

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

HEARINGS

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

—————
MARCH 16 THROUGH DECEMBER 8, 2011
—————

Printed for the use of the Committee on Foreign Relations



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COMMITTEE ON FOREIGN RELATIONS
112TH CONGRESS—FIRST SESSION

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NOMINATIONS

TUESDAY, APRIL 5, 2011

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

Mara E. Rudman, of Massachusetts, to be an Assistant Administrator of the United States Agency for International Development
Robert Patterson, of New York, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador to Turkmenistan

The committee met, pursuant to notice, at 10:15 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Robert P. Casey Jr., presiding.

Present: Senator Casey.
Also Present: Senator Reed.

OPENING STATEMENT OF HON. ROBERT P. CASEY JR., U.S. SENATOR FROM PENNSYLVANIA

Senator CASEY. The hearing will come to order.

I want to thank everyone for being here this morning.

The way we will proceed is, I will present an opening statement. I will turn to my colleague Senator Reed of Rhode Island. We are grateful he is here with us. And then, of course, we will turn to our nominees and go from there.

But first of all, I want to thank everyone for being here. Today, the Senate Foreign Relations Committee, meets to examine the nominations of Mr. Robert E. Patterson to be Ambassador to Turkmenistan and Ms. Mara Rudman to be the Assistant Administrator for the Middle East at the U.S. Agency for International Development.

First, with regard to Turkmenistan, the United States has not had an Ambassador in Turkmenistan for nearly 5 years. As the country begins to open up to the outside world, it is critical that the United States is fully represented to pursue a range of interests, including human rights, energy, and security interests.

The human rights situation remains of serious concern in Turkmenistan. Last May, I signed a letter, led by Senators Durbin and Brownback, to Secretary Clinton on behalf of three prisoners of conscience detained in Turkmenistan. Just last week, Turkmen authorities confined a Radio Free Europe contributor to a psy-

chiatric hospital after he criticized a local government official of corruption. This Soviet-era practice of committing political dissidents to psychiatric facilities, unfortunately, continues in Turkmenistan.

As Turkmenistan continues to open more to the outside world, it is important for the United States, working with the Organization for Security and Cooperation in Europe, to take an active role in advancing our interests and our values. I know that Mr. Patterson shares these concerns, and I look forward to hearing how he will address human rights issues amid our other important interests in Turkmenistan.

Many in the Senate have concerns about Turkmenistan's energy resources and their export abroad. I understand that Turkmenistan shares a desire to diversify its energy export routes and has indicated that participating in the Nabucco Project is a possibility, and I look forward to hearing from Mr. Patterson on how he will encourage this diversification of Turkmenistan's energy export routes and how this important market can become more open to U.S. companies.

Turkmenistan has played a positive role with respect to its neighbor Afghanistan. The Government of Turkmenistan has built hospitals and schools in parts of Afghanistan inhabited by Turkmen. We should be working to further encourage this kind of activity.

Recognizing the deep historic ties between Afghanistan and the countries of Central Asia, some have expressed concern about the level of coordination among our diplomatic assets in the region. As the importance of the Northern Distribution Network through Central Asia to Afghanistan has grown, regular coordination among our diplomats in South and Central Asia will become even more important. I hope that communication and coordination among the posts in these countries will be a top priority for the State Department.

Mr. Patterson is a career Foreign Service officer who has served in challenging posts around the world. He currently serves as the senior adviser for the Somali diaspora and has served in our embassies in Kenya, Russia, Hungary, Ukraine, and Armenia. His experience in the former Soviet Union will especially serve him well in this post, if confirmed. Mr. Patterson has served the United States in the U.S. Air Force.

Mr. Patterson, I want to thank you for your longstanding service to the country and for your willingness to take on another challenging assignment. We are grateful.

Next, to the Middle East. The Middle East is right now experiencing change of historic proportions. That is a dramatic understatement. There is almost no way to capture what we are seeing playing out every day in the Middle East on television news or in so many other ways that we get information.

And if confirmed, Mara Rudman will assume a very challenging assignment in overseeing USAID's programs in the Middle East. As countries in the region continue to experience unrest, the work of USAID will be essential in helping to ensure political transitions based upon democratic institutions and economic reforms.

USAID has missions in seven countries and two regional missions in the Middle East, for a total FY 2010 budget of \$1.6 billion. These programs are targeted toward health, education, good governance, and economic development.

But more important than these statistics is how we calibrate our approach to development in a region where the United States foreign assistance has been historically criticized for supporting undemocratic governments. In this new environment, USAID will need to be more agile, responsive, and able to engage directly with more citizens in places like Egypt, Tunisia, Yemen, and Syria, more so than it has in the past.

How we implement these programs and America's profile in supporting civil society and democratic governance is just as important as the programs themselves. During this seminal period in history and in the history of the Middle East, the developmental challenges in the region seem to grow by the day. I would like to touch on just a few.

As we have transitioned responsibility for enforcing U.N. Security Council Resolution 1973 to NATO, the United States will continue to play an active role in providing humanitarian relief to the people of Libya. The President has declared as U.S. policy that Gaddafi must go. But he has also said that we will not use our military to effect this change.

In this environment, the tools of USAID are all the more essential. Humanitarian and medical support for Libya's people and democratic institution-building for an emerging political class will be necessary in preparation for a democratic Libya.

In Egypt, a political transition continues that will soon produce new leadership. Without improvements in Egypt's economic prospects, the accomplishments of those courageous people who marched and demonstrated in Tahrir Square, those activists' progress and accomplishments will be jeopardized.

The United States has an important role to play in Egypt's economic development and must also encourage political reforms that reflect the democratic aspirations of the Egyptian people.

Next, to Yemen. Yemen, the poorest country in the region, has faced severe development problems ranging from water shortages to debilitating poverty. USAID's ability to conduct assistance in this country is critically important, and the deadly protests against the government have already had an impact on our ability to do that.

Maintaining our ability to deliver assistance to the people of countries like Yemen amid the political turmoil will be increasingly important in the months to come. All of this takes place amid a challenging budget climate here in Washington.

Administrator Raj Shah has made serious efforts to reform USAID and assure accountability and programmatic efficiency to the American taxpayer. And it is important that he is doing that, and it is important that we support him in doing that. Dr. Shah takes on this task not only in the name of fiscal responsibility, but also because our assistance needs to be strategic and targeted in order to best take advantage of these transformational openings and opportunities in the region.

Events in the region demand a smart development approach by the United States that takes a long-term view. President Obama's nominee, Mara Rudman, has the experience to fulfill this strategic vision for the region. We are fortunate that she has accepted the President's appointment, and if confirmed, she will be a true asset during this historic period of change in the region.

She currently serves as the Chief of Staff for Presidential Envoy for Middle East Peace, former Senator George Mitchell, where she has a unique perspective on the formulation of United States foreign policy in the region. Her public service at the State Department, at the National Security Council, and here on Capitol Hill will serve her well in her new position.

And because today we don't have a ranking member with us for the hearing, I will turn immediately to our witnesses. But first, to my colleague, Senator Jack Reed of Rhode Island. We are honored he is here. He is someone that was a mentor to young Senators like me when I got here in 2007.

And I am always grateful that he is with us to provide his perspective on so many important foreign policy challenges we have. He is here today in a more limited sense, unless he wants to expound upon his comments about Mara Rudman. But we are grateful, Senator Reed, that you are here, and you have the floor.

**STATEMENT OF HON. JACK REED,
U.S. SENATOR FROM RHODE ISLAND**

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

It is a great pleasure and privilege to have the opportunity to introduce Mara Rudman, the President's nominee to be the United States Agency for International Development's Assistant Administrator for the Middle East.

No one is as superbly qualified as Mara to address the critical challenges you have laid out, Mr. Chairman. She has an extraordinary background, extraordinary intellect, and extraordinary dedication.

I first had the privilege to work with her about 15 years ago, when Lee Hamilton, the chairman of the House Foreign Relations Committee, detailed her to the Task Force on National Security organized by our leader, Dick Gephardt. I was part of that task force and extraordinarily impressed by her intellect, by her contribution, and by her sincere and absolute dedication to advancing our ideals and also good public policy.

She has an extensive background, as you laid out, in terms of the Middle East. It began a long time ago at Dartmouth University, and continued at Harvard Law School. Then she went on to clerk for Judge Stanley Marcus in the Southern District of Florida, and was an associate in a Washington law firm.

But really, it was on Capitol Hill where she found not only her niche, but also had so much of a profound and meaningful impact, working first for Gerry Studds and then as chief counsel to Lee Hamilton on the House Foreign Affairs Committee.

She also served on the National Security Council, under both President Clinton and President Obama. So she has the experience of both the executive, and the legislative, and all of it, indeed, in the context principally of Middle East policy. And as you pointed

out, she has served the last few years as the Chief of Staff to George Mitchell in his extraordinarily important work as Special Envoy in the Middle East.

She has also been in the private sector. She has worked with our former Secretary of Defense, Bill Cohen and the Cohen Group. All of this experience underscores how well prepared she is for the most challenging assignment I can think of, trying to provide the soft power in a region that requires that.

She is a pragmatist, and a problem-solver. She is going to do a great job, and I would urge your immediate consideration and favorable consideration.

And thank you, Mr. Chairman.

Senator CASEY. Senator Reed, thank you very much.

We are honored that you are here today, and that is quite a significant testimony about a nominee. We are grateful you are able to provide that. You are welcome at the Foreign Relations Committee anytime.

Thank you, everyone, and we will go right to our witnesses now.

Mr. Patterson, you have the floor. Of course, if you want to submit your statement for the record, both of your statements, will be made part of the record in full.

And of course, if you want to go through your statement, that is fine. We will try to keep it roughly to about 5 minutes, if you can. Or if you want to just summarize that would be fine also.

STATEMENT OF ROBERT PATTERSON, OF NEW YORK, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR TO TURKMENISTAN

Mr. PATTERSON. Thank you, Mr. Chairman.

Mr. Chairman, I am honored to appear before you as President Obama's nominee to become U.S. Ambassador to Turkmenistan. I am grateful to the President and to Secretary Clinton for their trust in me. If confirmed, I will work with you to advance America's interests in Turkmenistan.

The United States recognized Turkmenistan in February 1992 and since that time has supported its development as a stable, secure, democratic, and prosperous Central Asian state. However, Turkmenistan lies in a tough neighborhood bordering Iran and Afghanistan and faces many challenges in building democratic institutions and in fighting corruption.

A key U.S. priority in Central Asia is to encourage efforts to aid in the stabilization of Afghanistan. Turkmenistan shares a long border with Afghanistan and is aware of the danger that continuing instability there poses to itself and to other countries in the region.

Turkmenistan has acted in accordance with its policy of positive neutrality to provide discounted electricity, housing, hospitals, and other forms of humanitarian aid to its Afghan neighbors. President Berdimuhamedov's recent announcement of the intention to increase electricity supplies fivefold to Afghanistan is a welcome sign of continued engagement in that important effort. If confirmed, I will encourage Turkmenistan to continue to provide all possible support to Afghanistan.

Turkmenistan has significant natural gas reserves and is seeking to diversify their distribution. President Berdimuhamedov has expressed Turkmen interest in supplying gas to Europe through a Trans-Caspian Pipeline. We continue to strongly encourage Turkmenistan to send its gas across the Caspian to Europe via the Southern corridor.

Another potential project is the Turkmenistan-Afghanistan-Pakistan-India, or TAPI, pipeline, which President Berdimuhamedov has taken a leading role in promoting. If built, TAPI would strengthen economic ties between Central and South Asia by sending needed resources to growing markets.

U.S. firms have the experience and a demonstrated track record in major energy projects. And if confirmed, I would work hard to support their efforts to invest in Turkmenistan.

Of course, our commercial relationship with Turkmenistan goes beyond energy. U.S. companies are active in various sectors of the Turkmen economy, from agriculture to civil aviation. If confirmed, I will actively support U.S. firms and seek to expand economic ties with Turkmenistan, particularly in light of the President's National Export Initiative.

As recent events have yet again demonstrated, respect for human rights, the rule of law, and transparent and accountable governmental institutions are essential to peace and long-term stability in any country. If confirmed, I will energetically engage the Government of Turkmenistan on the full range of human rights issues, including arbitrary detentions and arrests, limitations on freedom of movement and expression, allegations of torture and prisoner abuse, and human trafficking.

A frank and detailed discussion of human rights concerns already has a prominent place in our Annual Bilateral Consultations with high-ranking Turkmenistan Government representatives. These consultations began in June 2010, and I am certain that we will use future such meetings and other contacts to discuss important human rights issues.

Turkmenistan's border with Afghanistan and its outlet to the Caspian Sea have made it a significant drug transit corridor. In recent years, the United States has had some success in increasing cooperation with Turkmenistan on counternarcotics programs, including improved control of its borders and ports.

Much remains to be done, and if confirmed, I will seek opportunities to strengthen our emerging counternarcotics and border security cooperation with Turkmenistan, with the goal of improving regional stability. A better capacity to combat the drug trade at its source ultimately contributes to the well-being of the United States.

Much of my 25 years in the State Department has been spent at U.S. missions overseas, and I have come to believe that we make our greatest impact on a country through engagement with its people in their own communities. Some of these contacts fall under the formal heading of public diplomacy, but much happens when you simply get out and live life in the country to which you are assigned.

In Turkmenistan, the small number of foreign visitors and residents makes such incidental contacts all the more important. And

if confirmed, I will encourage colleagues in our mission to demonstrate American values in their daily interactions with citizens of Turkmenistan.

Finally, I know that, if confirmed, I will ultimately be responsible for the welfare of the U.S. mission, my U.S. mission colleagues, and their families in a fairly remote part of the world. Their well-being and that of other Americans in Turkmenistan will be a top priority.

Thank you. I look forward to answering your questions.

[The prepared statement of Robert Patterson follows:]

PREPARED STATEMENT OF ROBERT E. PATTERSON

Mr. Chairman and members of the committee, I am honored to appear before you as President Obama's nominee to become U.S. Ambassador to Turkmenistan. I am grateful to the President and to Secretary Clinton for their trust in me. If confirmed, I will work with you to advance America's interests in Turkmenistan.

The United States recognized Turkmenistan in February 1992 and since that time has supported its development as a stable, secure, democratic, and prosperous Central Asian state. Turkmenistan lies in a tough neighborhood bordering Iran and Afghanistan, and faces external and internal challenges in building democratic institutions and civil society, open media, and in fighting corruption.

A key U.S. priority in Central Asia is to encourage efforts to aid in the stabilization of Afghanistan. Turkmenistan shares a long border with Afghanistan and is aware of the danger that continuing instability there poses to itself and to other countries in the region. Turkmenistan has acted in accordance with its policy of "positive neutrality" to provide discounted electricity, housing, hospitals, and other forms of humanitarian aid to its Afghan neighbors. President Berdimuhamedov's recent announcement of the intention to increase electricity supplies fivefold to Afghanistan is a welcome sign of Turkmenistan's continued engagement in that important effort. If confirmed, I will encourage Turkmenistan to continue to provide all possible support to Afghanistan.

Turkmenistan has significant natural gas reserves and is seeking to diversify their distribution. In recent statements, President Berdimuhamedov has expressed Turkmen interest in supplying gas to Europe through a Trans-Caspian Pipeline. We continue to strongly encourage Turkmenistan to send its gas across the Caspian to Europe via the Southern Corridor. Another potential project is the Turkmenistan-Afghanistan-Pakistan-India, or TAPI, pipeline, which President Berdimuhamedov has taken a leading role in promoting. If built, TAPI could strengthen economic ties between Central and South Asia by sending needed resources to growing markets. U.S. firms have the experience and a demonstrated track record in major energy projects, and, if confirmed, I would work hard to support their efforts to invest in projects in Turkmenistan, including projects like the Trans-Caspian Pipeline and TAPI.

Our commercial relationship with Turkmenistan goes beyond its prominent energy sector, however. U.S. companies are active in various sectors of the Turkmen economy—ranging from agriculture to civil aviation. If confirmed, I will actively support U.S. firms and seek to expand economic ties with Turkmenistan, particularly in light of the President's National Export Initiative.

As recent events have yet again demonstrated, respect for human rights, the rule of law, and transparent and accountable governmental institutions are essential to peace and long-term stability in any country. If confirmed, I will energetically engage the Government of Turkmenistan on the full range of human rights issues, including arbitrary detentions and arrests, limitations on freedom of movement and expression, allegations of torture and prisoner abuse, and human trafficking. A frank and detailed discussion of human rights concerns already has a prominent place in our Annual Bilateral Consultations with high-ranking Turkmenistan Government representatives. Those consultations began in June 2010, and I am certain that we will use such meetings and other contacts with the Turkmen Government in the future, to discuss important human rights issues.

Turkmenistan's border with Afghanistan and outlet to the Caspian Sea have made it a significant drug transit corridor. In recent years, the United States has had some success in increasing cooperation with Turkmenistan on counternarcotics programs, including improved control of its borders and ports. Much remains to be done, and if confirmed I will seek opportunities to strengthen our emerging counternarcotics and border security cooperation with Turkmenistan with the goal of im-

proving regional stability. A better capacity to combat the drug trade at its source ultimately contributes to the well-being of the United States.

Much of my 25 years in the State Department has been spent at U.S. missions overseas, and I have come to believe that we make our greatest impact on a country through engagement with its people in their own communities. Some of these contacts fall under the formal heading of "public diplomacy," but much happens when you simply get out and live life in the country to which you are assigned. In Turkmenistan, the small number of foreign visitors and residents makes such incidental contacts all the more important, and, if confirmed, I will encourage colleagues in our mission to demonstrate American values in their daily interactions with citizens of Turkmenistan. I believe that "public diplomacy," promoting more official people-to-people exchanges, should also be a major priority. More than 740 Peace Corps Volunteers have been actively engaged in this effort in Turkmenistan since the start of the program there in 1993, teaching English and promoting health education in remote parts of the country.

Finally, I know that, if confirmed, I will ultimately be responsible for the welfare of my U.S. mission colleagues and their families in a fairly remote part of the world. Their welfare will be my top priority, as will the well-being and interests of other American citizens living in Turkmenistan.

Thank you. I look forward to answering your questions.

Senator CASEY. Thank you, Mr. Patterson.
Ms. Rudman.

**STATEMENT OF MARA E. RUDMAN, OF MASSACHUSETTS, TO
BE AN ASSISTANT ADMINISTRATOR OF THE UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT**

Ms. RUDMAN. Mr. Chairman, it is an honor to appear before you today.

I want to express my appreciation for the trust and confidence that President Obama and Administrator Shah have placed in me through this nomination. And I am grateful to have the strong support of Secretary Clinton.

It is difficult to conceive of a more challenging time to be considered for this portfolio. In country after country, the people of the region have, in a word, inspired. As the President said last week, "We must stand alongside those who believe in the same core principles that have guided us through many storms."

If confirmed, I look forward to working with the dedicated women and men of USAID and colleagues throughout the U.S. Government, laying the foundation for diplomatic and development strategies that will serve us and the peoples and countries of the Middle East in the months and years ahead. I want especially to recognize the dedicated public service of George Laudato, who has led the Bureau for the past 3 years.

This transition and period of regional change are providing a rapid-fire chance to operationalize Secretary Clinton and Administrator Shah's shared goal—to modernize and strengthen USAID, reaffirming its status as the premier development agency in the world. If confirmed, I can assure you that no one will work harder to see that we are responding effectively to the great challenges and historic opportunities that we face.

In that regard, my objectives for the Middle East Bureau go to areas that I believe are critical to the sustainability, growth, and success of our policy missions. If confirmed, I would focus on managing our relationships with key countries so as to move from assistance to cooperation and partnership.

I would work to ensure that the best and most innovative initiatives are not only developed, but implemented effectively. And I

would coordinate closely with colleagues at State, Treasury, and the White House and Defense to see that we are truly practicing smart diplomacy, using development, diplomacy, and defense as mutually reinforcing policy platforms to make the objectives of the QDDR come alive.

I focus on the pragmatic, on the details of how to get things done and bridge the gaps with a range of actors, across cultures internationally and domestically. I recognize that it is important to have a political horizon, a strategic vision. But once we have it, we must be able to maintain the vision while we implement programs and projects with maximum effectiveness.

Under the leadership of Administrator Shah, USAID is implementing an aggressive agenda to streamline development work, the USAID Forward agenda, which you mentioned. In this context, I am excited that the Middle East Bureau is already brokering new approaches to development.

I appreciate the enormity of tasks ahead in this region and in this position. I also recognize how fortunate I am to have worked with and for people who helped me prepare to take this challenge. I would like to specifically thank Representatives Lee Hamilton, Howard Berman, and Sam Gejdenson, leaders on the House Foreign Affairs Committee, for the investment they have made in guiding me.

I also owe much to Senator Reed and Senator Shaheen, who have been gracious with their counsel to me over the years, and to Chairman Kerry. Among other things, Chairman Kerry showed me how, by example, to conference a bill in my early days as HFAC's chief counsel.

I have spent much time deeply involved in the Middle East, from my first position as a legislative assistant for my hometown Congressman to my current work as a deputy to Senator Mitchell, where, among other things, I coordinate United States efforts to support Palestinian institution-building.

Through my time in Government, I have learned to appreciate the dynamics among and between the agencies and actors that play a role on foreign assistance and foreign policy. To implement programs effectively and meet foreign policy objectives, it is critical to navigate smoothly in this environment. I also value the time I have spent working on both ends of Pennsylvania Avenue, in different parts of the executive and with the judiciary.

When working on governance challenges in other parts of the world, it has made a huge difference for me to be able to draw upon the experience I have had in our own Government—a contentious floor debate, an intricate conference bill negotiation, a complex set of jury instructions to be drafted, advising a President, working out budget differences with a legislature controlled by the opposition party.

I discovered the magic of how quickly this makes the world a much smaller place when I found myself explaining the House Rules Committee operations to a group of villagers in a remote part of the West Bank when the Palestinian Legislative Council had just run its first election in the mid-1990s, and rules that would govern its proceedings were at the time heavily debated among its citizenry.

This is because, as President Obama described in Cairo nearly 2 years ago, “All people yearn for certain things—the ability to speak your mind and have a say in how you are governed, confidence in the rule of law and the equal administration of justice, government that is transparent and doesn’t steal from the people, the freedom to live as you choose.”

As President Obama, Secretary Clinton, and Administrator Shah believe, we have the power to create the world we seek if we have the courage to embrace opportunity and the willingness to do things smartly, sometimes differently, and together.

I am honored to be considered for this position and fully appreciate the responsibility and challenges it entails. I am deeply committed to the mission of USAID and the role it plays in advancing our national security, promoting economic opportunity, and embodying our core American values.

Thank you for the opportunity to appear before you today. I welcome any questions you might have.

[The prepared statement of Mara E. Rudman follows:]

PREPARED STATEMENT OF MARA E. RUDMAN

Mr. Chairman, ranking member, distinguished members of the committee, it is an honor to appear before you today as President Obama’s nominee to be the next Assistant Administrator for the Middle East at the U.S. Agency for International Development.

I want to express my appreciation for the trust and confidence that President Obama and Administrator Shah have placed in me through this nomination. And I am grateful to have the strong support of Secretary Clinton.

It is difficult to conceive of a more challenging time to be considered for this portfolio. In country after country the people of the region have, in a word, inspired. As the President said last week, “we must stand alongside those who believe in the same core principles that have guided us through many storms: our opposition to violence directed against one’s own citizens, our support for a set of universal rights . . . [and] our support for governments that are ultimately responsive to the aspirations of the people.”

If confirmed, I look forward to working with the dedicated women and men of USAID, and colleagues throughout the U.S. Government, laying the foundation for diplomatic and development strategies that will serve us and the peoples and countries of the Middle East in the months and years ahead. I want especially to recognize the dedicated public service of George Laudato, who has led the Bureau for the past 3 years, having been called back to USAID from retirement to do so.

This transition and period of regional change are providing a rapid-fire chance to operationalize Secretary Clinton and Administrator Shah’s shared goal: to modernize and strengthen USAID, reaffirming its status as the premier development agency in the world. If confirmed, I look forward to picking up the baton as my colleagues are working to make important progress. I can assure you that no one will work harder to see that we are responding most effectively to the great challenges and historic opportunities that we face.

In that regard, my objectives for the Middle East Bureau go to areas that I believe are critical to the sustainability, growth, and success of our policy missions. If confirmed, I would:

- Focus on managing our relationships with key countries so as to move from “assistance” to “cooperation and partnership.”
- Work to ensure that the best and most innovative initiatives are not only developed, but implemented effectively; that we evaluate the results, and learn from and apply those lessons going forward.
- Coordinate closely with colleagues at State, Defense, Treasury, and the White House to see that we are truly practicing smart diplomacy, using development, diplomacy, and defense as mutually reinforcing policy platforms to make the objectives of the Quadrennial Diplomacy and Development Review (QDDR) come alive.

I believe in the importance of focusing on the pragmatic—on the details of how to get things done and “bridge the gaps” with a range of actors, across cultures

internationally and domestically. I recognize that it is important to have a political horizon, a policy objective, a strategic vision. But once we have it, we must be able to maintain the vision while we implement programs and projects with maximum effectiveness.

Under the leadership of Administrator Shah, USAID is implementing an aggressive agenda to streamline development work, the "USAID Forward" agenda, which builds on Secretary Clinton's QDDR and the Presidential Policy Directive on Global Development. In this context, I am excited that the Middle East Bureau is already brokering new approaches to development.

I appreciate the enormity of tasks ahead in this region and position. I also recognize how fortunate I am to have worked with and for people who have helped prepare me to take on this challenge. I would like to specifically thank Representatives Lee Hamilton, Howard Berman, and Sam Gejdenson, leaders on the House Foreign Affairs Committee, for the investment they have made in guiding me. I also owe much to Senators Jack Reed and Jeanne Shaheen, who have been gracious with their counsel, and to Chairman Kerry. Among other things, he showed me by example what it really meant to conference a bill in my early days as HFAC's chief counsel.

I have spent much time deeply involved in the Middle East, from my first position as a legislative assistant for my hometown Congressman, who served on the House Foreign Affairs Committee; to a research fellowship in the region; to work as chief counsel at the House Foreign Affairs Committee, where I focused among other matters on rule of law efforts and programs.

When I served President Clinton as a deputy national security advisor and Chief of Staff at the National Security Council, I helped to coordinate strategic and budget aspects of the Middle East peace negotiations efforts. I explored yet another aspect of these issues in my work in the private sector, where I assisted in creating the nonprofit economic development oriented Middle East Investment Initiative. Now, as a deputy to Senator Mitchell, I have spent the majority of my time focusing on coordinating U.S. efforts to support the Palestinian institution-building program, across U.S. agencies, in Washington and in the field, and among Palestinian Authority, Israeli, and international actors.

Through my time in government, I have learned to appreciate the dynamics among and between the agencies and actors that play a role on foreign assistance and foreign policy matters. To implement programs effectively, and meet policy objectives, it is critical to navigate smoothly in this environment.

I also value the time I have spent working on both ends of Pennsylvania Avenue, in different parts of the executive, and with the judiciary. Given the critical role of the legislative branch in funding and overseeing foreign assistance programs and policy, the executive branch in setting and developing policy, and the powerful balancing role of our judiciary, having an insider's familiarity with these institutions has served me well, and will continue to do so in this role, if confirmed.

When working on governance challenges in other parts of the world, it has made a huge difference for me to be able to draw upon experience I have had in our own government: a contentious floor debate, an intricate conference bill negotiation, a complex set of jury instructions to be drafted, advising a President, or working out budget differences with a legislature controlled by the opposition party. I discovered this firsthand when I found myself explaining the House Rules Committee operations to a group of villagers in a remote part of the West Bank when the Palestinian Legislative Council had just run its first election in the mid 1990s and rules that would govern its proceedings were at the time heavily debated among the citizenry.

Indeed, as President Obama described articulated in Cairo nearly 2 years ago, "[A]ll people yearn for certain things: the ability to speak your mind and have a say in how you are governed; confidence in the rule of law and the equal administration of justice; government that is transparent and doesn't steal from the people; the freedom to live as you choose."

In presenting the foreign assistance budget request recently, Secretary Clinton noted "Generations of Americans . . . have grown up successful and safe because we chose to lead the world in tackling the greatest challenges. We invested the resources to build up democratic allies and vibrant trading partners. And we did not shy away from defending our values, promoting our interests, and seizing the opportunities of each new era . . . the world has never been in greater need of the qualities that distinguish us: our openness and innovation, our determination, our devotion to universal values."

As President Obama, Secretary Clinton, and Administrator Shah believe, we have the power to create the world we seek if we have the courage to embrace opportunity and the willingness to do things smartly, sometimes differently, and together.

I am honored to be considered for this position and fully appreciate the responsibilities and challenges it entails. I am deeply committed to the mission of USAID and the role it plays in advancing our national security, promoting economic opportunity, and advancing our embodying our core American values.

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

Senator CASEY. Thank you very much.

I wanted to, for the record, just read the heading of a statement for the record that Senator Shaheen made available to us. This is a statement for the record for today's nomination hearing in support of the nomination of Mara Rudman to be Assistant Administrator for the Middle East, U.S. Agency for International Development. And that is, of course, dated today.

I wanted to make sure that Senator Shaheen's statement was made part of the record.

[The prepared statement of Senator Shaheen follows:]

PREPARED STATEMENT OF HON. JEANNE SHAHEEN,
U.S. SENATOR FROM NEW HAMPSHIRE

Chairman Casey and Ranking Member Risch, thank you for holding this important nomination hearing.

I am pleased today to speak in strong support of Mara Rudman's nomination as the next Assistant Administrator for the Middle East at the U.S. Agency for International Development (USAID). At a critical time in the volatile and dangerous Middle East region, President Obama and USAID Administrator Shah have made an exceptional choice in nominating Mara to fill this important role.

I had the great pleasure of traveling with Mara to the Palestinian West Bank on NDI election monitoring missions during the historic elections in both 2005 and 2006. During these missions, I had the opportunity to witness firsthand Mara's impressive grasp and understanding of this complex region, as well as her sharp intellect and her focused commitment to peace for the people of the Middle East. Mara has remained a good friend to my office, and her valued counsel over the years has been insightful, prudent, and sound.

Mara's impressive background and experience in Middle East issues is substantive and wide-ranging. She is currently the Deputy Envoy and Chief of Staff to one of our country's most prominent and capable diplomats, Senator George Mitchell, the current Special Envoy for Middle East Peace at the State Department. Under President Clinton, as a Deputy National Security Advisor, she helped to coordinate U.S. efforts to negotiate Middle East peace.

Mara has served in distinguished positions throughout government and the private sector—including stints on Capitol Hill, on the National Security Council staff, and at the Cohen Group. Her degree from New Hampshire's own Dartmouth College further adds to her impressive resume. Mara will face daunting challenges and enormous opportunities, should she be confirmed, but I am confident that Mara's experiences and background have prepared her well to take on these new responsibilities and to succeed at USAID.

In today's complex international environment, it is critical for USAID and the State Department to recruit and retain America's best and brightest if we are to overcome the difficult security challenges of the 21st century. Mara Rudman is clearly one of our Nation's more capable and experienced foreign policy minds, and I am proud to fully support Mara's nomination for this important position at USAID.

I would urge my colleagues to quickly and positively act on her nomination. I want to thank the committee for your time and consideration, and thank you to Mara for again returning to public service. I look forward to working with her in her new endeavor.

Senator Casey. I want to thank you both for your willingness to serve again and again in difficult assignments, and I have a number of questions. I will try to alternate. I will start with Mr. Patterson, just by way of the order of speaking.

First of all, I wanted to focus on Iran. As much as we have had a focus in the region, it seems like every other week, there is a new

country that comes into sharper focus in the region, and that is understandable. We have, I think, an ongoing challenge presented by the Iranian regime. And I know that this Sunday, the New York Times had a review on that, and I thought it was very helpful.

One of the strategies that we have employed with regard to Iran, and I think it is the right strategy—is to do everything we can to isolate the regime. And I think we have made some good progress on that, especially as it relates to sanctions.

As we move down the pathway to further implementation of that particular part of our strategy of isolation, we know that the assignment you are about to undertake upon confirmation will have some tension with that. Based upon both geography and history, Turkmenistan has longstanding ties with Iran, and I guess I would ask you, as Ambassador, how you help to manage that in your own work, where one of our policy objectives is isolation as it relates to the regime. How are you supporting that policy, while not discouraging Turkmen investment and also the cooperation that takes place with Iran's energy sector?

How do you manage all that in the context of a difficult assignment?

Mr. PATTERSON. Mr. Chairman, thanks for that question.

One of the key issues, obviously, is the sanctions regime that is in place with Iran. And the State Department, the administration has gone out of its way to make sure that the Government of Turkmenistan is aware of the sanctions that are currently in place. There have been demarches from our Embassy in Ashgabat on a number of occasions to the Turkmenistan Government to keep them aware of sanctions in place and as they change.

Last week, a small delegation from the State Department traveled to Ashgabat and met there with American companies that are represented in Turkmenistan to brief them on sanctions regimes as well and to make sure that in the course of doing business with the Government of Turkmenistan and in the region, that they didn't, inadvertently do anything that would contravene the sanction regime in place.

If confirmed as Ambassador, I would work very hard to make sure that the government is aware. I am aware, as are you, Mr. Chairman, that Turkmenistan shares a border with Iran, and there is a trading relationship in place. Part of it is as the result of people of the same nationality on both sides of the border, and this has been going on for centuries.

But certainly our concerns would be first and foremost in my mind as I take up this post, if confirmed, and I would make sure that the Government of Turkmenistan was aware of them.

Thank you.

Senator CASEY. No, thank you. And I know that probably one of the challenges is to be able to encourage leaders to be able to compartmentalize, to be able to understand and appreciate a strategic objective we have, but also knowing that we can also have a constructive relationship with Turkmenistan.

I have another question that relates to energy and, of course, natural gas is central to that. I would ask you, if you are confirmed, what efforts would you make to encourage Turkmenistan to pursue alternative routes with regard to natural gas exports?

Mr. PATTERSON. Thank you, Mr. Chairman.

Turkmenistan has already taken a few steps in diversifying its markets. As you know, it has a relationship with China, and a pipeline was built and inaugurated in December 2009 that ships significant amounts of natural gas to China. In place at the time that the Soviet Union fell apart in 1991 were routes that took natural gas to Russia, of course.

The administration has been encouraged by President Berdimuhamedov and the Turkmen Government's interest in aggressively exploring the possibility of the TAPI pipeline that I mentioned in my testimony. If built, and there are many challenges in building this pipeline, that pipeline would bring natural gas to India and to Afghanistan and to Pakistan.

Much remains to be done, but we have made it clear to the Government of Turkmenistan that American companies are able and have the skills necessary to help the government overcome technical challenges as it considers going forward with that project. We have also been encouraged by recent statements that have been made supporting the Trans-Caspian pipeline, the Southern corridor that I mention in my testimony.

Again, we believe that there are challenges to completing the construction of that pipeline, but American companies are in place in Ashgabat, as I mentioned earlier, and are more than eager to get involved in that kind of a project. So, if confirmed, I would work hard to make sure that this process of diversification that has already begun continues.

Thank you.

Senator CASEY. I have one more question, and then I do want to turn to the Middle East. One question I have is just based upon your own review of the data and to the extent to which you can get a good sense of the economy in Turkmenistan. What is your assessment of their economic situation now?

Because we know that throughout the world, we have lived through a couple of years of pretty fragile economies in many places. And of course, energy plays a big role in that. But how would you assess the strengths and the challenges in their economy?

Mr. PATTERSON. Thank you, Mr. Chairman.

Turkmenistan remains heavily dependent on natural gas resources. Attempts are being made to diversify, but at this point, much of the income that comes into the country comes from the distribution of natural gas and other such resources.

It is difficult to find authoritative economic statistics on Turkmenistan. The statistics that we do have seem to show a major growth in the economy. Much of the basic purchases of the population are subsidized in one form or another by the government as a result of these natural gas and other incomes.

But it seems that since coming to office in 2007, President Berdimuhamedov has understood the need to do more than just rely on natural gas and has begun looking for other opportunities for the economy. This includes in agriculture to a much lesser extent, of course, and manufacturing.

American companies, again—and I see this as part of my mandate, if confirmed—have played a role in some of the sectors of the

economy that have been explored by the Government of Turkmenistan. Agriculture, there are companies like Case, Caterpillar, and construction and others that are in place there. And if confirmed as Ambassador, I would make an effort to make sure that the expertise that U.S. companies have can help expand this process of diversification of the economy.

Thank you.

Senator CASEY. Thank you.

I want to turn to the Middle East for a couple of minutes. Ms. Rudman, thank you for your testimony, and I know when we were talking yesterday, one of the challenges that we discussed was how you do your job and how USAID approaches the region in light of this remarkable change.

And again, it is hard in a few words to be able to summarize or fully encapsulate what has happened in the Middle East and what will happen yet ahead of us. For anyone who has any exposure at all to the challenges within the region, that is a difficult assignment. But how do you approach it in terms of rebalancing our priorities and our approach to the region?

And I realize that you cannot simply think of it as one region, as one jurisdiction. You have to approach each country individually, in addition to having a regional strategic vision. But how do you approach that as you start down this road?

Ms. RUDMAN. Mr. Chairman, thank you for the question.

I appreciate the opportunity to look at these issues. I am, obviously, at this point in the position of looking at this from an "if confirmed" perspective, and I have had the opportunity, through the briefings I have been going through, to be looking at these issues prospectively.

And so, in responding in that way, I would say that you, Mr. Chairman, brought up a number of points in your opening statement that I think are consistent with an approach that would be a sensible one here. In other words, to look at the region in a way that takes into account both, as you said, a country-by-country perspective, but also requires the U.S. Government as a whole, as well as the Agency for International Development, to be agile, to be more agile perhaps than the agency has been to date but is getting more so.

To be agile, to be responsive, and to look carefully at how we respond, how the Agency for International Development responds and not just where the agency responds going forward as well. I would say that USAID has been going through a very thorough review of all of its programs across the board in the region, as well as a very significant country-by-country review, and has shown a significant degree of flexibility in terms of what it is able to do to respond with, I believe, a significant degree of flexibility. I think we have seen that.

You mentioned Libya, for example, and what has been happening there in terms of humanitarian response. I know there has been a great deal of briefing on Egypt to date. And again, that is a whole of government response.

And so, there is both a need to look at this in a—and we talked about this yesterday—in a country-by-country way. There is a need to look at it in terms of regional strategic approach, and there is

a need to look at it in terms of a response to other countries in the region, consistent with some of the questions that you asked of my colleague here at the table as well.

And in each of these cases, we are going to need to apply a variety of filters. We, the U.S. Government, as well as those specifically within the Agency for International Development, must be able to, from the soft development perspective, do our part for the whole of government response and be as agile as possible in doing so.

Senator CASEY. Yes; I guess in a region like the Middle East where you always have tension, that is one of the realities that will persist, even in this new environment. You probably have more instability now than you did before, but there are also some opportunities. Because prior to this, depending on the country, USAID might have been, in a sense, more limited, because you were dealing with a very strong, authoritarian government that would only let you do so much. Now you have opportunities.

You have a fervor for change and for helping folks on the ground, and support for democratic change and human rights and development. These are all positive developments, I think. So you have both opportunities, but you also have some uncertainty about the institutions you are dealing with—who will be the leader, and how you will deliver that aid.

So in a word, you have to be nimble, and you won't have as much predictability as you might have had before. And I don't underestimate the change.

One of the difficulties that USAID will have, is a set of budget constraints and, I think, a focus on results and a heightened degree of scrutiny on the work that USAID does in this context. Because I think that the American people are paying much closer attention to the Middle East and to these developments in the context of not just what is happening there, but also in the context of budget constraints.

I mentioned in our meeting yesterday that I was in the region in July. And it is just remarkable the difference between then and now. We were in Egypt and had a meeting at the Embassy with civil society leaders, and their the major focus was on fairness in the monitoring of elections. That was the extent, that was the full ambit of what they were thinking of at that time and focused on.

I would have a much different meeting and much different visit now. We wouldn't even be meeting with the same government officials. And I think that is true of other places in the region.

One of the places we visited was Lebanon. As I mentioned yesterday, the overwhelming and predominant presence of Hezbollah and the influence that Hezbollah has in that country is just extraordinary, at least from my own experience. I have never been in a place where there was that kind of predominant presence of one organization, in this case a terrorist organization.

The Lebanese Government officials, as well as the leaders of their Armed Forces, were very grateful to the American people for helping train their army and their police, and I was happy that they recognized that. But of course, now the situation has changed in Lebanon as well. And with that change, with the ascendancy of Hezbollah and the greater impact and influence that Hezbollah will

have, we have to consider whether or not our strategy will change with regard to aid, military and otherwise.

I know that we have provided that kind of assistance, and the President requested \$100 million in assistance for Lebanon for fiscal year 2012, the budget that we have not quite begun to debate here on Capitol Hill. But given the influence that Hezbollah has, I am worried about how we will approach this assistance.

How do you deal with that as it relates to your work, upon confirmation, at USAID? How do you assess that in the context of all the changes, even apart from the region, just within Lebanon itself? Because we want to, obviously, continue to be helpful, but how do you approach that in your work?

Ms. RUDMAN. Sure, Mr. Chairman, I appreciate the question. I appreciate your concerns about it.

I know that you raised the question with Secretary Clinton as well. So I know the depth of your concern on this issue.

As you know, the government, of course, is still being formed in Lebanon. We are watching that very closely, and we will review, are in the process of reviewing our assistance closely and are continuing, however, to plan our assistance program so that we can be prepared for a variety of different outcomes and possibilities.

So that for exactly I think what you observed when you were over there, that we are prepared to be able to have an impact in a variety of different circumstances so that we can have the greatest possible impact, understanding, of course, that we can't, won't, do not engage with Hezbollah under any circumstances. And so, we are watching very closely, obviously, the development of that government.

That said, the USAID portfolio has been one that has had, we believe, a significant and useful impact in the country. USAID works in a number of low-income areas in that country, has worked in microenterprise, has created jobs, in significant ways has also worked in civil society. And so, USAID has had impact in some significant ways and has the opportunity to continue to have and build upon that kind of impact going forward, again, nongovernmental opportunities.

And so, USAID has the ability to continue to do that kind of work, and the agency would look to, going forward, do that kind of work. And if confirmed, I would hope to have the opportunity to engage with you as we see what happens with the development of the government as we go forward.

And we certainly know, are quite cognizant both of the budget situation and of the need to consult. We have heard loud and clear what your concerns are, and we would share those concerns as we see how that government develops.

Senator CASEY. I should say, are there lines, bright lines, red-lines, whatever phrase you use? But I guess I would ask this. Do you think the lines will change in terms of how we deal with Hezbollah, or is there a kind of standard that you would use to approach how USAID deals with Lebanon with regard to Hezbollah?

Is there a standard in place now, or is that something that would have to develop or be altered based upon the changed circumstances? Because the American people understand that when

we provide aid to a country, sometimes there are figures within the government that cause us real concern.

Hizbollah has, as you know, controlled ministries, and I want to get a sense of whether or not you would have to develop new standards or whether you would apply the same set of standards even in the aftermath of this change?

Ms. RUDMAN. Mr. Chairman, the standards that are in place in terms of the rules that govern USAID and, in fact, the rest of our Government with respect to lack of contact and lack of assistance, it would be hard for me to imagine those changing under any circumstances.

Senator CASEY. I know the President's fiscal year 2012 budget request includes \$400.4 million in economic assistance to the West Bank and Gaza to strengthen the Palestinian Authority, and I am quoting here, "To strengthen the Palestinian Authority as a credible partner in Middle East peace and security efforts and continue to respond to humanitarian needs in Gaza."

And the request also states that the assistance will "provide significant resources to support Palestinian Authority reform efforts," and it goes on from there about what that entails.

Based on your own significant experience and on what you see ahead of us in terms of support for those efforts in the West Bank, in regard to the Palestinian Authority. In July, myself, Senator Shaheen and Senator Kaufman delivered a message on behalf of our government to our counterparts in Saudi Arabia encouraging Saudi Arabia, among others, to pay its dues, so to speak, to help the Palestinian Authority as we have done.

But tell us a little a bit about that, and then I will move back to Mr. Patterson.

Ms. RUDMAN. Thank you, Mr. Chairman.

My challenge in responding to this question is being brief. So I will try to take that into account.

Senator CASEY. We do have a lot of time because I am not going to call on anybody unless the staff wants to do some questions.

Ms. RUDMAN. The effort for the United States Government with respect to Palestinian state-building is one where we have a real partnership with the Palestinian leadership with respect to President Abbas and Prime Minister Fayyad and also with respect to the Israeli side. And I say this from a position of, as I said in my opening statement, in the coordination role that I currently work in.

I work on a regular basis both across our Government with a whole of government approach and with the Palestinian leadership and the Israeli leadership on a daily, if not sometimes an hourly, basis in moving forward with these programs. And so, in this case, we have a Palestinian leadership vision in a number of key areas from governance to health, education, infrastructure, which focuses on water issues; where we are very much focused point right now for both the West Bank and Gaza and working in close coordination, again, with the Israeli Water Authority and the Israeli Defense Ministry in moving forward on those key issues, as well as road infrastructure, and then also on economic development issues.

And without close cooperation, again, with the Israeli side, we would not be able to advance in any of those issues. And we work

very closely with key leaders of the international community as well.

On all of these issues, I have often said it is a privilege to work with the doers, and often it is the doers more than the talkers on the state-building, institution-building side of things. And so that I do believe a number of real results have been achieved.

Folks here may hear less about those results than you do, frankly, on the negotiating track side of things, and the United States has a dual track approach, on institution-building and on the negotiating side of things. The institution-building side of things has been able to achieve a little bit more of late than the negotiating side has. We certainly very much hope that the negotiating side is able to pick up.

But both sides are mutually reinforcing. And what we have said all along is that they need to be mutually reinforcing, and one ultimately cannot succeed without the other. And both are necessary for both Israelis and Palestinians and for the United States ultimately and for our interests in the region.

And so, to get back to your initial question, the \$400.4 million request is one that folks should have every confidence is funding that is well spent, is money that is going toward tangible benefits on the ground for Palestinian people and for Israelis to be able to see the results of how that funding is spent.

Senator CASEY. On our trip, we had a chance to spend some time on the West Bank and we sat down with Prime Minister Fayyad. He was very focused on specific projects, literally hundreds, if not thousands of them. And so, the aid that our Government and a lot of governments have provided is bearing fruit.

I do want to move back to Mr. Patterson for a few questions. I wanted to raise a question that I referred to in my opening statement about political prisoners in Turkmenistan. If confirmed, what steps would you take to persuade the government to free these prisoners, in the interim, to allow for free access for independent monitors to include the International Committee of the Red Cross?

I realize that these kinds of challenges don't have a textbook that is prepared for you, but can you give us a sense of the kind of the steps you would take as you begin?

Mr. PATTERSON. Thank you, Mr. Chairman. It is an important question.

We have in place some mechanisms for discussing human rights issues, including those with specific prisoners like the ones you mentioned in your opening statement. We compile reports every year, as you know, that get the best possible information. Both our religious freedom report and our human rights report and our trafficking in persons report cover human rights practices in Turkmenistan.

And we take the information from those and from other sources and meet at our newly inaugurated Annual Bilateral Consultations where human rights plays a prominent role. The first meeting of the ABC was in June 2010. We recently, in February, had a review. And at both of those meetings, high-level U.S. Government officials discussed with their Turkmen Government counterparts specific cases and specific practices and the challenges that they pose.

We saw today perhaps a little bit of very modest progress on that agenda. We received—our Embassy in Ashgabat received information from the government about the status of two of the prisoners that you mentioned that you had signed a letter about, Mr. Amanklychev and Mr. Khadzhiev. The Turkmen Government provided us information about the medical care that they have received, visits they have had from their families, et cetera.

So this is modest, as I said. But it is, perhaps, a sign that the kind of dialogue that we have is beginning to bear some fruit. If confirmed, I would hope to go to Ashgabat, build a constructive relationship with Turkmen Government representatives, and use that constructive relationship to make human rights an important part of the interactions that I have there.

You mentioned visits to prisoners and the problem with the ICRC. It is a difficult nut to crack. The ICRC has felt that the conditions that have been offered it aren't acceptable. I would do what I can to ensure that some access to prisons is made available. It is not clear to me at this juncture, to be honest, how I will proceed. But certainly, it will be one of my major concerns when I am there.

Thank you.

Senator CASEY. And of course, the earlier that you can raise it, the earlier you can implement a strategy, the better. But I realize as well sometimes we have expectations that can exceed the reality. Upon confirmation, you will be walking into an assignment that hasn't been filled in quite a while, and you will have to develop relationships and build some confidence and trust. But obviously, the earlier that you can move on that, the better.

Also one question about nongovernmental organizations, NGOs, and the restrictions that the government places on them. Can you tell us anything about how you will approach that issue?

Mr. PATTERSON. Yes, Mr. Chairman. Again, a very good question.

The Mejlis, the Turkmen Parliament, has been considering changes to the public organizations law. We will have to see what those changes might produce. Some changes that are contemplated, if implemented, might mean a somewhat better environment for nongovernmental organizations to operate in.

In the meantime—

Senator CASEY. Statutory change of some type?

Mr. PATTERSON. These would be, if implemented, statutory changes. Again, adopting the law and implementing the law, as I understand it, are two different things. But perhaps there is a possibility here.

As I mentioned in my opening statement, I would like to focus a lot on people-to-people exchanges. I think we have had some modest success in building a degree of trust with the Turkmen Government about those exchanges, about bringing students and others to the United States. I am for having representatives from Fulbright programs and other programs go to Turkmenistan.

I didn't mention in my statement, but in the part that is for the record, we have a Peace Corps that is in place with 31 members throughout Turkmenistan. And from what I have heard, their presence has done a good deal toward perhaps trying to erase stereotypes about the United States and giving people some firsthand contact with Americans.

So I would foresee an incremental approach to this difficult problem, hope for changes in the law that will create a better environment, but in the meantime, work on the people-to-people front. And of course, talk to the Turkmen Government about how more opportunities for participation among more of its citizens ultimately is in the interests and engendering stability in the country.

Thank you.

Senator CASEY. I will ask you one broad question. If you had to point to one or more experiences you have had around the world in different places and different assignments, is there one or a combination of experiences you had that you think will be particularly helpful in this assignment if you are confirmed?

Mr. PATTERSON. Thank you, Mr. Chairman.

I wouldn't point to one specific experience. Much of my career was spent in what was then the Soviet Union, and I had a good deal of experience at the times that I was there in working with NGOs that were attempting to move their agendas forward in a difficult environment.

I feel that I understand, although this may be a little bit too optimistic before going there, the kind of environment that awaits me in Turkmenistan. I hope that some of the experiences that I had in the Soviet Union during the Perestroika period and before and also experiences that I had in Russia after the Soviet Union fell apart will come to my aid as I attempt to grapple with these problems.

To be sure, Turkmenistan is not Russia, and I don't mean to imply that it is. But it was part of the Soviet Union for some time, and there is a certain legacy that it shares. That legacy is fading with time, as all things do. But I think, nevertheless, that some of the ideas that I had in working with people there and some of the practices that I saw might be useful as I approach this new assignment, if confirmed.

Senator CASEY. Thank you.

Along those same lines, Ms. Rudman, as you have the experience of working with Democrats and Republicans in the House and the Senate, you are probably prepared for just about anything. And I know that experience will help you enormously.

One of the places that we hear most about when it relates to al-Qaeda in the Arabian Peninsula, or when President Saleh might be moving to a different chapter in his life, is Yemen. And this is true of a lot of countries in the Middle East; we hear most about them when there are stories that relate to violence. We hear a lot about Yemen in those contexts, but we don't hear nearly enough about the poverty, the water shortage, the human misery that sometimes creates the foundation or the wellspring of a lot of the difficulties that that country is having.

In some ways, a place like Yemen is almost ready-made for all that USAID does well. And I wanted to get your sense of that in light of not just the problems, the horrific poverty and the challenges there, but also in light of both those problems juxtaposed with substantial unrest and change at the highest levels of the government. How do you approach that?

What was a difficult set of circumstances before, but maybe now even more difficult in light of what you would be trying to do with

USAID there. What is your sense of that? And I know it is kind of a broad, difficult question. But as you know, we have some time here.

Ms. RUDMAN. Thank you, Mr. Chairman. I appreciate the question.

And USAID has been looking, not surprisingly, at the situation in Yemen. It has been working there, USAID, for some time. It has been doing capacity-building work in Yemen. It continues to work in Yemen, even now with the situation as it is, and has been able to continue working there, even with the difficult situation.

It has been looking at changing some of its programming, obviously, with the situation on the ground. And the work that it has been doing in the capacity-building context, some of that work has been at the level of technocrats in the government. So it is not that all work is—there is a transitional element to it, even with, as you say, President Saleh, with some transition going on there, there is a level within the bureaucracy that would continue to benefit from the types of capacity-building work that has been ongoing.

But more broadly, the type of negotiation and dialogue and discussion that is very important within Yemen and that has been opening up more broadly across a greater part of the population is something that USAID has been involved in, continue to be involved in, and is looking help to foster more of and to be able to support in broader ways, in addition to the type of economic support with the very poor parts of that population, as you pointed out, and in ways that USAID is well situated to be able to do with a number of its partner organizations.

And so, it has—USAID has that kind of outreach within the country and will continue to look for opportunities to be able to do that work, again through this transition period.

Senator CASEY. And USAID, like every part of our Government now, is under budget constraints and is somewhat limited. In a place like Yemen, and I will ask another question because I know it is in the news today even more so than it has been in the last couple of weeks. But there is certainly a water shortage issue, and part of the problem there is true of other countries in the region. Regardless of who is in charge, there seems to be an institution-building challenge.

When you come into a country that has issues of poverty and instability and that kind of turmoil, the institutions often need to be either built up or reformed. If you are in Yemen today, where would you start in terms of making progress on the institutions?

I am assuming that the challenges are almost across the board. But are there places in Yemen's Government where the most attention would be warranted, or do you have a sense of that yet?

Ms. RUDMAN. Well, Mr. Chairman, it is a fair question, and it is a good question.

Where I think that USAID has some opportunities here is the fact that there are programs in place that USAID has been working on. So there is the ability to know who different players are, and I say this without myself personally having that information. But what I would do, if confirmed, is to go and talk to the folks who have been running those programs for USAID in the mission

to understand who the technocrats are who have been working the different programs.

So to get a feel for whom USAID has worked with effectively and who has been less effective in the different ministries. And again, this is at the technocrat working level. But in my experience in other places, you can get a pretty good feel pretty quickly about who runs programs well and who doesn't from your partner organizations. And when you have people at missions who are in the field, you get that kind of direct information very quickly.

That is very useful, and you also obviously have an embassy and your ambassador and your DCM, and you get a mix of that type of information. It helps to inform, obviously, your policy judgments, but also your ability to use your precious assistance resources carefully.

You want to make sure. You have limited dollars to use. You want to put it toward the programs that are going to use those dollars most effectively, and you want to make good judgments about it.

And that is where, even if you are going to be shifting those resources, the fact that you have had a mission and that that mission has experience, and even if some of the players in that government are shifting, you have been working with some of them for a while. And so, you should be using the judgments from your people in the field to make some of the assessments about how you are going to be shifting things.

I don't have that data at my fingertips, but I have some sense about how to go about getting that data to be able to come back and talk with you all and be making those assessments going forward.

Senator CASEY. Some of the biggest challenges you have involve working with and coordinating among the various departments of our Government. I know that in your testimony, when you focus on your approach, your third bullet point was "coordinate closely with colleagues at State, Defense, Treasury, and the White House to see we are truly practicing smart diplomacy using development, diplomacy."

Just that coordination alone is difficult. I think that both of our nominees will run into that kind of challenge in managing within the boundaries of our own Government and our own institutions.

Well, I think we are coming almost to the close of our hearing. I don't know if there is any further statement either of you would want to make or any point you would want to amplify? We won't take audience questions today. [Laughter.]

But I wanted to give you an opportunity if you had any further statement or further information you wanted to give to the committee. And of course, we may send questions that will be for the record that you would submit answers to in writing. But if there is anything that either of you wanted to add to the record now, I can certainly give you that opportunity.

We don't need a closing statement, but if there is something you wanted to add?

Ms. RUDMAN. Mr. Chairman, I would just thank you, obviously, for the opportunity to appear before you.

And on your last point, as with any challenge, including the challenge of coordinating with the rest of my colleagues in Government, I actually really do see it as an opportunity because you don't get to solve any problems if you don't get to use the resources of everyone all together.

And so, if there is anything I think I have had experience with, it is figuring out how to kind of work together with everyone on the team. And I fully appreciate that it is not always easy, but if you don't get process right, you don't get policy right.

And so, I recognize the challenges, but I really do see it as an opportunity to try to get it right in the whole of government way of doing things.

So thank you. Thank you.

Senator CASEY. Well, thank you. And I appreciate both of you putting yourself forward for further and challenging service, especially at this time.

And as I think I have shared with Ms. Rudman, I could also apply to you, Mr. Patterson. You could be doing other things in the private sector and making a lot of money, I am sure, and you have chosen to serve your country. And we appreciate both of you putting yourself forward for that kind of service, and we are particularly grateful.

We hope that we can move your nominations as expeditiously as possible through the committee and then through the Senate. I will never make a prediction or a promise about that because there is a great deal of uncertainty about the process here. And we are going to try to move it as fast as we can.

But we are grateful for your service, for your testimony, and for your willingness to take on these difficult assignments.

Thank you very much.

And we are adjourned.

[Whereupon, at 11:30 a.m., the hearing was adjourned.]

ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF MARA RUDMAN TO QUESTIONS SUBMITTED BY SENATOR JOHN F. KERRY AND SENATOR RICHARD G. LUGAR

Question. Please describe your responsibilities as an officer for International Commission for Holocaust Era Insurance Claims (ICHEIC) and the ICHEIC Trust from 2002–09. Please indicate, in particular, what role, if any, you played in the following areas:

- Developing or implementing policies or procedures for identifying relevant insurance policy records and publishing names of policyholders;
- Developing standards of proof or providing guidance to claims arbitrators on criteria to be used in making decisions on or related to claims; and
- Developing or implementing policies or procedures for responding to requests for information from the U.S. Department of State pursuant to Section 704 of the Foreign Affairs Authorization Act of 2003 (Public Law 107–228).

Answer.

INTRODUCTION TO ICHEIC AND MY RESPONSIBILITIES AS CHIEF OPERATING OFFICER

I was the Chief Operating Officer (COO) for ICHEIC from 2002 to 2007 (former Secretary of State Lawrence Eagleburger was the Chairman/Chief Executive). As COO, my primary responsibility was to do everything possible to carry out the mission of the organization, that is, to help ICHEIC to find previously uncompensated claimants and pay them.

ICHEIC was created several years earlier, in August 1998. By the late 1990s, the question of Holocaust-era asset restitution had reemerged and numerous class action lawsuits were filed. U.S. insurance regulators recognized that given the understandable challenge of documentation, the length of time that had passed, and the effort and costs involved, the path of litigation presented significant difficulties. Working through state insurance regulators, the National Association of Insurance Commissioners (NAIC), identified the companies most likely affected and worked with these companies to arrive at a means of resolving the issues presented. These issues were identified working with Holocaust survivors, by conducting interviews, researching the historical background, and organizing informational hearings across the country. ICHEIC was the result.

I began working with ICHEIC 4 years into this pioneering startup's efforts. It faced many bumps in the road in its early years, with initial high administrative costs combined with a lengthy development period for claims forms that led to slower initial outreach and claims processing and awards. In April 2003, several months after I had joined, 59,117 claims had been submitted to date, only \$38 million had been paid to claimants, and a low percentage of claims had been decided overall. Critics said ICHEIC would run out of funds long before its member companies made decisions on the claims that had been submitted, and that the Commission would never make the completion deadlines it had set.

Four years later, when ICHEIC closed its doors, we had moved more than \$500 million in total for Holocaust-related work. More than \$306 million had been paid to more than 48,000 Holocaust victims or their heirs for previously unpaid insurance policies (of a total of 91,558 claims submitted and decided), along with nearly \$200 million distributed for humanitarian purposes. Of the \$306 million paid out directly to claimants, more than half went to individuals with so little information about their potential claim that they were unable to identify even the company that may have issued the policy.

Upon joining ICHEIC, my team and I worked hard to make sure that ICHEIC's mission could be implemented effectively and expeditiously. At Chairman Eagleburger's direct instruction, we were charged with addressing concerns that had been raised about the Commission's operations prior to our coming on board. We increased its transparency and outreach; we succeeded in reaching terms of agreement among Commission members with respect to the German Foundation, and the French and Swiss insurance companies (AXA, Winterthur, and Zurich) that were critical to implement claims decisionmaking timelines and funding structures; and we reduced administrative costs, ensuring that overall operating expenses would absorb less than 18 percent of the overall ICHEIC budget.

Additionally, as COO, my work, with my staff, included:

- Transparency/Accessibility:
 - Redesigning the ICHEIC Web site to make it user friendly and make available information including the final valuation guidelines as well as committee structures, claims processing statistics, audit reports, quarterly reports, a guide to how the process worked, and annual meeting presentations;
 - Working to publicize ICHEIC mission and no-cost procedures to make sure potential claimants worldwide knew how to file a claim;
- Costs/Service Quality:
 - Moving international call center operations (for claimants) from a for-profit contractor to the nonprofit Claims Conference, with operators trained by my staff, to lower costs and improve quality of service;
 - Instituting measures to reduce administrative costs including changing locations for the annual meeting, instituting and strictly enforcing member and staff travel reimbursement policies, etc.;
- Service Quality/Effectiveness:
 - Using the agreed upon audit process to examine insurance company files, and ensuring database built which was constructed from research in archives across Europe;
 - Establishing systems to process the more than 90,000 claims submitted from all over the world;
 - Administering an independent appeals system presided over by jurists who, over the life of the process, reviewed hundreds of appeals that provided every claim that named a company the opportunity for review. The relatively small percentage of reversals on original decisions underscored the strength of the initial system of checks and balances my team constructed. This included internal ICHEIC staff verification of every company decision, as well as outside

independent audits of companies' records and decisionmaking practices, to make sure they complied with ICHEIC rules and guidelines.

I. Developing/ implementing policies or procedures for identifying relevant insurance policy records and publishing names of policyholders

In addition to these tasks, when I started working with ICHEIC, my team and I built upon the work that had been underway since the late 1990s with respect to archival research and building a research database and lists of possible policyholders.

I.A. Research and matching

Working closely with European insurance companies, I accelerated implementation of the protocols developed by ICHEIC committees prior to my arrival to make sure that information provided by claimants was matched to all available and relevant surviving records in the companies' possession. Since many claimants had little or no information about specific insurance policies, ICHEIC also conducted archival research to locate documents that were relevant to Holocaust-era life insurance claims. I ensured that where necessary, we commissioned experts to conduct additional research in public archives and repositories in Central and Eastern Europe, Israel, and the United States to collect as much relevant information as possible. These efforts augmented the database ICHEIC created that provided a critical tool used by companies and ICHEIC to further enhance information provided by claimants and thus the chances of identifying policies on submitted claims.

Our research spanned 15 countries and included over 80 archives. Researchers reviewed three types of records. The first, representing the bulk of the material reviewed, consisted of Nazi-era asset registration and confiscation records. Files pertaining to the post-war registration of losses made up the second category. The third category was comprised of insurance company records located in public and regulatory archives. ICHEIC researchers located almost 78,000 policy specific records. This research augmented the often limited information provided with claims. This research effort had a significant positive impact on the disposition of claims. More than half of the total amount awarded to claimants was based on this archival research and went to individuals who were unable to identify a policy or name a company that was the source of their claim.

I.B. Publishing potential policyholders' lists

In my role as COO, I participated in ICHEIC's work to develop and publish these lists, and to maintain the lists on the Yad Vashem Web site after ICHEIC ceased operations. Development of lists of potential policyholders' names was a by-product, however, of our efforts to match claim form information with relevant policy information discovered through archival research or in companies' records. Finding one's name on a list published by the Commission was never intended as necessary to file a claim. Our extensive outreach efforts made that clear.

Consistent with the Commission's mission of reaching out to the broadest possible universe of interested parties, ICHEIC published on its Web site its research and the 519,009 potential Holocaust-era policyholder names who were thought likely to have suffered any form of racial, religious, or political persecution during the Holocaust.¹ In so doing, however, the Web site also carried a clear warning that finding a name on the Web site was not evidence of the existence of a compensable policy. There were many similar names with spelling variations, policies that might have been surrendered or paid out prior to the Holocaust, and some policies that had already been the subject of previous government compensation programs, making them ineligible for further payments under the ICHEIC process. The list remains accessible through the Yad Vashem Web site (www1.yadvashem.org/pheip).²

¹The number of policies issued during the period (1920–1945) would be considerable and in many cases, records, when available, would not be in a database but on microfiche, film, and paper. The prewar proportion of the persecuted population (as determined by ICHEIC's research) was only a fractional part of the prewar insurance market.

²ICHEIC's published lists—as components of ICHEIC's research database—result from working closely with archival experts in Germany, Israel, the United States, and elsewhere, and drawing on information from company policyholder records. During the ICHEIC process, companies had to identify which policyholders might potentially fit the definition of Holocaust victim. For companies with many surviving records, this presents a considerable challenge, because in most instances, insurance companies did not identify policyholders based on racial, religious, political, or ideological factors. Nor was it possible to filter solely on the basis of "Jewish"-sounding last names: the name Rosenberg, for example, often believed to be a typical Jewish name, was also the name of one of the Nazi party's highest ranking ideologues. Similarly, Anne Frank shares her last name with the notorious governor-general of occupied Poland, Hans Frank, who was hanged at Nuremberg.

II. Developing standards of proof or providing guidance to claims arbitrators on criteria to be used in making decisions on or related to claims

I was able to implement ICHEIC's relaxed standards of proof as criteria to be used in making decisions on or related to claims among companies and ICHEIC's claims verification team. I also ensured the distribution of the relaxed standards of proof, and all ICHEIC's rules and guidelines, through all available routes, including to claims arbitrators.³ I could do so because these relaxed standards of proof were developed by ICHEIC prior to my arrival. Very early on as claims were coming into ICHEIC, it became clear that the bulk of the claim forms contained little detailed information, that policy documentation was the exception rather than the rule, and that many claims did not name a specific company, or named a company that ceased to exist before 1945. So ICHEIC worked, through its committee structure—with Jewish organization representatives, insurance regulators, and companies—to establish relaxed standards of proof and create valuation standards that could be calculated without the usual policy documentation. This is also when decisions were made to develop an extensive research database and matching system.

Under my tenure, my staff and I created and instituted the separate but related humanitarian claims payment process for unnamed unmatched claims, and for Eastern European claims on companies that had been liquidated, nationalized, or for which there were no known successors.⁴ All these elements became part of the critical architecture of the Commission. The audits to which all companies were subjected, conducted by outside independent auditors, proved the effectiveness of this architecture; and our ability to carry out our mission depended on it.

With respect specifically to relaxed standards of proof: during its existence, the Commission directly or through its member companies/partner entities offered payment to more than 48,000 of the 91,558 who made inquiries. As noted, only a small percent of all the claim forms the Commission received named a specific company and far fewer contained policy documents. Survivors who had attempted to recover the proceeds of insurance policies during the immediate postwar period had been frustrated by companies' demands for death certificates and proof of entitlement that they could not provide. Understanding that expecting such documentation was both insensitive and in most cases impossible, the relaxed standards of proof adopted by the Commission did not require claimants to submit such evidence to make a claim.

Under ICHEIC's relaxed standards of proof, the claimant produced whatever evidence the claimant had available. Individuals filling out claim forms were asked to provide all information available to them, including copies of existing documents in their possession that might be relevant. Sometimes claimants had actual copies of policies, but there was no expectation that such would be the case. The relaxed standards of proof allowed claimants to provide nondocumentary and unofficial documentary evidence for assessment.

Companies were similarly required to produce the evidence they had, with the objective of helping claimants to establish sufficient evidence of a contractual relationship. Once the existence of a policy was substantiated, the burden shifted to the company to show the status of the contract or to prove the value of the contract had been adjusted or the contract had been paid. All parties agreed, however, that the relaxed standards of proof were to be interpreted liberally in favor of the claimant.

ICHEIC established independent third party audits for the claims review process for each participating company to assess the status of existing records, and to ensure that records were appropriately searched and matched, in accordance with ICHEIC rules and guidelines. The ground rules for these audits were dictated by written agreements ICHEIC entered with its participating companies and partner

³The Commission considered all these factors, and culled out from an overall list of policyholder names that are those most likely to have been persecuted during the Holocaust. The Commission's list also contained many more names of policyholders likely to have been previously compensated on their policies because the majority of policies issued in Germany had already been subject to prior postwar compensation programs.

⁴Appeals process judges (arbitrators) were to be provided copies of ICHEIC rules and guidelines as part of their initial training; though part of that training also included informing them that while they had the use of legal advisors to staff them and help with researching and drafting their decisions, they had absolute discretion and independence in the ultimate determination of decision outcome.

⁵ICHEIC not only facilitated the payments of claims against existing companies, it also paid out claims against now defunct companies and funded survivor assistance programs." Eric Fushfield, Director, Legislative Affairs, B'nai B'rith International, Letter to Chairman Barney Frank and Ranking Member Spencer Bachus, House Financial Services Committee, February 6, 2008.

entities such as the German Insurance Association and the German Foundation, reviewed and ultimately approved by ICHEIC's Audit Mandate Support Group, a committee on which regulators and Jewish organization representatives served.

The relaxed standards of proof adopted by the Commission aimed to ensure that every claim, no matter what evidence the claimant could produce, would be reviewed to identify whether evidence could be located sufficient to substantiate the existence of a contract.

Finally, during my tenure we instituted an in-house verification team to cross-check every company decision. The verification team also conducted a series of large-scale exercises to review decisions made by member companies. Discrepancies were reported back to the companies for reassessment and, where appropriate, remedial action. At the conclusion of ICHEIC's work, the verification team also carried out major reconciliation exercises, to make sure that all research information in ICHEIC's database conformed to and had been matched against companies' policy-holder information, and that all claims filed had been checked against all companies' decisions.

III. Developing/implementing policies or procedures for responding to requests for information from the U.S. Department of State pursuant to Section 704 of the Foreign Affairs Authorization Act of 2003 (Public Law 107-228)

I worked with staff to make as much information as possible publicly available on the ICHEIC Web site at www.icheic.org. ICHEIC also provided the State Department an observer position on the Commission, in addition to the public information to which the State Department had easy access. Through ongoing consultation with State Department representatives, my team at ICHEIC viewed this cooperative approach as an effective way to ensure that the Department had the most extensive possible array of information to report to the Congress pursuant to the obligations of the State Department under section 704. In addition, we provided U.S. state insurance regulators with regular updates on claims submitted by claimants residing in their states, both through electronic statistical reports and participation in NAIC International Holocaust Commission Task Force quarterly meetings and monthly teleconference calls.

IV. Responsibilities as an officer for the ICHEIC Trust

The final meeting of the ICHEIC board of directors and members on March 20, 2007, decided that ICHEIC would cease its legal existence at a time to be determined by Chairman Eagleburger. This occurred on July 17, 2007, at which point a trust, which became the ICHEIC Trust, undertook the final shutdown of ICHEIC's operations. Lawrence Eagleburger, Pat Bowditch, (formerly ICHEIC's Chief Financial Officer), and I served as the Trust's officers; I resigned my position early in the administration.

The responsibilities of officers of the ICHEIC Trust include: paying all outstanding obligations and liabilities of ICHEIC as they become due; preparing the final financial audit of ICHEIC and causing it to be posted on ICHEIC's Web site; preparing, signing, and filing ICHEIC's wholly owned U.S. subsidiary, ICHEIC LLC's, final U.S. tax return and other tax reporting; overseeing and controlling defense and disposition, including litigation and settlement, of all claims, lawsuits, and other forms of litigation, if any, asserted against ICHEIC, its officers or directors, or any person who has been indemnified by ICHEIC, serving as the notice party in all outstanding contracts to which ICHEIC is a party, signing all required documents, including tax returns, on behalf of ICHEIC, and providing all required administrative functions on behalf of ICHEIC after its legal termination.

Question. Some have questioned the work of ICHEIC, for which you served as CEO. It has been reported in the press that, in response to such criticisms, you explained that: "Everybody expected too much. . . . We at ICHEIC have had a lot of ground to make up." (Tom Tugend, Jewish Telegraphic Agency, "ICHEIC Hit By New Broadside," available at <http://www.jta.org/news/article/2004/06/15/11639/Inbroadsideoffici2004>.) Please provide any additional information concerning this statement that you believe would be helpful to the committee in considering your nomination.

Answer. I was asked to respond to criticism that we were not going to complete our mission, would still be deciding claims in 2011, and would run out of funds. I felt confident that we were going to get done in time, though I recognized we had considerable work ahead. Events proved me right. In the interview, I explained my view that while the critics' assertions would not prove correct, I also appreciated the basis for concern that had led to some of the statements. I understood that when the Commission was in its early years, those involved were pioneers. All involved had acknowledged to me that they had underestimated the complexity and time-

frame for carrying out the centerpiece of ICHEIC's mission: finding previously uncompensated claimants and paying them. This makes me particularly proud to report that by 2007, when ICHEIC closed its doors, we had moved over \$500 million directly supporting Holocaust-related purposes. We had processed (decided and verified) decisions on more than 91,000 claims, more than \$306 million in claims had been paid, and we distributed nearly \$200 million for humanitarian purposes.

Question. Information has come to the committee's attention that in 2007, you, as ICHEIC CEO, may have announced that certain of ICHEIC's records would be sealed for several decades, or no longer retained. Please provide any additional information concerning this matter that you believe would be helpful to the committee in considering your nomination.

Answer. The goal was and remains preserving important historical information, making everything publicly available that we possibly could, while appropriately protecting the privacy rights of individuals.

There is evidently confusion with respect to ICHEIC records that were provided to the U.S. Holocaust Memorial Museum and are publicly available there, and personal files of individuals who filed claims with ICHEIC, which were archived at the Museum. The terms of the agreement between ICHEIC and the museum were proposed and explained generally at ICHEIC's concluding meeting on March 20, 2007, and are available on the ICHEIC Web site. Under this agreement, the museum maintains and hosts the ICHEIC Web site (www.icheic.org); it maintains ICHEIC key documents, including all relevant historical and research database in its library, and makes them available to visitors to the library. These documents include key policy decision memoranda as well as meeting minutes produced over the lifetime of the organization, as well as the research information that ICHEIC culled from its work in archives across Europe.

With respect to individual claimants' files, applications and appeals, the museum maintains these in its archives. Given that these documents contain personal and sensitive information, this material must be closed to research by third parties for a period of 50 years. In reaching this agreement, ICHEIC sought legal guidance from privacy law experts, who reviewed the releases that individuals signed when they filed with ICHEIC and recommended that based on the strong commitments made by ICHEIC regarding data confidentiality and use of data only for the limited purpose of investigation/claims processing, combined with relevant data protection laws, ICHEIC would need to obtain specific consent from claimants prior to sharing of any claimant data with a third party. Given ICHEIC's 90,000+ claimants, the costs in March 2007 of obtaining such specific consent were estimated in the millions, and the more prudent outcome was deemed to be restricting access to this data for the 50-year period (recommended given range of ages of individuals filing.)

There was also a reference made at the March 2007 ICHEIC meeting to ICHEIC's routine financial and administrative records, which would be maintained in storage for a period of 5 years; I have been told that the ICHEIC Trust has since determined that those will be maintained for a period of 10 years, consistent with Swiss law for corporate entities (since ICHEIC was an unincorporated Swiss *verein*).

Question. Your 2007 Lobbying Disclosure Form describes certain work that you performed on behalf of the American Insurance Association (AIA) as "supporting work done by International Commission on Holocaust Era Insurance Claims (ICHEIC), including defending against legislative attacks on its efforts and ability to carry out its mission."

- a. Please provide additional information concerning the nature and scope of the lobbying work you performed on behalf of AIA.

Answer. Once ICHEIC closed, there was no one available to do work for the organization. In the transition period after it closed but when it was subject to an organized public attack, I was asked by its members, including European insurance companies, to continue my work for a transitional period. This transitional year was the practical next step to ensure that our previous several years' efforts at ICHEIC were not rolled back or undone. I registered under the Lobbying Disclosure Act when these efforts involved advocacy on behalf of ICHEIC. ICHEIC's members believed it was important to maintain a clear record on the work it had done, through participation in congressional hearings, briefings, and the like, and responding to ongoing inquiries regarding ICHEIC (including those from Congress and survivor groups). The AIA was a membership association for several European insurance companies who were ICHEIC participants. It was the available mechanism because ICHEIC was no longer in existence.

This work included preparing draft written testimony for Secretary Lawrence Eagleburger to submit to the House Foreign Affairs Europe Subcommittee; pre-

paring Diane Koken, Vice Chairman of ICHEIC, former Pennsylvania Insurance Commissioner and former President of the NAIC, for testimony before the House Financial Services Committee and helping with subsequent followup communications; preparing Ms. Koken and Secretary Eagleburger for testimony before the Senate Foreign Relations Committee, and helping to prepare Anna Rubin, of the Holocaust Claims Processing Office of New York, and Stuart Eizenstat, for testimony before the Senate Foreign Relations Committee on the same day, as well as helping Secretary Eagleburger with drafting initial responses to follow up questions for the record from that hearing. I also worked through the latter half of 2007, with Diane Koken and Anna Rubin particularly, in following up with European companies to gain their written commitments to what they had previously pledged orally at the closing ICHEIC meeting; to continue to process individual claims consistent with ICHEIC rules and guidelines. We also discussed the extent to which the New York Holocaust Claims Processing Office had the capacity to monitor informally the ongoing claims decisionmaking by companies, and communicated with congressional staff on these matters.

- b. Please describe the extent, if any, to which you had any responsibility for or involvement in matters relating to ICHEIC, Holocaust-era insurance claims, and any legislation or litigation related thereto, during your employment by the Department of State from 2009 to the present.

Answer. I had neither responsibility for nor involvement in matters related to ICHEIC, Holocaust-era insurance claims, and any legislation or litigation related thereto, during my employment by the Department of State from 2009 to the present.

- c. Please describe the extent to which, if any, you expect to have responsibility for or involvement in matters relating to ICHEIC, Holocaust-era insurance claims, and any legislation or litigation related thereto, if you are confirmed as USAID Assistant Administrator for the Middle East.

Answer. I would not expect to have any responsibility for or involvement in any matters related to ICHEIC, Holocaust-era insurance claims, or any legislation or litigation related thereto, if I am confirmed as USAID Assistant Administrator for the Middle East.

Question. Please provide any further information on your work for ICHEIC or AIA that would be useful to the committee in considering your nomination.

Answer. In closing, I appreciate the time and care you have taken in putting together these questions. I have tried to respond with the same attention to detail in response. I was and remain committed to the work that the Commission accomplished. Putting together these responses have made me reflect, with some pride, at the mission ICHEIC developed in 1998, the disparate stakeholders who were brought together, the hurdles that were overcome. It was an organization that almost necessarily was going to be confronted with constant challenges. I knew when I stepped in to take on the responsibilities of COO, 4 years into its operations that I was taking on a troubled but worthy organization. I am comfortable that my team and I were able to accelerate significantly ICHEIC's ability to achieve its mission.

In 5 years, we moved more than \$500 million in Holocaust-related funds to those who deserved them. In the process, we made the organization more transparent and accessible to people worldwide. After the organization closed, I made what I considered a practical decision, at the urging of ICHEIC members, to see that the work of the organization was not undone. The European insurance companies had provided ICHEIC's operating funds as well as the funds to compensate claimants and for humanitarian purposes. I did this work fully anticipating that I would operate in the same manner as I did as ICHEIC's COO—I would provide my best and most forthright advice and guidance on what was most important and necessary to fulfill the effort at hand: to support the work done by ICHEIC, and defend it against efforts that we viewed as undermining its mission.

Again, I thank you for your efforts to understand ICHEIC's work and mission, and the work that I did with and for it. As always, I stand ready to respond to any additional questions you may have.

RESPONSES OF MARA RUDMAN TO QUESTIONS SUBMITTED BY
SENATOR RICHARD G. LUGAR

Question. With dramatic change taking place in countries throughout the Middle East on almost a daily basis, what is your view on how USAID programs in these countries should be reviewed and recalibrated in order to most effectively promote

democratic principles? How will you lead in promoting increased flexibility of USAID programs to respond to these changes? How do you plan to work with Mission Directors in these countries in your decisionmaking process for responding to these changes?

Answer. If confirmed, I will ensure that every USAID mission in the region is maintaining a close watch on local political conditions, engaging in scenario planning and reviewing existing and projected resource flows to anticipate and rapidly respond to changing conditions, as well as short and medium opportunities, as they arise. This is an unprecedented moment of opportunity for political reform in the region—reform necessary for longer term regional stability. Missions need to ensure they are agile, so they can work with the broad range of civil society groups that are defining and leading the popular movements in each of these countries, consistent with U.S. law and policy. If confirmed, I will work aggressively to ensure that USAID utilizes the necessary procurement and personnel instruments to act quickly in support of openings in the political environment, including utilizing centrally based rapid response mechanisms.

It is my understanding that USAID is working to provide assistance as needed and requested—to pursue credible transitions to democracy and to meet expressed social and economic needs throughout the Middle East. These transition programs will be demand-driven, but are expected to cover needs related to the political transition, youth engagement, economic recovery, and rebuilding social networks and support institutions.

If confirmed, I would seek to build on these efforts, specifically by:

- Redirecting ongoing programs and putting in place new programs to respond to the rapidly unfolding situations in Egypt, Tunisia, and Yemen and to be prepared to meet new needs as they emerge;
- Utilizing contacts with implementing partners and civil society to significantly increase direct engagement with a wide range of critical actors, including civil society organizations, youth, political party representatives, labor, and others who have been mobilized by recent events.
- Reviewing previous commitments and identifying new ways of partnering through a renewed focus on implementation by those most engaged in their own transition, while tapping an extensive network of existing programs and relationships.

As for my approach vis-a-vis the Mission Directors, if confirmed, I will maintain regular communication with USAID's Mission Directors to benefit from their on-the-ground analysis and deep knowledge of local conditions. As we move forward, it will also be critical to consult regularly with interagency partners and with Congress.

USAID is hosting a forum in Morocco later this spring to discuss how missions can best support the historic trend toward political liberalization underway in the region. I understand that this meeting will be both a brainstorming and a practical discussion generating actionable recommendations. It should provide help in revising mission strategies to reflect the evolving environment. If confirmed, I would consider this Morocco discussion a starting point for (1) my ongoing dialogue with Mission Directors; (2) readjustments and reinvigoration as needed on existing programs; and (3) implementation of new efforts.

Question. As you are testifying, the U.S. Government's support for Yemen President Ali Abdullah Saleh has begun to shift. What do you believe should be the highest priority investment for U.S. development assistance in the country at this time?

Answer. Al-Qaeda in the Arabian Peninsula remains a major threat not only to the U.S. homeland, but also to Yemen's stability and that of the region. AQAP has taken advantage of insecurity and poor governance in regions of Yemen that suffer from ongoing internal conflicts, resource challenges, insufficient delivery of services, and an ineffective security architecture. For this reason, the United States has adopted a two-pronged strategy for Yemen—helping the Yemeni Government confront its security concerns in the near term, and mitigating the serious political, economic, and governance issues that the country faces over the long term.

USAID, in conjunction with Embassy Sanaa, supports a peaceful political solution. Existing programs are being reviewed based on their ability to respond to current needs and the extent to which they can take advantage of new openings and future opportunities. Since the programs were designed as stabilization projects, there is considerable flexibility consistent with the "stabilization" objective.

Elections and political process reform are clearly a priority at this time of political transition. Economic stability programming and fiscal reform will also be necessary to address severe economic challenges facing the country. It is my understanding that USAID is currently analyzing needs in this regard, and will continue to rigor-

ously test the hypothesis that meeting the development needs of underserved communities is causally related to improving political and social stability. If confirmed, I would look forward to seeking the Congress' counsel on USAID's overall approach to development assistance in Yemen.

Question. In addition to significant funding through the new Overseas Contingency Operations (OCO) Account at the State Department, the administration is proposing over \$300 million again in FY12 for continued funding for Iraq through the Economic Support Fund. What kinds of programs will USAID promote in developing Iraq's agriculture sector and in building its private sector economy? What examples can you provide? What programs will be ending/discontinued? With the transition to a civilian-led mission, will the Joint Campaign Plan still be the guiding document? Are there any sectors that, despite their problems, will not receive funding from USAID?

- a. What kinds of programs will USAID promote in developing Iraq's agriculture sector and in building its private sector economy?

Answer. USAID is not receiving funding through the OCO account in the FY12 Iraq request. Rather, USAID's requested ESF funds are accounted for in the base request. USAID/Iraq will implement three existing programs focusing on economic growth and agriculture and may consider new programs focused on private sector competitiveness contingent on funding and interest from potential Iraqi beneficiaries. The current programs are:

i. The Provincial Economic Governance program, which supports microfinance, small business development centers, access to credit for small and medium size enterprises, and technical assistance to the Iraqi Government on trade and investment reforms leading to possible WTO Accession.

ii. The Financial Sector Development program, which improves the soundness of Iraqi private financial institutions by establishing and developing a credit bureau, a financial sector training institute, a payments system and modern centralized data Repository System, and enhancing the sectors' ability to advocate for private sector investment, growth and development.

iii. The Agribusiness program, which works to improve the value chain of existing Iraqi agribusinesses, farmers, and marketers to improve productivity and marketing, increasing agricultural revenues, incomes, and employment.

Since the inception of USAID-supported microfinance institutions in Iraq since 2004, the Provincial Economic Growth program has disbursed more than 257,200 microloans worth a combined value of \$593 million, with the average loan valued at \$1,400 at 15–18 percent annual interest rates with a repayment rate of over 98 percent. For the period of April 2008 to February 2011, USAID-sponsored programs have generated 206,456 jobs through sustainable microfinance, SME Bank lending, its youth initiative and Small Business Development services.

USAID's FY12 request for Iraq, as reported in the Congressional Budget Justification, contains a line item on Private Sector Competitiveness intended for a new program to assist the Government of Iraq in leveraging private sector resources to improve the delivery of electricity. Effective electricity delivery is critical to Iraq's economic growth and development.

The Financial Sector Development program started in the summer of 2010. It is implementing USAID's Memorandum of Understanding with the Central Bank of Iraq to build its capacity to oversee and promote the private financial sector in Iraq.

- b. What programs will be ending/discontinued? Are there any sectors that, despite their problems, will not receive funding from USAID?

Answer. USAID is no longer engaged in counterinsurgency (COIN) programming in Iraq. Programs such as the Community Stabilization Program (CSP) have ended. CSP was vital in helping stabilize urban communities in priority areas by creating employment opportunities for insurgent-prone Iraqis. However, as conditions have improved and with the drawdown of the U.S. military, it is my understanding that USAID is now focused on development programs that will help bolster Iraq's economy, create jobs, restore essential services, and build Iraq's institutional capacity.

- c. With the transition to a civilian-led mission, will the Joint Campaign Plan (JCP) still be the guiding document?

Answer. After the U.S. military departs by December 31, 2011, my understanding is that there will be no JCP and all American citizens will be under Chief of Mission authority. This means that 2012 will be the first critical year of full civilian leadership of the U.S. bilateral relationship with Iraq. Provincial Reconstruction Teams will be fully demobilized and replaced by at least two consulates and two Embassy Branch Offices.

Additionally, USAID will have at least one regional representative and one locally employed specialist in each of the two consulates in Erbil and Basrah. USAID is currently determining how security requirements may change for its development programs in the absence of a U.S. military presence.

Question. The State Department's Middle East Partnership Initiative (MEPI) has a mission of developing more pluralistic, participatory, and prosperous societies throughout this region through economic and political empowerment. How do you plan to work with MEPI during this historic time in the region? How do you plan to work to prevent duplication in your efforts in individual countries?

Answer. I have a longstanding and excellent working relationship with Tamara Wittes, the Deputy Assistant Secretary at the State Department with responsibility for MEPI. We have worked together closely in our current responsibilities, and if confirmed, I have every expectation that cooperative partnership would continue into my next role at USAID.

MEPI and USAID have worked together since MEPI's establishment in 2002. Their work is both complementary and should be well-coordinated at embassies and in Washington. USAID maintains a mission and field presence in seven countries in the region, while MEPI operates, in some capacity, in every country in the region, except Iran. This allows MEPI and USAID to play to their respective strengths and comparative advantages.

Each NEA embassy has an internal coordination committee chaired by the Deputy Chief of Mission. The committee's core responsibility is to coordinate all USG foreign assistance programming in the host country. Broad representation from embassy sections, including coordination with public diplomacy and representational activities, assures maximum possible cross-fertilization among programs and projects, whether USAID, MEPI, or DRL.

The committee looks to each embassy's Mission Strategic Resource Plan (MSRP) and to its Democracy Strategy for overarching guidance as it responds to queries and proposals from Washington agencies and offices. USAID, DRL, and MEPI participate in the annual review process for each embassy's MSRP, providing an additional feedback loop in the coordination process.

MEPI, DRL, and all embassies receiving foreign assistance are required to submit an Operational Plan, which is a budget and programmatic proposal for the use of new foreign assistance resources. The operational plan contains detailed information on how foreign assistance resources are coordinated by various implementers in each country. After an interagency review designed to resolve any areas of conflict or overlap, each operational plan is approved by the Director of U.S. Foreign Assistance.

Again, if confirmed, I look forward to working closely with the MEPI office, and discussing with Mission Directors as well, how the current system is functioning and where there may be room for improvement.

Question. Please put U.S. Assistance to the Palestinian Authority into the broader political context. With Israeli-Palestinian political negotiations frozen, is U.S. budget support for the Palestinian Authority and development assistance in the West Bank and Gaza building trust between the parties? Are projects designed to increase cooperation, in trade, private sector development, infrastructure, etc? If so, please provide examples. Also, please provide current trade figures through the Jalameh crossing in the northern West Bank, as compared to the period prior to USG reconstruction of that facility.

- a. With Israeli-Palestinian political negotiations frozen, is U.S. budget support for the Palestinian Authority and development assistance in the West Bank and Gaza building trust between the parties?

Answer. The United States Government is committed to achieving a two-state solution to the Israeli-Palestinian conflict as part of the administration's comprehensive regional peace between Israel and its Arab neighbors. U.S. policy is premised on the assumption that establishing sustainable peace requires forward movement on two simultaneous and mutually reinforcing tracks: political negotiations and the hard work of building institutions and the capacities of the future Palestinian state.

While the political negotiations track is outside the purview of USAID, USAID's efforts with respect to supporting Palestinian Authority (PA) capacity-building and institutional reform and economic development efforts regularly show results with respect to building trust between the parties. I have seen these results in ways small and large: most recently in the resumption of bilateral working-level discussions between Ministries of Finance, similarly in productive working level discussions between justice officials, and with respect to ongoing cooperation on immediate and long-term needs on the difficult issues surrounding water resources.

USAID programs are designed and implemented to help the PA to become more effective and credible partners with respect to governance and institutional capacity. Budget support to the PA is the most tangible and direct means of helping the PA to build the foundations of a viable, peaceful Palestinian state. U.S. budget assistance helps ensure that the PA remains solvent and thus can be an effective and credible partner in Middle East peace efforts and continue progress on reforms and capacity-building.

The United States has made it clear that we will work only with a PA government that unambiguously and explicitly accepts the Quartet's principles: a commitment to nonviolence, recognition of the State of Israel, and acceptance of previous agreements and obligations.

- b. Are projects designed to increase cooperation, in trade, private sector development, infrastructure, etc? If so, please provide examples.

Answer. Facilitating trade into and out of the West Bank and Gaza is critical to improving Palestinian economic growth, and it must occur consistent with Israeli security needs. More than 240,000 truckloads of imports and exports crossed through the three main West Bank commercial cargo crossings last year; USAID provided scanning equipment and other assistance to the Government of Israel to expand the capacity of the crossings while addressing Israeli security concerns.

USAID has supported the tourism sector in Bethlehem by setting up festivals and concerts to attract local and international tourists; and is working with the Government of Israel to open up Bethlehem's three checkpoints for tourist buses, ensuring that the Arab-Israeli communities had transport to Bethlehem during the high-volume Christmas period. All three checkpoints are now open for tourist buses and the long waiting lines in front of the previously lone access point to Bethlehem have disappeared.

USAID has partnered with international information technology (IT) firms such as HP, Apple, Microsoft, and Cisco to help to develop Palestinian IT firms in particular and the IT sector in general to be able to provide world-class services. USAID introduced many Israeli high-tech firms to Palestinian counterparts, and the Israeli firms have signed several contracts for Palestinians to provide IT services.

In response to both Israeli and Palestinian Water Authority (PWA) concerns that groundwater quality is deteriorating due to the lack of wastewater treatment, the United States will focus significant energy and resources in coordinating donor efforts to respond. USAID completed an assessment of 10 small-sized wastewater treatment plants for several villages in the northern West Bank. Design of these facilities began in October 2010 and is expected to be completed by November 2011, with permitting and land acquisition to begin once design is complete.

- c. Also, please provide current trade figures through the Jalameh crossing in the northern West Bank, as compared to the period prior to USG reconstruction of that facility.

Answer. Facilitating trade into and out of the West Bank and Gaza is critical to improving Palestinian economic growth. USAID's assistance helped to reopen the Jalameh vehicle crossing between Israel and the northern West Bank. What was previously a closed facility without traffic is now a busy crossing with an average of more than 8,000 cars and buses entering the West Bank every week. USAID's investment of less than \$2 million for upgrades at the crossing has had important impacts on commerce, trade, and investment in Jenin and the northern West Bank. Last year, Arab-Israeli visitors through the crossing made over \$40 million in purchases in Jenin.

Question. There are concerns about anti-Semitic and anti-Israeli incitement in Palestinian Authority textbooks. Please provide the latest assessment of the textbooks used by the Palestinian Authority and describe any USG involvement in their development or implementation.

Answer. USAID supports the Palestinian Ministry of Education and Higher Education in its efforts to provide quality education for Palestinian youth. USAID assistance in education focuses on improvements in teaching methodologies, introducing contemporary approaches to teaching and learning, integrating information technology into the classroom, and expanding the impact of early childhood programming throughout the West Bank and Gaza.

Since 2000, when the Palestinian Authority (PA) began introducing new textbooks that included many references to promoting values of reconciliation, human rights, religious tolerance, and respect of law, diversity and environmental awareness, a succession of studies has found that the new textbooks represent a significant improvement and constitute a valuable contribution to the education of young Palestinians.

Although not a USAID-funded program, UNRWA has developed an expanded human rights curriculum for use in all UNRWA regional schools based on the history and content of the 30 articles that comprise the 1948 Universal Declaration of Human Rights. Despite opposition from Hamas in Gaza, the new curriculum is being taught in grades 1–6, with plans to roll out a more advanced set of lessons for grades 7–9.

Additionally, the State Department/MEPI's My Arabic Library program works with the PA Ministry of Education to deliver libraries to schools in the West Bank, organize teacher training sessions, and provide after-school programming. This program encourages independent reading, thinking, and analytical skills in young readers.

The Palestinian curriculum is transparent, and all textbooks are available for review in Arabic on the Web site of the official Palestinian Curriculum Development Center at <http://www.pcdc.edu.ps/>.

RESPONSE OF ROBERT PATTERSON TO QUESTION SUBMITTED BY
SENATOR BENJAMIN L. CARDIN

Question. As cochairman of the Helsinki Commission, I remain deeply concerned over the dismal human rights situation in Turkmenistan. Over the weekend, we received a report that an elderly gentleman of 80 years old, Mr. Shapudakov, has been detained by Turkmen authorities and confined to a psychiatric facility. Reportedly, his activities in uncovering and reporting on corruption may have prompted this apparent reprisal by local officials.

- Has the State Department looked into this case and raised it with Turkmen officials?

Answer. The U.S. Government has received reports from RFE/RL and other sources that civic activist Amangelen Shapudakov was recently detained and committed to a psychiatric hospital. According to some of these reports, Mr. Shapudakov's confinement may be linked to a family dispute over property.

Our Turkmenistan Desk officer in Washington and the Public Affairs Office at Embassy Ashgabat are in daily contact with RFE/RL headquarters in Prague regarding the Shapudakov case. We are following the situation surrounding Mr. Shapudakov's detention. DAS Susan Elliott raised Mr. Shapudakov's case with the Turkmenistan Ambassador to the United States and our Embassy is also raising his case with Turkmen officials. We have asked the Turkmen government to verify the circumstances surrounding the case in order to ensure that it was handled appropriately by local officials, and that Mr. Shapudakov is afforded access to any legal counsel or proceedings, consistent with Turkmen law.

The State Department remains actively engaged with the Government of Turkmenistan on human rights through the Annual Bilateral Consultations (ABC) process, launched in June 2010 by Assistant Secretary Robert Blake. At the 6-month ABC review in Ashgabat on February 16, A/S Blake raised several specific human rights concerns by the USG, including the recent uptick in harassment and black-listing of RFE/RL journalists and family members by Turkmen security services. We have also raised issues of government harassment of journalists with the Turkmenistan Ambassador to the United States.

RESPONSES OF MARA RUDMAN TO QUESTIONS SUBMITTED BY SENATOR MARCO RUBIO

Question. For decades, the United States consented to authoritarian Arab regimes' requests not to engage opposition groups in exchange for regime cooperation on security matters. The previous administration started to reverse these policies, but the current administration has rolled back or significantly limited many of those initiatives. I believe this practice has severely restricted our influence in many of these countries. Can you define the aims and principles that would guide USAID's programs in the Middle East following the Arab Spring? Have the recent events changed our engagement policy with opposition groups in countries like Syria and Yemen? How is the U.S. Government preparing for contingencies in Syria and Yemen?

- a. Can you define the aims and principles that would guide USAID's programs in the Middle East following the Arab Spring?

Answer. This is an unprecedented moment of opportunity for political reform in the Middle East. It is my understanding that USAID is providing assistance as needed and requested—to pursue credible transitions to democracy and to meet expressed social and economic needs throughout the Middle East. These transition

programs are demand-driven, but are expected to cover needs related to the political transition, youth engagement, economic recovery, and rebuilding social networks and support institutions.

In the short term, I understand, USAID is reviewing its partnerships with government entities and pursuing programs aimed at empowering civil society with democratic transition and governance issues. In the long term, it is my understanding that the Agency will focus on addressing those underlying conditions that were a catalyst for popular unrest, including unemployment and education.

As the situation evolves, it is my understanding that USAID will continue reviewing how best to use its assistance to support democratic transition, economic development, and the aspirations of the local population. If confirmed, I will work aggressively to utilize the necessary personnel and procurement instruments to act quickly in support of openings in the political environment, including utilizing centrally based rapid response mechanisms.

If confirmed, I would build on USAID's existing efforts by:

- Redirecting ongoing programs and putting in place new programs to respond to the rapidly unfolding situations in Egypt, Tunisia, and Yemen and to be prepared to meet new needs as they emerge;
 - Utilizing contacts and grants with implementing partners and civil society to significantly increase direct engagement with a wide range of critical actors, including civil society organizations, youth, political party representatives, labor, and others who have been mobilized by recent events; and
 - Reviewing previous commitments and identifying new ways of partnering through a renewed focus on implementation by those most engaged in their own transition, while tapping an extensive network of existing programs and relationships.
- b. Have the recent events changed our engagement policy with opposition groups in countries like Syria and Yemen?

Answer. It is my understanding that USAID is willing to work with elected, peaceful groups, provided they operate through democratic institutions and the rule of law, with respect for equal rights, and reject violence as a way to achieve their political goals. Additionally, I understand, USAID will also continue to work with USG counterparts providing democracy and governance programming to explore appropriate USG assistance opportunities in support of unfolding events in the Middle East.

I am aware that it is USAID's view that the transitions in the Middle East and North Africa must be locally owned processes and that any organization or individual that adheres to the principles of democracy, including the principle of non-violence, should be able to participate in these processes.

- c. How is the U.S. Government preparing for contingencies in Syria and Yemen?

Answer. It is my understanding that every U.S. Embassy and USAID mission in the region is maintaining a close watch on local political conditions and in some instances is engaging in scenario planning. I am aware that USAID also has a Middle East Strategic Planning Group conducting a range of strategic and contingency planning in USAID presence and nonpresence countries in the Middle East.

As we face tough fiscal decisions as a nation, the United States will need to be creative and flexible in identifying resources to support security and prosperity in Syria, Yemen, and other regions of great strategic value. I understand that USAID is actively reevaluating its programming and assistance to prepare for contingencies and adapt its support to the transitions underway across the region.

Question. As you know, the Department of Defense constantly develops and updates contingency plans on possible U.S. responses to conflicts and crises that may arise abroad. Does USAID have a similar process to guide our response in times of crisis? If not, would you recommend legislative mandates to help USAID implement such practices?

- Does USAID have a similar process to guide our response in times of crisis? If not, would you recommend legislative mandates to help USAID implement such practices?

Answer. It is my understanding that USAID maintains contingency plans for humanitarian disasters in all overseas missions. Missions in the Middle East are currently reviewing their country programs to identify short- and medium-term needs in the region in order to be able to provide assistance as needed and requested.

Additionally, I understand that USAID also maintains internal processes to regularly develop, review, and update contingency plans for conflicts or crises abroad. As a result of this planning, I am aware that USAID is currently engaged with the

Department of Defense in a joint review of stabilization contingencies in the Middle East and an interagency "defense, diplomacy, and development" review for steady (nonconflict) state planning.

Finally, I understand that USAID possesses contingency funding capabilities to provide the U.S. Government with the flexibility necessary to respond to rapidly developing political, humanitarian, and security scenarios, without forcing the Agency to divert funding from other priority programs.

At this time, I do not believe that additional legislative mandates are needed to help USAID implement contingency planning practices. If confirmed, I would assess USAID contingency plans in detail to determine more fully whether legislation in this regard would be beneficial.

Question. Under the Millennium Challenge Account, American foreign aid is disbursed through Compacts to recipient countries that demonstrate a commitment to just and democratic governance, investments in the country's population, and economic freedom. Going forward, would the administration support applying the policy indicators of the Millennium Challenge Compacts to all USAID programs in the Middle East?

Answer. The Millennium Challenge Corporation (MCC) and USAID are intricately linked, but their purposes and mission are distinct. The link between the two agencies is codified in the Millennium Challenge Act of 2003. USAID assistance regularly plays a transformative role in countries throughout the world in ways that support progress toward consideration for MCC compact eligibility. For example, USAID implements almost all of MCC's threshold programs in countries not quite ready for compact assistance. In addition, the USAID Administrator serves as a permanent board member on the MCC Board of Directors and has a voice in MCC policy and selection decisions. USAID's Office of Development Partners (ODP) supports interagency coordination efforts on U.S. Government development policies.

MCC works in synergy with USAID's core development policies. MCC was created, in part, by incorporating some of USAID's best practices and lessons learned into its model, but it was not designed to substitute for USAID's range of development programs. In countries where MCC and USAID are both active, their programs augment and complement each other.

Most developing countries do not meet the MCC eligibility criteria, since MCC was created to work only with a select group of developing countries that meet high hurdles in terms of governance in the areas of ruling justly, investing in people, and economic freedom. Yet the United States still has a compelling foreign policy and national security interest to provide foreign assistance in nonqualifying countries, and USAID is the primary agency to provide that assistance.

MCC compact assistance focuses on economic growth; USAID's mandate is much broader and includes global health, food security, democracy and governance, and disaster relief, among other areas. Applying MCC policy indicators to USAID programs in the Middle East would preclude the United States from doing some of our most important work.

Question. Since joining the Obama administration, have you had any contact with any organizations or persons in connection with the Holocaust-era insurance claims issue or the government's position on the Generali litigation? For the purposes of this question, the word contact includes discussion(s) on the Holocaust-era insurance claims issue with any insurance company; lawyer, lobbyist, or representative of any insurance company associated with Holocaust-era claims; any federal department or agency concerning Holocaust-era claims; any Member of Congress or staff concerning Holocaust-era claims?

Answer. Shortly after joining the Obama administration, I was recused from matters related to World War II Holocaust restitution programs for a period of 2 years from the date of my appointment.

I thus had no contacts of the nature referenced, for this period. However, I did have limited contacts with colleagues at ICHEIC Trust, the close-down entity that filed taxes and carried out other administrative functions when ICHEIC ceased to exist, which were required to complete my administrative responsibilities, prior to resigning as an officer.

As a direct result of the correspondence sent to the Senate Foreign Relations Committee about me, and this issue, I have since been in touch with several colleagues with whom I worked closely on Holocaust-era insurance claims issues, and others who were familiar with the history of its efforts.

I have not had any contacts related to government's position on the Generali litigation since joining the Obama administration.

