World Bank and a member of the Audit Committee. The Audit Committee's responsibilities include oversight of the internal audit and institutional integrity departments -- the bank units that deal with financial statements and investigations of fraud and corruption. While at the World Bank, Mr. Holland has worked constructively with the Foreign Relations Committee and has responded promptly and fully to numerous inquiries. Prior to his current appointment, he worked for more than twenty years as a business executive and attorney who negotiated financial transactions -- particularly mergers, acquisitions, and investments involving energy assets throughout the world.

Our final nominee, Jan Boyer, is currently a Visiting Fellow at the Institute for International Economics. He previously served at the Overseas Private Investment Corporation as Senior Advisor to the President. Earlier in his career, Mr. Boyer worked in private equity investment banking, during which he launched and led three private equity initiatives in emerging markets. He spent eight years living and working in Latin America.

If confirmed, Mr. Holland would represent the United States at the World Bank and Mr. Boyer would represent the United States at the Inter-American Development Bank. Working with the Treasury Department, State Department and USAID, they would provide policy direction to their respective development banks and vote on projects and policies.

The United States has strong economic, national security, and humanitarian interests in supporting development and alleviating poverty around the world. The development banks leverage the resources that we can devote to these goals. Since 1960, the United States has provided more than \$42 billion in direct contributions to the development banks. It is imperative that effective stewards be in place throughout our government to help combat corruption and ensure the proper utilization of U.S. taxpayer funds.

The Foreign Relations Committee has held four hearings examining ways that the U.S. Congress and our government can contribute to anti-corruption and anti-fraud efforts at the multilateral development banks. In addition to hearings, I have directed letters of inquiry on individual projects and policies to the respective banks. Committee staff members have visited overseas projects and conducted interviews with bank employees, non-governmental organization representatives, academics, and others.

Building on this oversight effort, I introduced authorization legislation replenishing funds for the subsidized windows of the World Bank, Asian Development Bank, and African Development Bank. This legislation includes reform proposals to bring about more transparency and accountability in the operations of all five multilateral development banks.

I congratulate each of our nominees. 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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