

Testimony of Judith G. Garber
Nominee to be U.S. Ambassador to the Republic of Cyprus
Senate Committee on Foreign Relations
October 4, 2018

Mr. Chairman, Ranking Member Murphy, and Members of the Committee, I am honored to appear before you today to be considered for the position of the United States Ambassador to the Republic of Cyprus.

I am grateful to be nominated by President Trump and appreciate Secretary Pompeo's confidence in me.

If confirmed, I pledge to work with all of you to advance in Cyprus the fundamental U.S. interest in a Europe whole, free, prosperous, and at peace.

I'd like to recognize my husband, Paul, who is here today and thank him for his love and support over a long Foreign Service career. Paul and our five children are truly the source of my strength.

I am humbled to be considered again to serve as a U.S. Ambassador. It is an honor and privilege to represent the United States.

This is an important time for Cyprus, a country situated at the crossroads of Europe, the Middle East, and Africa. It is at this place that U.S. national interests in anchoring the Euro-Atlantic Alliance, securing the Eastern frontier, and stabilizing the South intersect.

Our commitment to encouraging the leaders of the Greek Cypriot and Turkish Cypriot communities to forge a just and lasting settlement remains as resolute as ever.

If confirmed, I would do all that I could to support efforts by these leaders, by ordinary Cypriots, by the guarantor powers, and by the United Nations to reach the promise of a bi-zonal, bi-communal federation.

A reunified Cyprus would provide a more prosperous future for all Cypriots.

Such an example would resonate well beyond the island, strengthening relations in all corners of the Eastern Mediterranean and throughout the world. It would also serve as an inspiration for others who wish to define a new future after a painful past.

The Republic of Cyprus is a valued friend and important strategic partner with whom we cooperate on a range of priorities including counterterrorism, maritime security, and law enforcement. Cyprus' participation in the Global Coalition to Defeat ISIS, as well as its regional efforts to prevent the proliferation of weapons of mass destruction demonstrate its commitment to international security. We are working to systematically strengthen our relations with the Republic of Cyprus, including in the areas of security cooperation and counterterrorism. If confirmed, I will continue this effort.

The discovery of natural gas resources in the Eastern Mediterranean, including in Cyprus' offshore waters, has expanded possibilities for increasing regional energy security through diversification of resources, routes, and suppliers.

We have emphasized our support of the Republic of Cyprus' right to develop hydrocarbon resources in its Exclusive Economic Zone. We also believe the resources should be shared equitably between both communities within the context of an overall settlement.

Hydrocarbons have the potential, if managed correctly, to be a catalyst for increased cooperation, for enhanced regional stability and prosperity, and should serve as an incentive to a Cyprus settlement. If confirmed, I would seek to build upon this potential.

Cyprus' economy has proven to be resilient, with the help of an IMF program from 2013-2016, but additional reforms will be necessary to sustain future growth. Cyprus continues to support IMF post-program monitoring, illustrating their resolve to keep the economy on a positive trajectory. However, Cyprus needs to modernize its foreclosure and bankruptcy laws, and accelerate efforts to reduce the high level of non-performing debt. It also needs to take more steps to combat the numerous challenges and risks posed by illicit Russian money in the economy. To sustain economic growth, Cyprus needs to control public sector spending, take steps to diversify the economy, and implement legal reforms to preserve confidence in the banking sector.

We also pay close attention to the integrity of the Cypriot financial sector. We are encouraged by the progress local banks have made to boost regulations by culling suspicious accounts and hiring additional personnel to conduct due diligence. If confirmed, I will encourage the Republic of Cyprus to continue to strengthen its banking regulations and implement measures to limit the ease of shell company formation.

At the same time, progress on a settlement could have a positive impact on the entire island's economy. Study after study has shown a Cyprus settlement would create opportunities for greater trade and investment, bringing tangible benefits to all Cypriots. If confirmed, I would encourage innovation and entrepreneurship to meet this goal.

If confirmed, I will be accredited to the Republic of Cyprus. I will support both Greek Cypriot and Turkish Cypriot communities in their efforts to pursue reconciliation and reunification.

I believe my experience has prepared me well for the challenges and opportunities ahead. I have dedicated much of my career to advancing U.S. economic interests. If confirmed, I will also draw on my previous experience as an Ambassador in a small European Union country with communal divisions in a complicated neighborhood.

If confirmed, I will work to strengthen the bonds between the United States and the Republic of Cyprus. I will work with Members of Congress, partners throughout the U.S. Government and the private sector, and with the dedicated staff of the Embassy in Nicosia to further our goals in Cyprus and support the promise of a better future for all Cypriots.

Mr. Chairman, Members of the Committee, thank you again for the opportunity to be here with you today.

I would be pleased to answer any questions you may have.