

**NOMINATIONS OF THE 112TH
CONGRESS—SECOND SESSION**

HEARINGS

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

—
FEBRUARY 7 THROUGH NOVEMBER 28, 2012
—

Printed for the use of the Committee on Foreign Relations



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COMMITTEE ON FOREIGN RELATIONS
112TH CONGRESS—SECOND SESSION

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**NOMINATIONS OF LARRY PALMER, PHYLLIS
POWERS, JONATHAN FARRAR, AND JULISSA
REYNOSO**

TUESDAY, FEBRUARY 7, 2012 (a.m.)

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

Hon. Larry L. Palmer, of Georgia, to be Ambassador to Barbados,
St. Kitts and Nevis, St. Lucia, Antigua and Barbuda, the Com-
monwealth of Dominica, Grenada, and Saint Vincent and the
Grenadines
Hon. Phyllis M. Powers, of Virginia, to be Ambassador to the
Republic of Nicaragua
Jonathan D. Farrar, of California, to be Ambassador to the Repub-
lic of Panama
Julissa Reynoso, of New York, to be Ambassador to the Oriental
Republic of Uruguay

The committee met, pursuant to notice, at 10:05 a.m., in room
SD-419, Dirksen Senate Office Building, Hon. Robert Menendez,
presiding.

Present: Senators Menendez, Lugar, and Rubio.

**OPENING STATEMENT OF HON. ROBERT MENENDEZ,
U.S. SENATOR FROM NEW JERSEY**

Senator MENENDEZ. Good morning. This hearing will come to
order.

Today the Senate Foreign Relations Committee will consider four
nominations: Ambassador Larry Palmer to be the Ambassador to
Barbados, St. Kitts and Nevis, St. Lucia, Antigua, and Barbuda,
and the Commonwealth of Dominica, Grenada, St. Vincent, and the
Grenadines. That's a lot of territory to handle. [Laughter.]

Ambassador Phyllis Powers to be the Ambassador to Nicaragua;
Mr. Jonathan Farrar to be the Ambassador to Panama; and Deputy
Assistant Secretary for Central America and the Caribbean; and
Julissa Reynoso, to be the Ambassador to Uruguay.

Let me welcome you on behalf of the committee, and your fami-
lies and friends. I'll make a statement, and then I'll turn to Senator
Rubio.

I want to congratulate you all on your nominations. If confirmed,
you'll serve the U.S. Government as its highest representative to

the countries to which you have been nominated, and you'll be called upon to implement the policies of our government and to protect and advance the interests of the American people.

I know many of you have already had this opportunity in different places, though such an honor is bestowed upon relatively few in our country.

I would encourage you to respond expeditiously to any questions that may be submitted subsequently for the record so the committee can act on your nominations as soon as possible. The deadline of submissions for the record for members will be the close of business on Friday.

All of today's nominees are being considered for ambassadorial positions to the Western Hemisphere. The four embassies you are being called upon to lead are spread throughout the hemisphere, from the Caribbean to Central America to the southern cone of Latin America. The wide range of bilateral issues that confronts these embassies is as broad and complex as America's multifaceted relationship with the region itself.

In light of our geographic proximity, our shared history, our economic and cultural ties, and the ability to instantly share information through the Internet, the Western Hemisphere's 840 million people are inextricably linked like never before.

America's relationship with our neighbors in the region can best be described as a partnership. When one looks at the incredible amount of goods and services flowing across the borders, the migration of our peoples, the art and music that we share, it's clear the United States and its neighbors have forged an incredibly strong and interminable relationship, and the bond that cements this partnership is called democracy.

Over the last few decades, we have seen some incredible democratic progress in the Western Hemisphere, with most countries possessing a representative democracy and with more and more people enjoying the same rights and privileges that we have in the United States.

There are, of course, notable exceptions, among them Cuba, Venezuela, and, in my view since last November, Nicaragua. When I think about the hemisphere, I think at a different time it would have been unimaginable for Ahmadinejad to have been welcomed anywhere within the Western Hemisphere. Is it a coincidence that one of the world's pariah leaders, Mahmoud Ahmadinejad, recently visited all three of these countries on his recent tour of tyrants, as my House colleague, Ileana Ros-Lehtinen, has so eloquently stated?

What does it say about the leaders of these three countries when they invite to their capitals a repressive leader of Iran who, in June 2009, was reelected through massive fraud, disputed ballots, and a biased electoral board? A leader who, when the people of his country rallied in the streets to protest, unleashed his security forces to crush the protesters?

On November 6, Daniel Ortega used the Ahmadinejad election playbook to stay in power, and then had the gall to invite his mentor to his coronation in January. Where was the international outrage when Ortega altered the constitution, allowing him to run for a third straight term? Where was the Organization of American

States, who concluded that despite irregularities, that Ortega had actually won the election?

Now, right in front of our eyes, we're watching the same movie in Venezuela, the harassment of the opposition, the closing of independent media outlets, and restrictions on nongovernmental organizations that echo events ongoing now in Egypt. It's all happening again, and I don't see anyone speaking out except for some very brave human rights organizations and individuals on the ground. I will be pretty outraged if we have to chair another hearing in November to examine how Chavez stole the election in Venezuela.

Repression is as wrong in the Western Hemisphere as it is in the Middle East. As Dr. King said, "Injustice anywhere threatens justice everywhere." There is no better time for the leaders of our hemisphere to reinforce the democratic gains of the last two decades than at the Summit of the Americas in Cartagena this April, not just through talk but by action. The Organization of American States, for example, must be more effective and given all the necessary resources it needs to defend and promote human rights and democracy throughout the Americas, including by strengthening the Inter-American Commission on Human Rights.

This is not the time for the OAS to back down or retreat from its mission or be bullied by Chavez. This is the time to double-down and reclaim its hemispheric leadership.

I'm extremely supportive of Secretary Clinton's efforts to bolster the Inter-American Commission on Human Rights, and I hope the State Department will continue to put more emphasis on the region.

Just as the United States addresses the fires in other parts of the world, so too must we address the issues smoldering in our own hemisphere. Antidemocratic forces are gathering strength in too many nations. In some countries like Nicaragua, these forces are explicit and visible at the ballot box, and in others it is more hidden in the repression of media and civil society, and the weakening of society fostered by drug cartels that feed on desperation and poverty and corruption. These forces are harder to find and more opaque, but they are equally corrosive and self-serving.

It's time to wake up and start dedicating the resources and our attention in a hemisphere which is incredibly important to the national interests and security of the United States, just as we do in other parts of the world. I look forward to these nominees being part of that effort. I hope that the President's budget, which will be released next Monday, will reflect this hemisphere as a policy priority.

With that, I'm pleased to recognize the ranking Republican on the committee, my friend and colleague, Senator Rubio.

**OPENING STATEMENT OF HON. MARCO RUBIO,
U.S. SENATOR FROM FLORIDA**

Senator RUBIO. Thank you, Mr. Chairman. It's an honor to have with us today as well the ranking Republican on the Foreign Relations Committee, Senator Lugar, who is a legend in the foreign relations world. So it's great to have you here. Thank you for being a part of it.

Thank you all for your service to our country and for your willingness to serve in these new posts.

The Western Hemisphere actually is, I hope, will become of increasing attention and importance. I think it's been neglected. There are major issues going on elsewhere in the world that have distracted us over the last few years, but I think what's going on in the Western Hemisphere very much is at the core of what American foreign policy should be about.

The expansion of democracies around the world have led to free markets, and free markets have led to prosperity, freedom, and security, and nowhere is that more apparent than in the Western Hemisphere, where all but one nation has embraced democracy and elections. Unfortunately, one of the trends that we're starting to see in this hemisphere is a little backsliding from that. We're certainly seeing that in Nicaragua. We're certainly seeing that in Venezuela and some of the countries allied with them, and then obviously in Cuba, where for over 50 years now has been a totalitarian government.

And so at a time when there is this ongoing debate in the world about who is going to win, is it going to be the liberal democracies like the United States and some of these emerging ones in the Western Hemisphere, or is it going to be totalitarian governments like Iran and China, Russia, two of those three countries which are trying to increase their footprint in the Western Hemisphere?

So your appointments come at a critical time when, more than ever before, the United States needs to be a clear and bold voice on behalf of liberal democracy, on behalf of self-determination, on behalf of people having their basic human rights respected.

Now, your assignments are all different, but they're more challenging ones in some places than in others. In Nicaragua, as this chairman just announced, I think we saw an absolute outrage last year and a fraudulent election that no international organization would certify, that the very candidacy of the man who won violated the very constitution of its own country.

Later this year we'll see elections in Venezuela, in Mexico and the Dominican Republic. And so I think it's important for all of you, as you go to your new posts, that you be firm advocates on behalf of democracy, on behalf of freedom, on behalf of the right of the people of these countries to self-determination. The challenges are different in different places, but if there's a growing tendency in the region in some places, it's a desire to undermine all of these institutions, whether it's the press, the courts, or the elections themselves, and it's important that the United States clearly know where we stand.

I once had a visitor—I think he was from Nicaragua; in fact, he was—say to me that sometimes the United States is more interested in stability than it is in democracy; that, in essence, too often in the past in our foreign policy, particularly in Latin America and in the Western Hemisphere, we have looked the other way because we would rather that country be stable and not have a migration problem or some other issue than actually speak up on behalf of democracy.

But that can't be the case, because democracy functions from time to time. They may elect people that don't agree with us on

everything. They may say some things that we don't like. But in the big picture, in the global picture, in the long term, it's better for our country, for our region, and for the world for people to have a voice in selecting their own leaders. History has proven that time and again. And as representatives of the single greatest republic in all of human history, you're going to be uniquely positioned to be a strong voice on behalf of these principles that have not just made our Nation great but have made the world safer and more prosperous.

So I welcome your willingness to serve in these new posts. I look forward to hearing your testimony today, and in particular your ideas about how, in your specific assignments, you intend to be a voice on behalf of freedom and democracy and self-determination. Thank you.

Senator MENENDEZ. Thank you, Senator.

Senator Lugar, do you have opening comments?

We thank you for being here with us today.

With that, let me introduce the panel. So let me start off taking a few moments to speak about each of you and your history, and then we'll ask you to make a statement of about 5 minutes. Your full statements will be included in the record, and certainly introduce your family or friends, since we understand that family is a critical part of your mission in terms of support and help, and we understand it is, in essence, an extended service of themselves as well, and we appreciate that.

But, Ms. Reynoso, you have to limit how many people you can introduce. [Laughter.]

Because as I was entering, I met several of your supporters, so it might take most of the hearing time. [Laughter.]

So with that, Larry Palmer is the nominee to be the Ambassador to Barbados, St. Kitts and Nevis, St. Lucia, Antigua, and Barbuda, the Commonwealth of Dominica, Grenada, St. Vincent and the Grenadines. He has recently served as the Ambassador to Honduras from 2002-2005. Prior to being Ambassador to Honduras, Mr. Palmer served as the deputy chief of mission and Charge d'Affaires in Quito, Ecuador, and counselor for Administration in the Dominican Republic.

Phyllis Powers was sworn in as Ambassador of the United States to the Republic of Panama on September 10, 2010. She previously served as the Director of the Office of Provincial Affairs at the U.S. Embassy in Baghdad, the deputy chief of mission of the U.S. Embassy in Lima, Peru, and Director of the Narcotics Affairs Section responsible for Plan Colombia.

Jonathan Farrar was the chief of mission of the U.S. Interests Section in Havana, Cuba. He has served as the Principal Deputy Assistant Secretary of the State Department's Bureau of Democracy, Human Rights and Labor, and was DRL's Acting Assistant Secretary. Mr. Farrar also served as Deputy Assistant Secretary in the State Department's International Narcotics and Law Enforcement Bureau, with responsibility for INL's programs in the Western Hemisphere, Africa, Asia, and Europe.

Julissa Reynoso is currently the Deputy Assistant Secretary for Central America and the Caribbean in the Bureau of Western Hemisphere Affairs. Prior to joining the Foreign Service, Ms.

Reynoso practiced international arbitration and antitrust law at Simpson Thatcher and Bartlett in New York, clerked for Federal Judge Laura Taylor Swain of the U.S. District Court for the Southern District of New York.

So welcome to all of you again. And with that, I know one of my colleagues wants to add some words of introduction, and hopefully by that time we will have that opportunity.

So we'll start with you, Ambassador Palmer. Welcome back to the committee, and we look forward to your testimony.

STATEMENT OF HON. LARRY L. PALMER, OF GEORGIA, TO BE AMBASSADOR TO BARBADOS, ST. KITTS AND NEVIS, ST. LUCIA, ANTIGUA AND BARBUDA, THE COMMONWEALTH OF DOMINICA, GRENADA, AND ST. VINCENT AND THE GRENADINES

Ambassador PALMER. Thank you very much, Mr. Chairman.

Mr. Chairman and members of the committee, thank you for the honor and privilege of appearing before you as a nominee for the United States Ambassador to the Caribbean nations of Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. I am grateful to President Obama and Secretary Clinton for their confidence and trust in nominating me for this position.

My wife, Lucille, of 39 years, who has accompanied me to every other Senate appearance, could not be here today. She chose to be with my newly born grandson in Tennessee.

Mr. Chairman, if confirmed by the Senate, I look forward to representing our country and working with you to advance the interests of the United States in the Caribbean. Barbados and the Eastern Caribbean nations represent nearly half of all countries in the Caribbean, an important region on the United States southern border. Traditional allies and friends, with shared culture and dedication to democracy and the rule of law, these nations play an important role both bilaterally and in multilateral organizations like the Organization of American States and the United Nations. I am honored to have been nominated to represent the United States in this important region.

If confirmed, I will make the continuing safety of American residents and visitors in the Caribbean my top priority. The continuing success of the Caribbean Basin Security Initiative is vitally important to providing for the safety and security of the United States by ensuring that Barbados and the Eastern Caribbean can combat transnational organized crime and avoid the violence and instability seen elsewhere in the hemisphere.

As a result of ongoing CBSI programming and engagement, the United States and countries of the Caribbean are working more closely than ever before on security and justice system-related projects. The inclusion of anticrime and antigang youth development and empowerment programs is an important component of CBSI and reflects the role the youth plays in these societies and in the development of their nations.

We are also working closely with Barbados and the Eastern Caribbean to combat trafficking in persons.

The global economic downturn has hit the region particularly hard, exacerbating already significant economic hardship. Some Eastern Caribbean countries are struggling with very high debt levels, and a number have undertaken International Monetary Fund standby programs and are reaching out to the Paris Club for debt restructuring. This difficult economic situation has prevented the Eastern Caribbean nations from reaching their full development potential. And if confirmed, I will build on prior work and lead American efforts to promote economic prosperity, trade, and entrepreneurship in the region.

As 2011 marked the 50th anniversary of the Peace Corps, I would like to note our longstanding Peace Corps presence in the Eastern Caribbean which plays a major role in providing U.S. assistance to the region. St. Lucia was among the first countries to receive volunteers in 1961, and currently 115 volunteers work the region in four main areas: youth development, institutional and NGO development, small business development, and special education.

Thank you again for giving me the honor of appearing before you today, and I would be happy to answer any questions that you may have.

[The prepared statement of Ambassador Palmer follows:]

PREPARED STATEMENT OF HON. LARRY L. PALMER

Mr. Chairman and members of the committee, thank you for the honor and privilege of appearing before you as nominee for the United States Ambassador to the Caribbean nations of Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines. I am grateful to President Obama and Secretary Clinton for their confidence and trust in nominating me for this position. If confirmed by the Senate, I look forward to representing our country and working with you to advance the interests of the United States in the Caribbean.

Barbados and the Eastern Caribbean nations represent nearly half of all countries in the Caribbean, an important region on the United States southern border. Traditional allies and friends, with shared culture and dedication to democracy and rule of law, these nations play an important role both bilaterally and in multilateral organizations like the Organization of American States and the United Nations. I am honored to have been nominated to represent the United States in this important region.

Mr. Chairman, if confirmed, I will make the continuing safety of American residents and visitors in the Caribbean my top priority. The continuing success of the Caribbean Basin Security Initiative (CBSI) is vitally important to providing for the safety and security of the United States by ensuring that Barbados and the Eastern Caribbean can combat transnational organized crime and avoid the violence and instability seen elsewhere in the hemisphere. As a result of ongoing CBSI programming and engagement, the United States and the countries of the Caribbean are working more closely than ever on security and justice system-related projects. The inclusion of anticrime and antigang youth development and empowerment programs is an important component of CBSI and reflects the role youth play in these societies and in their development as nations. We are also working closely with Barbados and the Eastern Caribbean nations to combat trafficking in persons.

The global economic downturn has hit the region particularly hard, exacerbating already significant economic hardship. Some Eastern Caribbean countries are struggling with very high debt levels and a number have undertaken International Monetary Fund (IMF) standby programs and are reaching out to the Paris Club for debt restructuring. This difficult economic situation has prevented the Eastern Caribbean nations from reaching their full development potential. If confirmed, I will build on prior work and lead American efforts to promote economic prosperity, trade, and entrepreneurship in the region.

The high cost of energy in the region also affects Caribbean economies. The United States seeks to promote alternative energy in Barbados and the Eastern Caribbean. Our goal under the President's Energy and Climate Partnership of the

Americas (ECPA) is to assist countries to diversify energy supplies with more renewable energy, and to increase engagement on climate change adaptation. Under an ECPA grant, six Eastern Caribbean country proposals were selected by the OAS to receive clean energy technical assistance. These projects range from solar energy pilot projects in national parks to the development of geothermal resources. Secretary Clinton in June announced an ECPA climate change adaptation initiative focused on Caribbean-specific climate modeling and adaptation planning in partnership with the University of the West Indies and one or more universities in the United States. If confirmed, I will work to further these projects and continue to promote cheaper and more sustainable energy throughout the region.

Another critical challenge in the region is HIV/AIDS. HIV/AIDS infection rates in Barbados and the Eastern Caribbean, while lower than those in some neighboring countries, are nevertheless high in vulnerable populations, especially among youth and women. HIV/AIDS-related illnesses are a major cause of death for persons between the ages of 15 and 44. If confirmed, I will strongly support U.S. programs of prevention and services in the region through the President's Emergency Action Fund for AIDS Relief (PEPFAR) which is integral to these efforts.

While women in Barbados and the Eastern Caribbean have made some gains since the United Nations Fourth World Conference on Women in 1995, significant barriers to full and equal citizenship still remain. Women in these countries play a strong role in politics, education, and social issues. Access to education is high and the majority of university students are women. However, after their education is complete, many women are either unable to find jobs or only find work in lower status and lower paying positions. While women are represented among government ministers, they constitute only a tenth of parliamentarians in Barbados and most of the Eastern Caribbean. Domestic violence and violence against women remain grave concerns in the region. Despite these obstacles, women leaders in Barbados and the Eastern Caribbean are extraordinary, and are diligently working to overcome the challenges they face. If confirmed, I will work to increase awareness and action to improve the opportunities available to women and girls. Along with this, the integration of women's issues throughout our policies and programs is absolutely necessary, particularly in such programs as CBSI, ECPA, and economic participation and entrepreneurship support.

As 2011 marked the 50th anniversary of the Peace Corps, I would also like to note our longstanding Peace Corps presence in the Eastern Caribbean which plays a major role in providing U.S. assistance to the region. St. Lucia was among the first countries to receive volunteers in 1961. Currently 115 volunteers work in the region in four main areas: Youth Development, Institutional/NGO Development, Small Business Development, and Special Education.

Thank you again for giving me the honor of appearing before you today. I would be happy to answer any questions you may have.

Senator MENENDEZ. Ambassador, you even had extra time. So you're on your way to confirmation, I can see that. [Laughter.]

Before we turn to Ms. Powers, I see our colleague, Senator Gillibrand, is here and I know she wants to add words of introduction and welcome.

So, Senator Gillibrand.

**STATEMENT OF HON. KIRSTEN GILLIBRAND,
U.S. SENATOR FROM NEW YORK**

Senator GILLIBRAND. Thank you, Mr. Chairman. I am very honored to have the distinct pleasure of introducing Julissa Reynoso, an extraordinary Latina from my home State of New York, to the Senate Foreign Relations Committee as my colleagues consider her nomination by President Obama to serve as Ambassador to the Oriental Republic of Uruguay.

Ms. Reynoso has the qualities and experience to be an outstanding ambassador. She served as the Deputy Assistant Secretary for Central America and the Caribbean in the Bureau of Western Hemisphere Affairs at the Department of State since November 16, 2009. Ms. Reynoso is an attorney by trade, and prior to joining the State Department she practiced international law, focusing on

international arbitration, antitrust, and also served as the deputy director of the Office of Accountability to the New York City Department of Education.

Her education is stellar, as she holds a B.A. in Government from Harvard, a Master's in Philosophy from Cambridge in the U.K., and a J.D. from Columbia; and her desire to make a life of public service was evident right after law school when she clerked for the Honorable Federal Judge Laura Taylor Swain.

Ms. Reynoso has also been a prolific writer, with her work published widely in both Spanish and English on a range of issues including regulatory reform, community organizing, housing reform, immigration policy, and Latin American politics for both popular press and academic journals.

As the first Dominican ever nominated and one of the youngest people to be nominated, Julissa Reynoso is poised to become a trailblazer for many, many more young women to follow. In an era where women serve in the highest levels of government as Secretary of State, Supreme Court Justices, and many other offices of great distinction, we have yet another opportunity to show young women and girls across our country and beyond that anything is possible if you put your mind to it.

I urge my colleagues to send her nomination to the full Senate for consideration. I'm confident that if confirmed, her intellect and drive, she will represent our country with great honor and distinction.

Thank you, Chairman. Thank you.

Senator MENENDEZ. Thank you, Senator Gillibrand, very much. Ambassador Powers.

STATEMENT OF HON. PHYLLIS M. POWERS, OF VIRGINIA, TO BE AMBASSADOR TO THE REPUBLIC OF NICARAGUA

Ambassador POWERS. Thank you, Senator. Mr. Chairman and distinguished members of the committee, it is an honor to appear before you today as the President's nominee to serve as the U.S. Ambassador to Nicaragua. I am grateful for the trust and confidence the President and Secretary Clinton have shown in sending my name to the Senate for your consideration.

I would like to recognize my family, including my sister and brother-in-law, Pam and Don Curley, who are here today, friends and colleagues who have supported me throughout my career.

The skills and experience acquired in my career in the Foreign Service have prepared me to serve in this distinguished position. If confirmed, I will embark on my sixth tour in the region. The 7 years I spent in the U.S. Embassy in Colombia, as well as my time as the deputy chief of mission in Lima, Peru, and as the Director of the Office of Provincial Affairs in Iraq, taught me the importance of developing a partnership with host governments and civil society to achieve our goals.

I feel strongly that a culture of lawfulness is key to any strong democratic society. As the current U.S. Ambassador to Panama, I have seen firsthand that building and sustaining democratic institutions is the responsibility of all citizens. Our most successful programs have clearly been those with community involvement, such as our programs in the area of prevention with youth at risk to

ensure the future leaders of Panama have the opportunities they deserve.

The active participation of parents, community leaders, private sector, and law enforcement provides Panama's young people with viable alternatives to gang membership and encouraging their progress as productive members of the community. I am proud of the role our programs have played in this effort.

While we're on the subject of community involvement and civil society, the State Department has been clear in stating its concerns that the recent Nicaraguan elections were not transparent and were marred by significant irregularities. There is a serious concern about the erosion of democracy in Nicaragua. From the marshes of the Euphrates in Iraq to the interior jungles of Peru and Colombia, I have witnessed that citizens want to participate in the electoral process and, when given the chance, will exercise their right. If confirmed, I will speak clearly and with conviction about the importance of protecting fundamental freedoms and democratic institutions, and stress the importance of an empowered civil society, independent media, informed citizenry, and effective local government and political party participation.

Our relationship with Nicaragua is broad and complex. Bilateral trade between the United States and Nicaragua has grown by two-thirds in the 5 years since the Central America-Dominican Republic Free Trade Agreement went into effect; and, in fact, more than 125 U.S. companies are currently doing business in Nicaragua. If confirmed, I will be a staunch advocate for U.S. businesses in Nicaragua. I was pleased to note that a small U.S. company with operations in Nicaragua, Sahlman Seafoods, Inc., recently won the Secretary of State's Award for Corporate Excellence for global corporate social responsibility. We should promote and encourage cooperation between the people of the United States and Nicaragua in support of both our mutual interests.

Protecting U.S. citizens is the first responsibility of any ambassador and, if confirmed, I will ensure that the U.S. Embassy in Managua continues to provide a high level of service and attention to our citizens. More than 14,000 American citizens live and work in Nicaragua. Our diplomatic representation includes representatives from eight U.S. agencies, including a Peace Corps contingent of approximately 220 Volunteers.

Mr. Chairman, members of the committee, thank you again for the opportunity to appear before this committee today. If confirmed by the Senate, I look forward to working with you and your colleagues to advance our Nation's interests in Nicaragua. I would be happy to answer any questions you may have. Thank you.

[The prepared statement of Ambassador Powers follows:]

PREPARED STATEMENT OF HON. PHYLLIS M. POWERS

Mr. Chairman and distinguished members of the committee, it is an honor to appear before you today as the President's nominee to serve as the U.S. Ambassador to Nicaragua. I am grateful for the trust and confidence the President and Secretary Clinton have shown in nominating me for this critical post.

I would like to recognize my family, friends, and colleagues who have supported me throughout my career. I firmly believe that no one gets here alone and am confident I would not be here if they were not beside me.

The skills and experience acquired in my career in the Foreign Service have prepared me to serve in this distinguished position. If confirmed, I will embark on my

sixth tour in the region. The 7 years I spent in the U.S. Embassy in Colombia, as well as my time as the deputy chief of mission in Lima, Peru, and as the Director of the Office of Provincial Affairs in Iraq taught me the importance of developing a partnership with host governments and civil society to achieve our goals.

I feel strongly that a culture of lawfulness is key to any strong democratic society. As the current U.S. Ambassador to Panama, I have seen firsthand that building and sustaining democratic institutions is the responsibility of all citizens. Our most successful programs have clearly been those with community involvement such as our programs in the area of prevention with youth at risk to ensure the future leaders of Panama have the opportunities they deserve. Our programs in Chorrillo, a neighborhood in Panama City with many social and economic needs are an example of what can be accomplished through partnerships with the community. The active participation of parents, community leaders, private sector, and law enforcement provides Panama's young people with viable alternatives to gang membership and encouraging their progress as productive members of the community. I am proud of the role our programs have played in this effort.

While we're on the subject of community involvement and civil society, the State Department has been clear in stating its concerns that the recent Nicaraguan elections were not transparent and were marred by significant irregularities. There is a serious concern about the erosion of democracy in Nicaragua. From the marshes of the Euphrates in Iraq to the interior jungles of Peru and Colombia I have witnessed that citizens want to participate in the electoral process and when given the chance, will exercise that right. If confirmed, I will speak clearly and with conviction about the importance of protecting fundamental freedoms and democratic institutions, and stress the importance of an empowered civil society, independent media, informed citizenry, and effective local government and political party participation.

Our relationship with Nicaragua is broad and complex. Bilateral trade between the United States and Nicaragua has grown by two-thirds in the 5 years since the Central America-Dominican Republic Free Trade Agreement went into effect and in fact more than 125 U.S. businesses are currently doing business in Nicaragua. If confirmed, I will be a staunch advocate for U.S. businesses in Nicaragua. I was pleased to note that a small U.S. company with operations in Nicaragua, Sahlman Seafoods, Incorporated, recently won the Secretary of State's Award for Corporate Excellence for global corporate social responsibility for its dedication to community development and environmental sustainability. We should promote and encourage cooperation between the people of the United States and Nicaragua in support of both our mutual interests.

Protecting U.S. citizens is the first responsibility of any ambassador, and, if confirmed, I will ensure the U.S. Embassy in Managua continues to provide a high level of service and attention to our citizens. More than 14,000 American citizens live and work in Nicaragua. Our diplomatic representation in Nicaragua includes representatives from eight U.S. agencies, including a Peace Corps contingent of approximately 220 Volunteers who work at sites throughout the country.

Mr. Chairman, members of the committee, thank you again for the opportunity to appear before this committee today. If confirmed by the Senate, I look forward to working with you and your colleagues to advance our Nation's interests in Nicaragua. I would be happy to answer any questions you may have.

Senator MENENDEZ. Thank you, Ambassador. We have a trend going. You had extra time as well. Not that I want to put pressure on the rest of the nominees.

Mr. Farrar.

**STATEMENT OF JONATHAN D. FARRAR, OF CALIFORNIA, TO
BE AMBASSADOR TO THE REPUBLIC OF PANAMA**

Mr. FARRAR. Thank you, Mr. Chairman. Distinguished members of the Senate Foreign Relations Committee, it's an honor to appear today before you as the President's nominee as Ambassador to Panama. I am deeply grateful to the President and to the Secretary of State for their continued trust and confidence.

I'd like to introduce the members of my family who are here today. First of all, my wife, Terry, who has been with me throughout our 31 years in the Foreign Service and has worked tirelessly

overseas to help those in need in the countries in which we have served.

Also with us today is our daughter, Melissa, and our youngest son, Nathaniel. Our oldest son, Jonathan, and our daughter-in-law, Leigh, are not with us today as last month they welcomed their first child and our first grandchild.

The Foreign Service has taken our family throughout the Western Hemisphere, to North, South, and Central America, and to the Caribbean. I've had the good fortune during the past three decades to work on the full panoply of challenges in the hemisphere, including democracy, human rights, law enforcement, trade investment, and protection of the environment.

All of these issues are relevant to our relationship with Panama. Panama's location and role in global trade makes its success vital to our prosperity and national security. While Panama's economic growth rate is the highest in the hemisphere, Panama continues to face the challenge of making this growth more inclusive so that all of its citizens can enjoy the opportunity to build a better life for themselves and their families.

The recently approved Trade Promotion Agreement holds the promise to greatly expand our economic partnership, to the mutual benefit of both our peoples. U.S. exports to Panama have grown rapidly, and the United States is by far the leading exporter of goods to Panama. Yet, we are facing increasing competition for market share.

If confirmed, I would take what I have learned from three assignments as an economic and commercial officer overseas and harness the resources of our entire Embassy to promote U.S. exports and create American jobs.

Panama is making major investments in the Canal and other infrastructure amid annual economic growth averaging 8 percent since 2006. A key element of my mission, if confirmed, would be to work with American businesses to ensure they are able to compete and win on a level playing field. Our implementation of the Trade Promotion Agreement and our bilateral Tax Information Exchange Agreement afford new opportunities to increase the transparency of operations of governmental and financial entities, and thus strengthen democratic institutions in Panama.

The ties between the United States and Panama are strong. Nowhere is this more evident than in our cooperation to combat illegal drug trafficking and other criminal activity. In 2011 alone, Panama seized more than 30 tons of cocaine, much of which otherwise would have made its way to our shores. The government and the people of Panama rightfully are concerned about the security threat posed by drug trafficking organizations and criminal gangs.

If confirmed, I will bring my experience with counternarcotics and law enforcement programs across Latin America to direct a missionwide effort to deepen our bilateral security cooperation and ensure that it remains closely integrated into our overall efforts in the region.

Above all, if confirmed, my highest priority as ambassador would be the protection of the nearly 45,000 Americans who reside in or visit Panama at any given time, and the more than 100 American companies that do business there. My commitment to helping our

fellow Americans abroad began 31 years ago in the consular section in Mexico City and continues today.

Mr. Chairman, thank you again for the honor of appearing before the committee today. If confirmed, I pledge to work with you and your colleagues to advance the vital interests of the United States in Panama, and I'd be pleased to answer any questions you may have. Thank you.

[The prepared statement of Mr. Farrar follows:]

PREPARED STATEMENT OF JONATHAN D. FARRAR

Mister Chairman, distinguished members of the Senate Foreign Relations Committee, it is an honor to appear today before you as the President's nominee to be Ambassador to Panama. I am deeply grateful to the President and to the Secretary of State for their continued trust and confidence.

I would like to introduce the members of my family who are here today. First of all, my wife Terry, who has been with me throughout our 31 years in the Foreign Service and who has worked tirelessly to help those in need in the countries in which we have served. Also with us today is our youngest son, Nathaniel.

The Foreign Service has taken our family throughout the Western Hemisphere to North, South, and Central America, and the Caribbean. I have had the good fortune during the past three decades to work on the full panoply of challenges in the hemisphere, including democracy, human rights, law enforcement, trade, investment, and protection of the environment.

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The recently approved bilateral Trade Promotion Agreement holds the promise to greatly expand our economic partnership to the mutual benefit of both our peoples. United States exports to Panama have grown rapidly and the United States is by far the leading exporter of goods to Panama, yet we are facing increasing competition for Panama's import market share. If confirmed, I would take what I have learned from three assignments as an economic and commercial officer overseas and harness the resources of our entire Embassy to promote U.S. exports and create American jobs. Panama is making major investments in the Canal and other infrastructure amid annual economic growth averaging 8 percent since 2006. A key element of my mission, if confirmed, would be to work with American businesses to ensure they are able to compete and win on a level playing field. Our implementation of the Trade Promotion Agreement and our bilateral Tax Information Exchange Agreement afford new opportunities to increase the transparency of operations of governmental and financial entities and thus strengthen democratic institutions in Panama.

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Mr. Chairman, thank you again for the honor of appearing before the committee today. If confirmed, I pledge to work with you and your colleagues to advance the vital interests of the United States in Panama.

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

Senator MENENDEZ. Thank you.

Ms. Reynoso.

**STATEMENT OF JULISSA REYNOSO, OF NEW YORK, TO BE
AMBASSADOR TO THE ORIENTAL REPUBLIC OF URUGUAY**

Ms. REYNOSO. Thank you, Mr. Chairman. Mr. Chairman and members of the committee, I appreciate very much the opportunity to appear before this committee today as President Obama's nominee to be U.S. Ambassador to Uruguay. I am very grateful and humbled by the confidence that President Obama and Secretary Clinton have shown in me by this nomination. This nomination is a great honor for me and I look forward to another opportunity to serve my country, if confirmed.

With the chairman's permission, I wish to recognize the many family and friends I have here today, and mentors and colleagues. I'm not going to name all of them, but they're all here, pretty much on my right-hand side, that have supported me over the years, many of them here today, my mother in particular, and many of them came from New York City, my home. It is only with their steady support that I am here seeking the U.S. Senate's confirmation, and I wish to sincerely thank them for their guidance and support throughout the years.

The relationship between the United States and Uruguay is extremely strong. We share important values, including a commitment to democracy, rule of law, sound economic policies, strong labor rights, environmental protection, investment in people, the desire to see the peaceful resolution of disputes between nations, and a commitment to the multilateral system. If confirmed, I look forward to continuing the productive dialogue between our two countries and will work diligently to advance these goals.

Uruguay is a constructive partner which plays an important role in promoting regional stability and democracy. The country is also a partner in conflict resolution, contributing to peacekeeping missions throughout the globe. Uruguay remains one of the top troop and police contributors per capita to United Nations peacekeeping overall. We welcome their contributions to improving security in Haiti, as well as in other difficult locations throughout the world.

If confirmed, I look forward to working with President Mujica, Foreign Minister Almagro, the Uruguayan Government, civil society and the private sector as we advance bilateral relations and strengthen the political, commercial, and cultural ties between our two countries. If confirmed, I would give the highest priority to ensuring the well-being and safety of U.S. citizens who live and travel in Uruguay.

I would seek opportunities for enhanced trade between the United States and Uruguay and promote United States exports to Uruguay. I would advocate for further cooperation under our Science and Technology Agreement, as well as our Trade and Investment Framework Agreement.

United States exports to Uruguay have steadily increased over the last years to \$973 million in 2010, up 30 percent from 2009, and we enjoyed a \$738 million goods trade surplus with Uruguay. There are approximately 100 U.S. companies currently operating in Uruguay at this time. If confirmed, I will work vigorously to promote U.S. businesses and believe we can continue to find new opportunities for increased trade between the two countries, and I

would encourage programs that improve inclusive economic growth as well as promote public-private partnerships.

To build greater understanding and mutual understanding through direct contact between Uruguayans and Americans, I will work to establish more partnerships between colleges and universities in Uruguay and the United States.

Members of the committee, my work in the Department of State has offered me significant insights into the vital partnerships that exist between the branches of government and, if confirmed, I will work diligently to further develop these partnerships.

If I am confirmed as Ambassador, I look forward to working with you, each of you, your distinguished colleagues and your staff to advance our priorities with the Oriental Republic of Uruguay.

Thank you again for the great opportunity to appear before you today, and I welcome any questions you may have. Thank you.

[The prepared statement of Ms. Reynoso follows:]

PREPARED STATEMENT OF JULISSA REYNOSO

Mr. Chairman and members of the committee, I appreciate very much the opportunity to appear before this committee today as President Obama's nominee to be U.S. Ambassador to Uruguay. I am very grateful and humbled by the confidence that President Obama and Secretary Clinton have shown in me by this nomination. This nomination is a great honor for me and I look forward to another opportunity to serve my country, if confirmed.

With the chairman's permission, I wish to recognize my family, friends, mentors and colleagues that have supported me over the years—many of them are here today, many from New York City. It is only with their steady support that I am here, seeking the U.S. Senate's confirmation and I wish to sincerely thank them for their generous guidance and support.

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If confirmed, I look forward to working with President Mujica, Foreign Minister Almagro, the Uruguayan Government, civil society, and the private sector as we advance bilateral relations and strengthen the political, commercial, and cultural ties between our two countries.

If confirmed, I would give the highest priority to ensuring the well-being and safety of U.S. citizens who live and travel in Uruguay. I would seek opportunities for enhanced trade between the United States and Uruguay, and promote U.S. exports to Uruguay. I would advocate for further cooperation under our Science and Technology Agreement as well as our Trade and Investment Framework Agreement. U.S. exports to Uruguay have steadily increased over the years to \$973 million in 2010, up 30 percent from 2009, and we enjoyed a \$738 million goods trade surplus with Uruguay. There are approximately 100 U.S. companies operating in Uruguay at this time. If confirmed, I will work vigorously to promote U.S. businesses and believe we can continue to find new opportunities for increased trade between the two countries and I will encourage programs that improve inclusive economic growth as well as promote public-private partnerships.

To build greater mutual understanding through direct contact between Uruguayans and Americans, I will work to establish more partnerships between colleges and universities in Uruguay and the United States.

My work in the Department of State has offered me significant insights into the vital partnerships that exist between the branches of government and, if confirmed, I will work diligently to further develop these partnerships. If I am confirmed as

Ambassador, I look forward to working with you, your distinguished colleagues, and your staff to advance our priorities with the Oriental Republic of Uruguay.

Thank you again for the opportunity to appear today. I welcome any questions you may have.

Senator MENENDEZ. Thank you very much.

This is a record. All of you had extra time.

My congratulations and those of the committee to Ambassador Palmer and Mr. Farrar on being granddads, either again or for the first time.

We'll do 7-minute rounds. I have a lot of questions here, so we'll see how far we can get.

Let me start with Ambassador Powers. I'd like to know what you make of the fiasco of election day in Nicaragua. The Carter Center had to send a study mission to watch the elections because the Nicaraguan Government's regulations didn't adhere to the Declaration of Principles for the International Observation of Elections. The EU and OAS observers were not permitted to enter into some polling places until after the voting had started, and so could not observe the ballot boxes that were brought in. Domestic experience observer groups were denied credentials to enter polling places even though they had followed all of the regulations.

I appreciate Secretary Clinton's statement in January noting that the elections were not conducted in a transparent and impartial manner and that the entire electoral process was marred by significant irregularities. I have two of the examples of actual certified results in a couple of districts in Nicaragua, and it's pretty amazing. The fraud is so transparent.

On these official "actua scrutinia," which is basically the election result sheet certified by the election members, it says the total number of ballots received, 400. That's the maximum number of votes that could be cast there. And yet when you look at the certification of results, in one of these election districts the total number of votes was in excess of 900 when there were only 400 ballots.

In another one, there is a certification of three election districts in which again the total number of ballots received by the election board was 400. And yet when you add up the number of votes received by individual parties, they add up to 2,000, when 400 were the number of ballots received.

So it's pretty obvious that the type of fraud that has been alleged is pretty clear when you take the election results and you see that 400 ballots were given, and yet there is in one district 900 ballots, 900 votes cast when there are only 400 ballots, and 2,000 votes cast when there are only 400 ballots. Something is fundamentally wrong.

So the question, Ambassador, is now what? What do we do now? And as the nominee to go to Nicaragua, how will you work with a government that obviously did not win through a transparent and open process?

Ambassador POWERS. Thank you, Senator, for that question. Now what? Now we utilize the report that the OAS just completed and published at the end of January and the recommendations they made to work with our partners in the Americas and elsewhere to assess fully any initiative and all initiatives that we can utilize to help reinforce democratic institutions and ensure that recommen-

dations made by the OAS are enacted by the Nicaraguan Government to ensure that future elections do not suffer from similar irregularities and a lack of transparency so that the Nicaraguan people can have their rights restored to vote in a free and transparent process and have leaders that they have selected that will be accountable to them.

How do we work with the government? We work with the government at all levels, but we also work with civil society and the Nicaraguan people to ensure that they understand that the United States stands with them as they seek to move forward to rebuild democratic institutions and to protect their rights as citizens of Nicaragua. This will mean being out there, doing outreach, making sure that they understand and have someone out there, me if I'm confirmed, and the mission, to ensure that they understand that they've got people supporting them and will be working with them to ensure democracy and human rights are protected.

Senator MENENDEZ. Well, I appreciate that. I know you started off by using the OAS report. I have a problem with the OAS report. First of all, the OAS Secretary General called Ortega to congratulate him on the successful peaceful elections on the evening of November 6, which is pretty amazing to me. Then the very essence of the legality of the election, Ortega running for a third term, is not even spoken about. And I don't get the sense that the OAS report even considers whether the election itself was valid.

So I worry about that, and I look at the German Government's announcement that it was cutting aid to Nicaragua due to the EU's concerns about irregularities in that Presidential election. Is the United States reevaluating the aid it provides to Nicaragua in light of a sham election that took place? Should it?

Ambassador POWERS. Thank you, Senator. Yes. The United States is in a very vigorous process of reviewing financial assistance to Nicaragua, most of which goes to nongovernmental organizations, not to the government. We are also aggressively scrutinizing all loan projects with the international financial institutions to make sure that any loans that are being considered meet the highest standards of the institutions, and that they will have a direct impact on development for the people of Nicaragua.

Senator MENENDEZ. I appreciate you mentioning the international institutions because I want to direct your attention to the IDB, the Inter-American Development Bank, lending to the Nicaraguan Government, much of it in the form of what we call quick disbursing loans.

For example, on October the 28, less than 2 weeks before the election, the IDB granted Ortega a \$45 million quick disbursing loan, "to improve social protection and health spending management." Two weeks before the election, \$45 million. I cannot believe that the United States, sitting on the IDB board, permitted such a loan to occur 2 weeks before the election, that we would provide an enormous infusion of money to the entity running in an undemocratic election and fuel the possibility to help them out 2 weeks before the election. It's amazing to me.

So given the fact that we just plussed up the IDB's capital account and are looking to do the same again this year, I hope that part of your charge, should you be confirmed, would be to provide

input to the State Department about flows of money coming from, in large part, U.S. taxpayers to an entity that certainly many of us on this committee believe is undemocratic.

Senator Rubio.

Senator RUBIO. I would defer to Senator Lugar if he has any questions first.

Senator MENENDEZ. Senator Lugar.

Senator LUGAR. Thank you very much, Mr. Chairman.

Ms. Reynoso, the trade that we have enjoyed with Uruguay, as you pointed out, has been very substantial. Long ago I suggested, along with many others, a free trade agreement between the United States and Uruguay. This administration has not shown interest in negotiating a free trade agreement. With that in mind, perhaps implementing a limited trade preference arrangement as a standby mechanism is in order until interest magnifies.

Given that you have analyzed this in your various roles, could you tell us why we have not pursued a free trade agreement to begin with, and if there is any value in having a preference agreement? What suggestions do you have as to how we are going to accelerate trade with Uruguay? While you have already pointed out that such trade is substantial, in my opinion it could be significantly increased given the nature of Uruguay's economy and the instincts of the people there.

Ms. REYNOSO. Thank you, Senator, for the question. As you noted, our trade with Uruguay is substantial. It's complex. It's elaborate. It ranges from agriculture to energy to infrastructure. We do have a Trade Investment Framework Agreement in place with Uruguay that we use in a very robust and, I believe, an effective way. We meet regularly with our Uruguayan counterparts, and we have many matters in terms of commercial interests on the table to pursue to allow for even greater opportunity to come from that agreement.

As you also noted, there was talk in the past of a free trade agreement with Uruguay. My understanding is that that is no longer on the table, and I think both parties chose not to pursue it for domestic reasons.

Should I be confirmed, Senator, I do look forward to working within the context and the framework of the current TIFA, of the current Trade and Investment Framework Agreement, to expand its impact in terms of the opportunities for U.S. businesses and U.S. trade, but also consult at the highest level within the Uruguayan Government, and obviously consult with the highest levels in this government, to assess whether there is any interest in pursuing, in a firm and serious way, a trade agreement with Uruguay.

Senator LUGAR. Are there protectionist sentiments in Uruguay? You mentioned that the free trade agreement has not progressed because of reticence on both sides. Sometimes that's occurred on our side. But is that the case in Uruguay?

Ms. REYNOSO. Well, Senator, my understanding is that there were reservations in Uruguay. I can't tell you the particulars of who, how, but I do understand that there were some domestic concerns as to why a trade agreement, at the time that it was being considered, was not opportune.

Senator LUGAR. I appreciate your mention in your testimony of the potential for more college student exchanges between the countries. How many Uruguayan students come to the United States now? Do you have any idea?

Ms. REYNOSO. I would imagine, and I can get back to you with real numbers, Senator, but I would imagine in the thousands, tens of thousands, I would imagine.

[The requested information follows:]

Approximately 18,000 Uruguayans were approved for travel to the United States last year. Tens of thousands more already possess visas. Of those travelers, approximately 400 Uruguayan students and scholars pursued academic endeavors in the United States last year. The Department of State is committed to promoting education, professional, and cultural exchange. Embassy Montevideo expects student numbers to increase in coming years. As I mentioned in my testimony, if confirmed, I look forward to working to expand these numbers, and to be supportive of President Obama's 100,000 Strong initiative.

Senator LUGAR. I see. So already there is quite a bit of—

Ms. REYNOSO. There is quite a bit of back and forth in terms of exchange. Yes, Senator.

Senator LUGAR. Mr. Farrar, recently an article was written by Andres Oppenheimer in the Miami Herald, January 18, and I cite his name because he suggested, in fact, that Panama has been a Latin American star, with a 6.8-percent economic growth rate and the other statistics that you mentioned. However, at the same time, he states that the education system of Panama, which might support this competitive aspect, is very deficient, and there appears to be very little movement on the part of the government to improve that.

Likewise, he notes that Panamanian growth is largely fostered by the Canal and projects and enterprises that are associated with that. Economic growth there may not be as strong as it could be given, perhaps, the lack of education or preparation.

What is your judgment about that situation, and in what ways could the United States be helpful during your ambassadorship there?

Mr. FARRAR. Thank you very much, Senator, for the question. The Panamanian economy, as you mentioned, has shown incredible growth over the past 5 or 6 years. Much of it has been fueled by investment not only in the Canal but in other major infrastructure projects.

Panama is seeking to create what it calls a "City of Knowledge" in Panama City to attract educational institutions to try and improve the educational system. They recognize some of the deficiencies there, and their deficiencies have been noted not only by Mr. Oppenheimer but also by the World Economic Forum and others as truly holding back even further economic progress.

If confirmed, Senator, I would love to explore the opportunities for more engagement in the educational exchange between the United States and Panama. I would note that the Smithsonian Tropical Research Institute has been in Panama for more than 60 years and it's a leading institution for scientific investigation in the world. And I had the opportunity to visit the institution here in Washington last week and heard some amazing things regarding their operations there and their plans moving forward.

Thank you.

Senator LUGAR. Well, I thank you for that testimony. Obviously, the rate of growth is astounding and important. The need for our country to work with the Panamanians to sustain this and improve it is obviously of value. But I thank you for your testimony.

Thank you, Mr. Chairman.

Senator MENENDEZ. Thank you, Senator Lugar.

Senator Rubio.

Senator RUBIO. Thank you very much. First, let me just begin with Ms. Reynoso. I think this applies to all the folks here, but just reviewing your resume, it's pretty impressive. What are you doing in government is my biggest question. Congratulations to you. I know your family is here, and they should be very proud of your accomplishments, and I look forward to supporting your nomination.

I do have a question about organized crime in Uruguay. I'm reading an article here from the Christian Science Monitor dated the 26th of January, and it talks about how traditionally Uruguay has been one of the safest countries in Latin America, but there's this increasing battle going on between different drug trafficking organizations, and the fear that some of this violence is spreading in that country.

What are your thoughts about it in the short term? What can we be doing? What kind of assistance can we be providing? What's the general mindset in regards to how serious a problem it is and what we can be doing to head it off before it rises to the level of some of the other countries in the region?

Ms. REYNOSO. Thank you, Senator. As you noted, there is a sense of that there is an increase in insecurity in Uruguay. The population itself has taken notice, and the Government of Uruguay has also taken notice. We have a very robust and productive working relationship with the Uruguayan Government with respect to security. Our law enforcement agencies are very much working closely with them, and obviously at this point we're looking at possibilities of working even more closely because, as you noted, the risk and the insecurity, and we understand that there is an increase in certain types of organized crime.

Our Office of International Narcotics and Law Enforcement under Ambassador Brownfield has been working with counterparts in Uruguay to provide support in terms of assessing risks, especially around issues of illicit trafficking and organized crime. So there is already a dialogue with the Uruguayans in this regard. We have very good cooperation with them in terms of law enforcement.

But I think, as an initial matter, we're trying to assess, working with them, what the problem is, so we can get a better idea of how we can work with them to tackle it.

Thank you.

Senator RUBIO. Thank you. And as we move forward in your assignment there, my opinion is it ought to be one of our priorities, because one of the things that could really slow up the miracle that's happening there and that kind of economic growth is if they have to divert resources to fighting off—we've seen the horrible impact that that's had on these other countries.

Ambassador Palmer, welcome. Thank you again for your service to our country. First of all, I'm very pleased that you mentioned

PEPFAR, which is a phenomenal program that our country pursues around the world, and certainly in the Caribbean as well. I'm pleased to see as well that you mentioned in your opening statement the challenges that women face, particularly when it comes to domestic violence and the lack of opportunities, and I'm glad that that's something you'll focus on.

The one thing I didn't hear you mention and I am concerned about is some of these nations' association with a Bolivarian Alliance for the Peoples of Our America, or what's known as ALBA, which quite frankly is, in my opinion an anti-American platform. More importantly, this is an alliance to which, according to a recent press report "Dominica, St. Vincent, the Grenadines, Antigua and Barbuda are members, and St. Lucia has applied for formal inclusion." These are some of the things the group said when they met this past weekend.

No. 1, they came out in support of the Syrian Government in the midst of a bloodbath that government is carrying out in that country. No. 2, they blasted England's so-called imperialist intentions against Argentina over the Falkland Islands.

Given our Nation's close relations with these countries, what the United States means for them, what our relationship with them means, why are these countries participating in this anti-American bloc? Why are they involved in this, and isn't there some point where we take a stand and say, you know, you've got to make choices about who you want to be aligned with and who you want to be associated with? Why would any nations want to be associated with such ridiculous things as statements of support for the Syrian Government, which just happened this weekend, on the 5th of February, in the midst of what we're watching happening over there, which is a bloodbath?

Ambassador PALMER. Thank you very much, Mr. Senator. As you mentioned, of the countries in the region, Barbados plus six, three of them, Antigua and Barbuda, Dominica and St. Vincent and the Grenadines are members of ALBA. There's much speculation as to why, but many of those countries are signatories to the Petro Caribe agreement in which they receive oil and produce at reduced rates and with long-term periods to repay it at reduced interest.

However, upon close examination, all of those countries are stable democracies. They share our values of free markets. They believe in free press. They believe in free speech. They have respect for human rights and respect for the rule of law. They stand by us in votes with our multilateral organizations, and we engage very, very comprehensively in those countries.

For example, in the region, we have the Caribbean Basin Security Initiative in which we help them fight illegal drug trafficking and promote social justice. We engage with their police. We help them fight corruption. We help them protect their borders and their maritime waters.

I think all of this engagement by far out-shines any other type of influence that they may get from ALBA governments and ALBA philosophy.

Senator RUBIO. So, without putting words in your mouth, basically in exchange for cheap oil, they're willing to stand by and support things like the Syrian Government's shelling and killing of

civilians, as it occurred last weekend and normal countries around the world said it is an outrage. But in exchange for cheap oil, these countries are willing to sit around and listen to people like Hugo Chavez and Daniel Ortega say some of the most ridiculous things that one could imagine.

I think it's concerning, obviously, but I think you've outlined some of the other realities. But it was important to get to that because I still don't understand why they would want to be a part of a block of nations like this, but I think you shed some light on it.

Ambassador PALMER. I think that brings up the importance of our people-to-people programs, because we do have people-to-people programs that work with the NGOs, who proliferate our philosophies in terms of basic freedoms and democracy. And if confirmed, I will work diligently to support these programs and advance their causes.

Senator MENENDEZ. We thank you.

I have some more questions, so we'll see if there are other members as well.

Let me go back to you, Ambassador Powers. One final question, but I think it's an important one. In July of this year, under section 527 of the Foreign Relations Authorization Act, Secretary Clinton will have to decide whether to grant Nicaragua a waiver for failure to compensate U.S. citizens for properties that were confiscated by the Sandinistas during the 1980s. And while there has been some progress made, there are many cases where this compensation has not been granted.

If the Secretary fails to grant the waiver, is it your understanding that the United States would be obliged to vote against the loans and grants to Nicaragua at the IDB World Bank and IMF?

Ambassador POWERS. Senator, yes. It's my understanding that there are consequences if the waiver is not granted based on the Article 527 resolution. I can tell you that we are working very hard on these property rights issues. There's a full-time team at the Embassy, and if confirmed, it will be one of my priorities under my responsibility to protect U.S. citizens and their rights to ensure that all tools are used to move this forward, resolve these cases in accordance with the statute, just as I have worked to help resolve issues revolving around land investment in Panama.

Senator MENENDEZ. I appreciate that. Assuming your confirmation takes place speedily and you get to Nicaragua, can I ask you to commit to the committee that this will be one of the first things that you'll look at, since a July decision will be pending and I'd like to have a sense of how much progress has been made and whether the Secretary should, in fact, not grant the waiver?

Ambassador POWERS. Clearly, Senator, yes. Given that these are rights for U.S. citizens, it will be one of the first things on my list to address at the highest levels of the Nicaraguan Government to ensure we can get some progress on this issue.

Senator MENENDEZ. Thank you very much.

Ambassador POWERS. If confirmed.

Senator MENENDEZ. I have a sense it's going to happen, so that's why I'm working prospectively.

Mr. Farrar, do you share the concerns of some civil society groups that judicial independence in Panama has deteriorated under the Martinelli government? In particular, President Martinelli has introduced a bill in the Congress that would create a fifth court. If approved, the new court would have three new justices, all appointed by him, and would deal with constitutional issues, one of them being the constitutionality of presidential term limits.

What's your view of that?

Mr. FARRAR. Thank you very much, Senator. First of all, let me just say that the United States strongly supports the principles of judicial independence and separation of powers, and those principles are enshrined in article 3 of the Inter-American Democratic Charter.

Our human rights report on Panama also points up to this issue of judicial independence in Panama. And as you mentioned, it's an item under vigorous public debate in Panama right now.

Part of this debate includes a package of recommendations for constitutional reforms, some of which may, depending upon how the debate goes, result in strengthening judicial independence. I think looking forward, this is something that the Embassy has been following very closely. It's of critical importance to us. If confirmed, I would certainly continue to follow that and would be prepared to speak out as needed to defend the principles that I mentioned at the beginning of my response.

Thank you.

Senator MENENDEZ. Thank you.

Ms. Reynoso, President Mujica is a little over a year-and-a-half into his term. How well do you think his administration has worked with the United States compared to his predecessor, President Vasquez?

Ms. REYNOSO. Thank you, Senator. We have a very good working relationship with the Uruguayan Government. We had a very good relationship with President Vasquez. President Mujica shares a similar vision of Uruguay and a similar vision of our relationship with Uruguay. The principles of democracy, of conflict resolution, of economic stability and social inclusion continue under this administration, as they did under President Vasquez.

So I believe, if confirmed, the engagement with the Uruguayan authorities and President Mujica himself will be as productive and as effective as we had under President Vasquez.

Senator MENENDEZ. And finally, Ambassador Palmer, part of our subcommittee's jurisdiction in the Western Hemisphere is also global narcotics, and we have seen the use of the Caribbean as a transshipment point for illegal drugs from Latin America to the United States. And while it has diminished over the past decade as we've seen that route go to Mexico and Central America, we have seen a resurgence of trafficking through the Caribbean region.

How will you deal and engage with the countries that you're going to be our Ambassador to on this issue?

Ambassador PALMER. Thank you very much, Mr. Chairman. As you mentioned, there has been an apparent resurgence in that, and to combat this, the Department has established a partnership with the countries in the Eastern Caribbean called the Caribbean Basin

Security Initiative. It is an initiative that grew out of the 2009 Summit of the Americas.

As a part of this initiative, we work with each—it's a regional plan, and we have individual plans with all of these countries. For example—and, of course, the goal is to stem illegal trafficking, promote social justice, and to increase citizens' safety. As a part of this, for example, this year six countries in the Eastern Caribbean will receive interdiction boats to protect their maritime borders. In addition to that, we work with their police. We train their police. We equip the police with the things that they need to make arrests. We also work with the judges and the prosecutors. We work with financial intelligence units so not only can the police arrest them, but they can be prosecuted, to look not only at drugs but also money laundering.

But as part of this, we want to invest in the future. And so we take a look at the youth, and as a part of the Caribbean Basin Security Initiative we have set up youth rehabilitation academies. We just had 216 Caribbean youth graduate from the first part of these.

We engage the resources of our Department of Health, DHS. They come in and they expand their activities in their ports, the airports. We have set up a net, a security net in which each country shares intelligence about drug trafficking with and between. And as well, we work with the regional security section that sets up an air wing that does aerial surveillance. All of these things relieve some of the burden on our own assets, for the Coast Guard, for example, in the region, and we've seen progress toward reducing some of this drug traffic.

Senator MENENDEZ. Thank you very much.

Let me take the prerogative of the Chair for a moment just to recognize that our distinguished colleague from the House, Congressman Serrano, has come to be supportive of Ms. Reynoso. We appreciate his presence. We appreciate his support, for the record, of Ms. Reynoso to be the Ambassador to Uruguay, and we thank you for joining us.

Do any of my other colleagues have any further questions?

Senator LUGAR.

Well, thank you, Mr. Chairman.

I would like to raise a broader question about which any of you might have a comment. About 30 years ago, a little bit less than that, this committee was seized with the excitement of events taking place in countries located mostly in Central America. El Salvador, Guatemala, Nicaragua, and Honduras were all nations that some of us went to in order to serve as election observers or help set up ballot paper and all the rudiments for elections. It was an exciting period in which our government obviously was heavily involved, deeply interested in the evolution of democracy in the Caribbean and then in South America, and often it was pointed out during this period of time that every country in our hemisphere became a democracy with the exception of Cuba.

But that was then. The excitement has subsided. We've been involved, unfortunately, in military action in the Middle East, and deeply involved with the states of the former Soviet Union.

I'm just wondering, as each one of you is deeply involved in the developments in the region, has there been a feeling of being let down among those countries with which we previously had this intense interest? In a related matter, how should we enhance our own communication with the people of the region? Should it be through our broadcasting or social media programs? Is tourism stronger in the midst of all of this, quite apart from political developments or things we discuss in this committee?

Ms. Powers, do you have a thought about any of this?

Ambassador POWERS. Thank you, Senator. Yes, I do. Speaking about what I've learned about Nicaragua, Nicaraguan people have a very positive view of the United States, much because of the types of assistance that we have provided over the years under three pillars: one, fighting malnutrition and poverty; two, working to increase and improve good governance in the country; and three, working with the Nicaraguan Government on security and counter-narcotics issues. Recent polls have shown that the Nicaraguan people are very pleased and have a very positive view of the United States in spite of a difficult bilateral relationship.

In my experience in other countries, what the United States puts forward in assistance and support resonates well with the people, even if it doesn't always resonate well with the governments.

Thank you.

Senator LUGAR. Ambassador Palmer, do you have a reflection?

Ambassador PALMER. Thank you, Mr. Senator. I agree with Ambassador Powers very much. It is our actions with the people that have been very, very effective.

Senator Rubio, you mentioned my comments in terms of PEPFAR. For example, HIV/AIDS in the Eastern Caribbean, the prevalence is very high, second only to sub-Saharan Africa. But we have six of our agencies engaging in the PEPFAR program there, USAID, DOD, CDC, our Peace Corps. We are engaging in that. Peace Corps, for example, with 115 Volunteers, are involved in youth education and programs to prepare youth, to provide opportunities for jobs. We help them, as I mentioned before, with citizen safety.

All of these programs ring very well with the citizens, and as a result the citizens of the Eastern Caribbean have a very positive view of the United States.

In addition, we engage the diaspora. We have a number of citizens here in the United States, and they all help to push these things forward.

So as Ambassador Powers mentioned, our programs ring well with the people and with most governments.

Senator LUGAR. Mr. Farrar, do you have a thought?

Mr. FARRAR. Yes. Thank you, Senator. I would say that there's an excitement in United States-Panama relations today. The excitement you mentioned 30 years ago continues. There's excitement over implementing the trade promotion agreement, to bring free trade between our two countries. There's an excitement over the expansion of the Panama Canal, an expansion which is also sparking investment in the United States, in U.S. ports that are getting ready to handle the ships that will transit the Canal beginning in late 2014.

I read a recent poll which showed that there is tremendous good will in Panama toward the United States. There's tremendous interest in Panama toward greater cooperation with the United States in the area of counternarcotics and security cooperation; and interestingly, a lack of knowledge about what we're doing already. So I think we can do more to get the word out. But there is a tremendous excitement still.

Thank you.

Senator LUGAR. Ms. Reynoso.

Ms. REYNOSO. Thank you, Senator. Uruguay is a model of democracy in the region. It did, as did many other countries in South America, undergo a transformation in the 1980s.

With respect to Central America in particular, I can say that democracy is a work in progress. We have seen some victories. We have seen some things go well. We have also seen some things that have not gone well at all, as we stated with the Nicaraguan elections.

The good news is that I have seen, based on my experience over the last 2 years, that the Nicaraguan people and the Central American people generally understand the basic principles of democracy and want it, and are looking for ways to make it part of their daily routine, and are angered. They have voiced anger to us. They voice their anger through their votes. They voice their anger through civic engagement.

We have to create and help them create methods of accountability that allow their institutions to surpass any type of dramatic institutional deterioration, as has happened in Nicaragua. That is hopefully something that the United States and our partners in the region, a country like Uruguay, can help the Central Americans and the countries in the Caribbean and other countries that require support to be able to move forward in that direction.

Senator LUGAR. I thank each one of you for your comments. Thank you for your previous service. I look forward to supporting each of your nominations and wish you every success.

Senator MENENDEZ. Thank you, Senator Lugar.

Senator Rubio.

Senator RUBIO. Thank you, and I'll be brief. Thank you all again for being here today.

Just two quick observations I wanted to make for the record on both Nicaragua and Panama. My sense of talking to people both in Nicaragua that have visited us and people living here in the United States of Nicaraguan descent is that while generally the population is grateful for some of the money that Venezuela has poured into that country, they're concerned about it too. Obviously, there's real concern that it's not sustainable, and rightfully so. And the second is some of the price they've had to pay in exchange for this support. Obviously, we've seen how the elections have been undermined and all the institutions that are critical to a democracy have come under attack.

But then there's some of the associations that Mr. Ortega has made around the world. Just as he took the oath of office a few weeks ago, he was flanked on stage by both Mr. Chavez and Ahmadinejad, and he pilloried the U.S. occupation, as he termed it, of Iraq and Afghanistan. He lamented the death of former Libyan

leader Moammar Qadhafi, and he paid respects to former Iraqi leader Saddam Hussein.

This is embarrassing to the Nicaraguan people, who are rightfully concerned, but they're also embarrassed by the image of their country. By the way, I saw polling that President Obama is more popular than Mr. Ortega is in Nicaragua. So I think that goes to some of the comments that were made earlier about the views of the United States.

But Iran is more than just an irritant, and this relationship with Iran is more than just an irritant. This is a country that uses asymmetrical attacks, things like terrorism, as a foreign policy tool. We saw that very recently with the allegations, the uncovering of a plot to assassinate the Saudi Ambassador to the United States.

I just hope that the administration, and it would be through you, is going to make it very clear to Mr. Ortega that if he wants to say these sorts of things that embarrass him with his own people, that's one thing, but there are some bright redlines that he should not be crossing, or that any nation in the Western Hemisphere should not be crossing, when it comes to the relationship with Iran. There are things that, for the security of this Nation, we will not tolerate in terms of an Iranian presence in this hemisphere, and I think it's important that that message be made very clear. I hope in your role that you'll encourage the State Department and the administration to move in that direction.

As far as Panama is concerned, Mr. Farrar, as you know in your previous nomination, I've had some disagreements about the approach that you took in your previous role in the Interests Section in Cuba. That being said, you're now going to Panama, a country that for most of us is seen as a place with a stable democracy and real economic promise. But there are some troubling signs emerging from Panama.

As was outlined earlier by Senator Lugar, in a recent article by Mr. Oppenheimer, who is a well-informed observer of the Western Hemisphere, he talked about a growing concern over Mr. Martinelli's strong-arm ruling style. Mr. Oppenheimer says that President Martinelli already controls the National Assembly and the Supreme Court. His critics say that he could move to control the electoral tribunal, the independent agency that oversees the Panama Canal, and he may even seek to reelect himself despite a constitutional ban on reelection.

It's hard for people to give up power. Sometimes when these guys or gals get there, they don't want to let go of it. I think we take that for granted in this country. Sometimes after 8 years, our Presidents aren't ready to leave, but they have to. In some of these countries, they figure out a way to get around it. I hope that in your new role, if, in fact, he takes this country in that direction—and we hope they don't—you will be a strong voice on the side of democratic and independent institutions. I don't care how good the economy is; I don't care how great our relationships are on other issues. We cannot stand by and watch one more nation join the ranks of countries where their leadership are deliberately undermining the institutions of democracy and while we do nothing about it.

So I hope in this role, when you get there, that you will pledge to be a strong voice to condemn any move in this direction.

Thank you.

Senator MENENDEZ. Thank you, Senator.

I think you all have a sense of where we're at on these issues. I appreciate your testimony and answers here today. I look forward to supporting all four of you in your nomination when it comes before the full committee.

I will rectify a previous statement I made. Instead of keeping the record open until Friday, we will keep the record open for QFRs for 24 hours. This will give us the best chance of having all of your nominations before the next business meeting, which will take place on, of all days, Valentine's Day. [Laughter.]

So with that, and with no other business to come before the committee, this hearing is adjourned.

[Whereupon, at 11:20 a.m., the hearing was adjourned.]

ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF JULISSA REYNOSO TO QUESTIONS SUBMITTED BY SENATOR RICHARD G. LUGAR

Question #1. Please explain what relevant experience you have had to prepare you to represent the United States of America as Ambassador to Uruguay. What interaction have you had with Uruguay in an official U.S. Government capacity?

Answer. Both my professional career and my education have prepared me to represent the United States as Ambassador. As the Deputy Assistant Secretary of State for Central America and the Caribbean in the Bureau of Western Hemisphere Affairs since November 2009, I have worked diligently to advance U.S. priorities within the region and, if confirmed, I welcome the opportunity to utilize this experience as Ambassador to Uruguay.

Additionally, my education, which includes a substantial international component, has also prepared me for this opportunity. I have a B.A. in Government from Harvard University, a Masters in Philosophy from the University of Cambridge in the United Kingdom, and a J.D. from Columbia University School of Law. Prior to working at the State Department, I practiced law at the international law firm of Simpson Thacher & Bartlett LLP in New York, focusing on international arbitration and antitrust law and was a fellow at New York University School of Law and Columbia Law School.

In my official capacity as Deputy Assistant Secretary, I have worked with the Government of Uruguay on vital issues in the context of the Haiti Group of Friends, as Uruguay is currently the Chair, as well as with MINUSTAH. Uruguay is a leading partner in U.N. peacekeeping and, if confirmed, I look forward to continuing the important dialogue and cooperation with the Government of Uruguay.

Question #2. Despite Uruguay's small size and geographic location, U.S. initiatives to expand diplomatic and commercial ties with Uruguay, could afford an opportunity for the United States to constructively and strategically, extend its influence in the Southern Cone, a subregion historically given less attention by U.S. foreign policy-makers compared to other areas of Latin America. Please explain your views regarding the importance of countries of the Southern Cone for United States foreign policy objectives in South America. Please explain Uruguay's importance for United States foreign policy objectives in the Southern Cone.

Answer. The countries of the Southern Cone are critically important for U.S. foreign policy objectives in the hemisphere precisely because these countries include some of Latin America's oldest, strongest, and most successful democracies. The United States principal strategic goals in the region are supporting citizen security, strong institutions, and democratic governance. Healthy and successful Southern Cone democracies that respect rights, enforce rule of law, and sustain growing economies that welcome foreign investment serve as an important example for the entire region. Uruguay, in particular, is a model, high-functioning democracy in the Southern Cone, and, as such, is an important partner in advancing shared policy objectives. I am committed to continuing, and expanding, as appropriate, the range

of programs whereby the United States supports citizen security, strong institutions, and democratic governance in Uruguay.

Question #3. The Vazquez administration sought to reduce its reliance on Argentina and Brazil by strengthening ties with the United States. Since taking office, the Mujica administration has shifted the emphasis of Uruguay's foreign policy, prioritizing improved relations with Uruguay's neighbors and further diversification of global trade. Please explain how you would encourage President Mujica to redirect Uruguay's foreign policy back to making the strengthening of ties with the United States a priority. If confirmed, what specific proposals (commercial and political) would you offer to persuade President Mujica that closer ties with the United States are in Uruguay's national interest?

Answer. While it is true that President Mujica has placed more emphasis than his predecessor on what he has called Uruguay's "integration in its region," it is also worth noting that President Mujica's efforts to diversify Uruguay's trade relations are opening new avenues for commercial and investment ties to the United States. Among my top priorities as Ambassador, if confirmed, will be reviewing outstanding issues in agricultural trade between the United States and Uruguay with a view to enabling freer—and more mutually advantageous—trade between our two countries. Again if confirmed, it is my intention to personally engage with and support U.S. firms interested in doing business in Uruguay. In addition, President Mujica's focus on education reform in Uruguay and his expressed desire for more scientific and technical exchange with the United States will be an ever more important source of ties between Uruguayan and American institutions and individuals, as we strive to achieve President Obama's 100,000 Strong in the Americas goal. Our cooperation programs with Uruguay's Armed Forces—building their multilateral peacekeeping, emergency response and border patrol capabilities—will also build closer ties with the United States, and can advance shared objectives.

Question #4. Uruguayan Government officials concede that Uruguay has a problematic historical, and most recently, commercial relationship with Argentina, particularly in the wake of disagreements such as the dispute over the construction in Uruguay of a cellulose pulp mill near the Uruguayan border with Argentina. Have Uruguay's problems with Argentina weakened Uruguay's relations with MERCOSUR? If confirmed, please explain how you will work with U.S. investors to develop lucrative commercial initiatives that could also help make up for Uruguay's commercial losses as a result of its difficulties with Argentina?

Answer. In spite of numerous commercial and bilateral challenges in the Uruguay-Argentina relationship, the Government of Uruguay remains solidly committed to MERCOSUR. It appears that the Uruguayan Government has determined to seek to resolve commercial differences by appealing to MERCOSUR solidarity, and by taking advantage of the strong relationship between President Mujica and his fellow MERCOSUR Presidents.

Our Embassy in Montevideo is working closely with the U.S. business community to advocate for greater opportunities in the logistics, information technology, agriculture, energy, security, and infrastructure/construction sectors, among others. We have seen enthusiastic responses to our commercial initiatives, and we are confident that U.S. investment and exports will continue to increase in Uruguay as the local economy expands. The Embassy is also pursuing opportunities for U.S. firms through innovative public-private partnerships in Uruguay, a new mechanism that has opened public works and infrastructure projects to private sector participation.

Question #5. Would you characterize Uruguay's political relationship with Brazil as closer than Uruguay's relationship with the United States? Would you characterize Uruguay's commercial relationship with Brazil as being closer than Uruguay's commercial relationship with the United States?

Answer. Uruguay's foreign policy and political relations with Brazil are strong. President Mujica personally invests time and effort in his relationship with President Rousseff, and he also maintains a productive and close friendship with former President Lula. Geography, joint membership in MERCOSUR and UNASUR, and economic relations in the context of the dynamic success of the Brazilian economy, are all important factors in the strong relationship between Uruguay and Brazil.

Brazil is Uruguay's largest export market (approximately \$1.6 billion in 2011), and Brazilian exports account for the largest share of total imports from any country (just over \$1.9 billion). The United States was Uruguay's fourth-largest supplier of goods in 2011, with \$734 million, while Uruguay exported roughly \$245 million to the United States last year. United States-Uruguayan economic ties remain robust, and if confirmed, I will work diligently with American companies to find expanded markets for American products and services.

Question #6. Would you characterize Uruguay's commercial relationship with China as being closer than Uruguay's commercial relationship with the United States?

Answer. China has become an increasingly important trading and investment partner for Uruguay, as it has for many countries in the Americas, including the United States. Chinese foreign direct investment in Uruguay is centered on auto manufacturing and port development, while Chinese exports are found across a range of sectors in Uruguay. China is an important purchaser of Uruguayan soy and beef, as well as other commodities that transit through free trade zones.

In 2011, China was the third-largest exporter to Uruguay (roughly \$1.4 billion), while Uruguayan exporters supplied \$664 million in goods to China—the second-largest export destination after Brazil. The United States stood as the fourth-largest exporter to Uruguay in 2011 with \$734 million, compared with \$245 million in Uruguayan goods exported to the United States. United States-Uruguayan economic ties remain strong, and if confirmed, I will work with American companies to find expanded opportunities for enhanced trade and commerce.

Question #7. Trade ties between the United States and Uruguay have grown since 2002, when the countries created a Joint Commission on Trade and Investment. The joint commission has provided the means for ongoing United States-Uruguay trade discussions, which led to the signing of a bilateral investment treaty in October 2004 and a Trade and Investment Framework Agreement (TIFA) in January 2007. The TIFA is a formal commitment to pursue closer trade and economic ties. Although then-President Bush and Vazquez initially sought to negotiate a free trade agreement with Uruguay, in your confirmation hearing on February 7, 2012, before the Senate Foreign Relations Committee, you mentioned that both the United States Government and the Government of Uruguay chose not to pursue a free trade agreement due to "reticence" from both sides in the fall of 2009.

Please provide a detailed explanation regarding why the United States Government (USG) chose not to pursue a Free Trade Agreement (FTA) agreement with Uruguay in 2009. What is the likelihood of beginning talks regarding negotiating an FTA with Uruguay during the Obama administration? Is it a priority of the Obama administration to pursue an FTA with Uruguay?

Answer. The United States and Uruguay have utilized the TIFA as the principal mechanism to advance bilateral commercial and investment issues. This agreement, which includes advanced supplementary protocols on trade and the environment as well as trade facilitation, provides for yearly meetings of a bilateral trade and investment council. If confirmed, I look forward to working within the framework of the TIFA to facilitate expanded commercial opportunities and advance trade between the two countries.

The MERCOSUR charter does not permit MERCOSUR members, which includes Uruguay, to negotiate individually an FTA with another country. We have no indication that MERCOSUR, as a bloc, is prepared at this time to take on the commitments that would be required to enter into an FTA with the United States.

Question #8. Uruguay is now losing markets and jobs to countries that have free trade agreements with the United States. In Uruguay there is particularly concern about the situation of the Uruguayan textiles and apparel industry, which has shrunk over the last decade, with a slight recovery since 2003. Heavily based on wool production, this sector employs about 21,000 workers, though its unemployment rate remains high. Uruguayan textile and apparel producers face high tariffs in the U.S. market (17.5 percent for wool-based apparel and 25 percent for wool fabrics), as well as strong competition from FTA signatories with the United States (mainly Chile, Mexico, and Peru). Uruguay also faces difficulties in exporting fabric to these countries since the FTAs require that apparel be produced with U.S.-sourced or local fabrics. The combination of MERCOSUR restrictions, high entry tariffs, and rules of origin specifications has caused Uruguay to lose its market share in the United States. U.S. trade preferences for textiles and apparel would help Uruguayan exporters regain market access in the United States and have a dramatic positive economic impact on Uruguay. These industries are key sources of employment in Uruguay that have been hurt by both U.S. tariffs and the economic downturn.

By granting Uruguayan goods expanded access to the U.S. market, the USG would solidify its image as a reliable and strategically important partner, thereby strengthening the bilateral relationship with Uruguay. U.S. trade preferences would be viewed as a vote of support for the Government of Uruguay (GOU). The Obama administration seems disinterested in the negotiation of an FTA with Uruguay, but unilateral tariff preferences might be an appropriate intermediate step toward deep-

ening our relations with Uruguay—unilateral trade preferences can lead to the negotiation of a reciprocal FTA.

- Please explain your views regarding granting unilateral tariff preferences for Uruguayan textiles and apparel, to expand commercial ties between the United States and Uruguay, as an intermediate step toward an FTA.

Answer. The U.S. Government remains committed to deepening commercial ties between the United States and Uruguay. As Ambassador, one of my top priorities will be the health and strength of the bilateral relationship, and the promotion of U.S. interests in Uruguay. The granting of trade preferences to any nation, either unilaterally or through a Free Trade Agreement (FTA), is a matter for the President and the Congress to decide and, if confirmed, I would work to advance our foreign policy initiatives.

We currently have a Trade and Investment Framework Agreement (TIFA) with Uruguay, which is typically a precursor to an FTA. However, the MERCOSUR charter does not permit MERCOSUR members, which includes Uruguay, to negotiate individually an FTA with another country. We have no indication that MERCOSUR, as a bloc, is prepared at this time to take on the commitments that would be required to enter into an FTA with the United States.

RESPONSES OF JULISSA REYNOSO TO FOLLOWUP QUESTIONS SUBMITTED
BY SENATOR RICHARD G. LUGAR

Question. Please provide a detailed explanation regarding why the United States Government (USG) chose not to pursue a Free Trade Agreement (FTA) agreement with Uruguay in 2009.

Answer. It is my understanding that former President Bush discussed the idea of negotiating an FTA with Uruguay's President Vazquez in the spring of 2006. Later in September 2006, the Uruguayan Government expressed interest in negotiating an FTA under Trade Promotion Authority (TPA). However, with the expiration of TPA on June 30, 2007, and MERCOSUR's limitations, the two governments did not move forward with negotiations. The nature of the MERCOSUR charter presented complications for Uruguay to pursue an FTA with the United States, because the charter does not permit MERCOSUR members, which includes Uruguay, to negotiate individually an FTA with another country.

Instead, the two sides worked very hard to negotiate a rigorous Trade and Investment Framework Agreement (TIFA), which was signed on January 25, 2007, and reaffirms the commitment of our two governments to expand trade and economic opportunities between both countries. I understand that the Government of Uruguay has not expressed interest in pursuing an FTA. I do believe, however, that there are opportunities to expand on current agreements and partnerships to enhance both our political and economic relationship with Uruguay, and if confirmed, I will look to actively utilize these existing agreements and instruments to further advance commerce and trade between our two countries. Additionally, if confirmed, I will work closely with you, your staff, and the Foreign Relations Committee, to advance trade and economic ties between the United States and Uruguay.

Question. Please explain with specifics, how if confirmed, you will work through the framework of the TIFA to further expand commercial opportunities and advance trade between our two countries. What sectors will be your priority to facilitate expanded commercial opportunities and trade between our two countries? Are textiles and apparel areas where commercial opportunities can be expanded under TIFA?

Answer. The TIFA has two main protocol agreements, one focusing on overall trade facilitation and the second on the environment. We utilize the TIFA as an umbrella agreement in which we can facilitate the active dialogue between our countries and aggressively consider new, expanded avenues for trade. Indeed, in the context of TIFA discussions, we incorporate many aspects of our commercial, trade, and economic agenda including the Energy Climate Partnership of the Americas (ECPA), the USDA's Foreign Agricultural Service (FAS) program and related instruments. If confirmed, I look to broaden and deepen our bilateral relations and will evaluate the possibility for textiles and apparel opportunities. Another area I look forward to expanding, if confirmed, is Uruguay's participation within ECPA. Uruguay is a partner country in an ongoing FAS-led program to promote agricultural production and use of renewable biomass for energy, an ECPA initiative. This ongoing 2-year FAS program promoted agricultural production and use of renewable biomass for energy, and included an initial planning workshop and subsequent scientific exchange of fellows, a study tour, and in-country demonstration projects.

Another opportunity is through our existing partnership within the energy industry and our MOU on Alternative Energy and Energy Efficiency which was signed in September 2008. Through the MOU, our Embassy in Montevideo has pursued a series of biofuels and alternative energy-related initiatives with the Government of Uruguay. For example, visiting experts have given seminars on topics such as cellulosic biofuels, the EPA's Methane to Markets program, land use management, the use of carbon credits to fund biofuels projects, and biofuels' compatibility with current engine design. Our Embassy also provides technical assistance to identify equipment suppliers as well as information on standards for ethanol.

I believe there are opportunities to expand on these agreements and partnerships to enhance both our political and economic relationship, and if confirmed, I will look to actively utilize these existing networks and instruments to further advance commerce and trade between our two countries.

Question. In answering question #3 of the first round of questions you stated, "Among my top priorities as Ambassador, if confirmed, will be reviewing outstanding issues in agricultural trade between the United States and Uruguay with a view to enabling freer—and more mutually advantageous—trade between our two countries." What outstanding issues in agricultural trade are you referring to? Through what mechanism will you be "enabling freer—and more mutually advantageous—trade between our two countries" in the area of agricultural trade?

Answer. Uruguay and the United States continue to look for opportunities to expand our trade in agricultural products as both countries have significant and mature domestic industries with a wide range of exportable products and services. Agricultural machinery and fertilizers are key U.S. exports to Uruguay currently and, if confirmed, I will work with American companies operating in Uruguay to seek new markets to expand trade and create opportunities for these American products. I also would look for opportunities for American companies not already operating in Uruguay to enter the Uruguayan market and utilize Uruguay's position within Mercosur as an additional avenue to gain market access to Mercosur countries.

Examples of expanding agricultural trade and the removal of trade impediments between our countries include the pending market access for Uruguayan ovine meat and citrus fruit to the United States and American beef in Uruguay. The process of gaining market access, while detailed and possibly lengthy, offers avenues for additional and complementary markets for American products and services. If confirmed, I will aggressively seek these opportunities.

Question. In answering question #3 of the first round of questions you stated, "In addition, President Mujica's focus on education reform in Uruguay and his expressed desire for more scientific and technical exchange with the United States will be an ever more important source of ties between Uruguayan and American institutions and individuals, as we strive to achieve President Obama's 100,000 Strong in the Americas goal."

If confirmed, how do you intend to do this in concrete terms? Would you consider encouraging and assisting Uruguay to pursue a strategic bilateral agreement with a specific U.S. state, such as the Chilean Government's strategic bilateral agreement with the state of Massachusetts (which focusses on collaborative research in the areas of education and biotechnology)? Please provide your views on pursuing strategic bilateral agreements. If you approve of this approach, please provide your specific ideas, if confirmed, for developing strategic bilateral agreements with Uruguay.

Answer. The United States and Uruguay have a long history of collaborating on science and technology-related projects. On April 29, 2008, the United States and Uruguay signed a bilateral Science & Technology agreement that provides a framework to advance science and technology cooperation. Priority areas include health and medical research, alternative energies, and Antarctic research. Other areas of cooperation include agriculture; meteorology; hydrology; fisheries; atmospheric sciences; disaster response and management; science policy networking; capacity-building and research and professional exchanges; and fostering innovation through public-private partnerships. This foundation of collaborative research represents a wealth of opportunities for expanded cooperation between scientific institutions in Uruguay and the United States.

If confirmed, I will work to create new linkages between American and Uruguayan universities and research centers in the key fields of science, technology, engineering, and mathematics—the so-called STEM fields—as well as in other academic disciplines. These linkages would facilitate expanded educational exchanges. Beyond these linkages between institutions, I also would encourage the development

of strategic bilateral agreements between our two countries at either the state or local levels and would work to facilitate these avenues of cooperation. If confirmed, I will encourage all sections of our Embassy to develop close relationships with key academic institutions in Uruguay with whom visiting U.S. delegations can engage to build productive partnerships. I am a firm believer in educational exchanges and would dedicate time and energy to furthering these opportunities.

I wish to highlight that I would look first to the State of Minnesota as a possible partner for Uruguayan institutions, given the existing connections with numerous academic and research institutions and the high interest in sustainable urban development in Minneapolis. Additionally, the University of Minnesota with its strong agricultural base would be a natural fit for cooperation with Uruguay's leading universities. The State of Connecticut might be another possibility as it has an existing and active U.S. Department of Defense State Partnership Program that, if confirmed, I would look to leverage for expanded opportunities.

Question. In answering question #8 of the first round of questions you stated "The MERCOSUR charter does not permit MERCOSUR members, which includes Uruguay, to negotiate individually an FTA with another country. We have no indication that MERCOSUR, as a bloc, is prepared at this time to take on the commitments that would be required to enter into an FTA with the United States."

On July 15, 2005, the new FTA between Mexico and Uruguay entered into force, as the result of an intense process of negotiations boosted by the Presidents of both nations with the aim to reinforce the 54 Complementary Economic Agreement signed by MERCOSUR and Mexico.

Since Uruguay is a member country of the Common Southern Market, it operates as a gateway for Mexico to enter into the MERCOSUR. Mexico aims to participate in the bloc as an associated country in the free-trade area. The prospect of a similar kind of agreement for the United States is very attractive not only because of the advantages of a trade agreement with Uruguay, but also because it would operate as a gateway for the United States to enter into the MERCOSUR and trade with Brazil, Argentina and Paraguay, as well.

Please explain your views regarding the process that took Uruguay and Mexico to sign an FTA, normally outlawed by MERCOSUR. Please explain why the United States can, or cannot pursue a similar process.

Answer. Interlocutors inform us that the trade agreement, which is an Economic Complementation Agreement signed by Mexico and Uruguay in November 2003, is an exception to Mercosur's prohibition on bilateral agreements between a member and a third party. It is built on an existing 1999 economic agreement between Mexico and Uruguay, as well as the 2002 Mexico-Mercosur complementary economic agreement. The 2002 agreement endorsed the idea of pursuing closer trade with Mexico and helped to justify the exception afforded to Uruguay and was "grandfathered" into the agreement.

At this time, we have no indication that MERCOSUR, as a bloc, is prepared to take on the commitments that would be required to enter into an FTA with the United States. That said, if confirmed, I will look to utilize all existing agreements, like the TIFA and all other related instruments, to expand trade and commercial opportunities for American products and services.

Question. Please provide specific information regarding your role as U.S. Deputy Assistant Secretary of State for Western Hemisphere Affairs for Central America, Caribbean, and Cuba, in efforts to gain the humanitarian release of Alan Gross from Cuba. Alan Gross has been held since his arrest in December 2009, accused of bringing satellite and other communication equipment into the country illegally. He has acknowledged he was working on a USAID-funded democracy program, but says he meant no harm to the government and was only trying to help the island's small Jewish community.

Answer. Alan Gross has been unjustly imprisoned for more than 2 years. He is a dedicated international development worker who has devoted his life to helping people in more than 50 countries and he was in Cuba to help the Cuban people connect with the rest of the world. We deplore the fact that the Cuban Government specifically excluded Mr. Gross from the 2,900 prisoners it decided to release at the end of December.

For more than 2 years, in close coordination with Mr. Gross's family and lawyer, we have used, and will continue to use, every opportunity to seek his release from this unjust imprisonment. We have also used every channel to press the Cuban Government for Mr. Gross's immediate release so he can return to his family, where he belongs. The Department has urged more than 40 countries around the world to press the Cuban Government on this issue. At the United Nations, we have

raised Mr. Gross's case to the General Assembly. We have met prominent figures traveling to Cuba and encouraged them to advocate for Mr. Gross's release, which they have done. And, we have done the same with religious leaders from many different faiths. Additionally, we have also made numerous public statements pressing for Mr. Gross's release.

As Deputy Assistant Secretary of State, I have worked especially closely with Mr. Gross's family and lawyer, and have been involved in all of the efforts mentioned above. In addition, I have also directly pressed for Mr. Gross's release in meetings with Cuban Government officials, including raising Alan Gross countless times with the Chief of the Cuban Interests Section in Washington. In these meetings, I have made clear that the Cuban Government should immediately release Mr. Gross.