

# NOMINATIONS OF THE 110TH CONGRESS—SECOND SESSION

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## HEARINGS

BEFORE THE

### COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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JANUARY 30 THROUGH SEPTEMBER 24, 2008

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Printed for the use of the Committee on Foreign Relations



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COMMITTEE ON FOREIGN RELATIONS  
110TH CONGRESS—FIRST SESSION

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JOHN F. KERRY, Massachusetts	CHUCK HAGEL, Nebraska
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JIM WEBB, Virginia	DAVID VITTER, Louisiana

ANTONY J. BLINKEN, *Staff Director*

KENNETH A. MYERS, Jr., *Republican Staff Director*

\*Note: Reassigned to Committee on Finance January 24, 2008.

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COMMITTEE ON FOREIGN RELATIONS  
110TH CONGRESS—SECOND SESSION

JOSEPH R. BIDEN, Jr., Delaware, *Chairman*

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ANTONY J. BLINKEN, *Staff Director*

KENNETH A. MYERS, Jr., *Republican Staff Director*

\*Note: Appointed February 12, 2008.

## NOMINATIONS

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WEDNESDAY, APRIL 16, 2008

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

Callahan, Robert, to be the Ambassador to the Republic of Nicaragua  
Cianchette, Peter, to be the Ambassador to the Republic of Costa Rica  
Hodges, Heather, to be the Ambassador to the Republic of Ecuador  
Llorens, Hugo, to be the Ambassador to the Republic of Honduras  
McFarland, Stephen, to be the Ambassador to the Republic of Guatemala  
Speck, Samuel, to be the Commissioner for the United States on the United States-Canadian—United States-Canada International Joint Commission  
Stephenson, Barbara, to be the Ambassador to the Republic of Panama

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The committee met, pursuant to notice, at 2:45 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Christopher Dodd presiding.

Present: Senators Dodd, Feingold, Menendez, Corker, Voinovich, and Isakson.

Also Present: Senators Snowe, Collins, and Martinez.

### **OPENING STATEMENT OF HON. CHRISTOPHER J. DODD, U.S. SENATOR FROM CONNECTICUT**

Senator DODD. My apologies to our witnesses and others in the room. The voting gods always arrange for a vote to occur just about the time a hearing is supposed to start.

So, I see my colleagues are here, as well, to introduce some of our witnesses. And I'll share a few opening comments quickly, and turn to my colleague from Tennessee, and then welcome our guests here, as well.

So this morning, or this afternoon rather, this hearing on the Committee on Foreign Relations will come to order, and the committee meets to consider the nomination of seven individuals to assume key leadership positions of the administration in this hemisphere. There will be two panels at today's hearing.

On the first panel we have four nominees. The President has nominated Robert Callahan to be the Ambassador to the Republic of Nicaragua, Heather Hodges to be the Ambassador to the Repub-

lic of Ecuador, Hugo Llorens to be the Ambassador to the Republic of Honduras, and Stephen McFarland to be the Ambassador to the Republic of Guatemala.

On the second panel we have three nominees. The President has nominated Peter Cianchette—is that the correct pronunciation? Thank you very much—to be the Ambassador to the Republic of Costa Rica, Samuel Speck to be the Commissioner for the United States on the United States-Canadian—United States-Canada International Joint Commission, and Barbara Stephenson to be the Ambassador to the Republic of Panama.

So, I want to congratulate all of our nominees on your willingness to serve and congratulate you on being nominated by the President to be an ambassador.

I also welcome my colleagues, Senator Collins, Senator Snowe, Senator Martinez—my good friend, as well, from Florida—who've joined us to introduce Mr. Cianchette and Mr. Llorens. In addition, I understand Mr. Voinovich will be here to introduce Mr. Speck.

You are here, thank you, George. I'm sorry, I didn't see you there.

Since the end of the cold war, United States foreign policy toward Central and South America has tended to focus narrowly on three issues: elections, trade, and drug programs. And while I understand and accept that these three focuses will need to remain very much components of any policy in the region, I believe that alone they have never been sufficient for bringing about the real holistic change that the hemisphere requires, that its people demand, and that serves the interest of the United States, as well.

In the broadest sense, we need to see political development to include civil society, institution-building, social contracts, and of course, the rule of law. We must see beyond free trade as a panacea to Latin America's social and economic woes, and instead work as well to embrace holistic development, which should include not only trade, but also investment in infrastructure, education, public health, foreign aid, and direct investment. And we must no longer stay the course in our failed policies of drug eradication and demand reduction, rather we must create smarter, targeted anti-drug programs, work to replace black-market economies with legitimate investment, and strengthen civilian law enforcement and justice institutions.

I credit the administration with proposing the Merida Initiative to respond to concerns voiced by our neighbors and their request for aid in combating increasing drug trafficking and violence in Mexico and Central America. I support the spirit of Merida and I hope to work closely with our allies to make sure that we tackle these collective concerns.

But in my view, the Merida Initiative will never fully succeed if we don't also work to put in place adequate institutions that can systematically address civil society institution-building, as well as corruption and the rule of law. Our Central America neighbors will need well-trained and equipped military forces to confront the most violent criminals. But I would strongly argue that the region also needs equally well-trained and equipped police and civilian authorities operating in a fair and impartial judicial system, to enforce and uphold the rule of law.

And joining with our neighbors to combat these increasing problems, we must recognize that our neighbors are taking important steps to respond to the needs of their citizens, and they are doing so because they are closer than ever to completing the transition to stable, democratic, civil societies, one with social contracts who are tackling some of their society's most difficult problems.

With the exception of Cuba, every nation in the Western Hemisphere has a democratically elected government. But many problems still persist as we all know, and inequality plagues our hemisphere, income and wealth disparities in Latin America are the worst in the world. Nicaragua, for example, is the second poorest country in our hemisphere. In the region, social and economic exclusion are rampant, fostering conditions in which political radicalism thrives and crime rates soar to six times greater than the rest of the world. As a result of these debilitating conditions, millions of Latin Americans have emigrated from the region to seek better opportunities for themselves and their families. Nearly 100 million people have left Latin America since World War II.

Many countries, such as Guatemala and El Salvador, are struggling with impunity. Now given this duality, on the one hand, continuing challenges we face with poverty, impunity, crime, and violence, and on the other hand, democratic governments responding to their people's needs, the question seems to be how we in the United States will work to promote our mutual interest in partnership with our neighbors to the South, because a renewed relationship with a stronger, more prosperous, and democratic Latin America, that can handle its own political, social, and economic affairs is in everyone's interest, especially those of the United States.

Nicaragua, Costa Rica, Ecuador, Honduras, Guatemala, and Panama are diverse countries with proud histories. Some face serious challenges with poverty and inequality, others with crime and violence, but all of these countries have democratic governments, and the United States must take the lead in engaging these neighbors, working in a respectful manner toward advancing our mutual interest in the broader sense.

So I welcome all of you to the committee this afternoon, congratulate you again on being selected by our President to serve in these important posts. And I look forward to engaging and a good discussion with you this afternoon, along with my colleagues on these critical matters.

Now, let me turn to my ranking subcommittee chair members, Senator Bob Corker of Tennessee for his opening statement, and then we'll turn to our fellow Senators who are here to present their witnesses.

**STATEMENT OF HON. BOB CORKER,  
U.S. SENATOR FROM TENNESSEE**

Senator CORKER. Mr. Chairman, thank you.

And I too want to welcome, not only these public servants, but their families, who I can see have gathered in large numbers, and certainly our colleagues from the Senate who know them well and want to speak on their behalf. And as I look at where they're going, except for Mr. Speck, who I know is going to a different part of the world, I wonder how we functioned in Central and South America,

but we're glad that, hopefully, your leadership is going to be in place. I certainly thank you for your dedication.

There are a lot of challenges, as Chairman Dodd just alluded to, that are occurring right now in Central and South America. Both poverty, as was alluded to—we have a huge food crisis that's brewing because of, in some cases our own policies here—HIV/AIDS, certainly while there's been greater cooperation on the narcotics, certainly more progress needs to be made. Our Federal—our trade agreements, our free trade agreements, certainly we have some that need to be approved, and hopefully will take us even further down the road towards prosperity in South America.

But there's no question, while there are challenges, it's a time of great opportunity, and I'm excited for each of you. I can see it in your eyes, you're excited about the task in front of you.

I have just recently come from two trips to the part of the world you're going to be representing, and look forward to coming down many more times while you're in service. And again, I think we have a tremendous opportunity into the future in Central and South America. I'm thrilled to have people of your quality serving us there, and look forward to your testimony and confirmation.

Senator DODD. Thank you very, very much, Senator.

We now have the opportunity to hear from our colleagues who are here this afternoon. I thank them for coming over. And what I want to do is ask all of our colleagues who are here to introduce their nominees, including the second panel as well. So, I know you have very busy afternoons in front of you here, I won't make you wait for the second panel as well to do that.

So we'll begin with you, Senator Snowe, welcome, we're delighted to have you here with the committee, and the introduction of Peter Cianchette.

**STATEMENT OF HON. OLYMPIA J. SNOWE,  
U.S. SENATOR FROM MAINE**

Senator SNOWE. Thank you. Thank you, Mr. Chairman.

Senator DODD. That's good, the microphone works.

Senator SNOWE. Thank you very much, Mr. Chairman and Ranking Member Corker. And I want to express my appreciation, and I know along with my colleague Senator Collins, first of all for scheduling this timely hearing on the consideration of the President's nominee Peter Cianchette to be Ambassador to Costa Rica.

It's certainly my distinct pleasure to be here, along with Senator Collins, to introduce Peter Cianchette as the next Ambassador to Costa Rica. He has been a good friend of mine for many years and is someone who I've had the utmost regard and highest esteem. I also want to welcome his family who's here today, his wonderful family, his exceptional wife, Carolyn, their two children, Evan and Maria, his parents, Bud and Priscilla, and his brother, Earl. I know that this is a proud moment for them as they look forward to a new chapter in Peter's dedication to his country.

Mr. Chairman, and members of the committee, indisputably, Costa Rica is a pivotal ally of the United States in a vital and critical region. And we've had a history of close, friendly, and supportive relations based on respect for a democratic government, shared values, and human rights. The nomination of Peter



Cianchette to serve as a preeminent diplomat in a Central American nation is an appropriate reflection of his intellect, his ability, and his commitment to public and private service.

Peter brings a wealth of experience in solving problems and securing results, from both his tenure in the service in the Maine State Legislature from 1996 to 2000, and his extensive business background, both as—including his tenure as a senior executive of one of Maine's top manufacturing companies, as well as his leadership at the helm of his own company, Cianchette Enterprises.

Peter comes from a tradition of public service. He's part of a family that has contributed tremendously to the State of Maine over the years. And Peter's own stellar record of combined public and private sector service speaks to his ability to ably and well represent the interest of the United States in Costa Rica.

The United States and Costa Rica share growing concerns for the environment and seek to preserve Costa Rica's important tropical resources. Indeed, Costa Rica's primary foreign policy objective is the promotion of environmental sustainability, which is a lynchpin of United States-Costa Rican relations that resulted in 2007, the largest debt for nature swap to date, in which the United States forgave its debt in exchange for Costa Rica's pledge to preserve large swaths of wilderness.

Peter brings an appreciation for these issues as our natural assets are a vital component of Maine's quality of life, with 90 percent of our land deforested, probably the only difference is that their forests weren't covered with more than 180 inches of snow this winter, but I'm sure Peter could adapt to that. Moreover, Peter's understanding and appreciation of travel and tourism issues, as they are the life-blood of Maine's economy, are especially applicable in a country that is host up to 50,000 expatriate American citizens, including many retirees, as well as 700,000 American visitors annually.

As someone who's devoted himself to the empowerment and well-being of young people in Maine, whether it's Director of the Greater Portland Big Brother/Big Sister of America, member of the Southern Maine Community College Foundation, or Director on the Board of the Make-A-Wish Foundation, or Yes to Youth, which is a charitable organization to prevent at-risk behavior in our young people, Peter will be right at home in a country whose emphasis on education has produced a remarkable 96 percent literacy rate in universal public education.

So, Mr. Chairman, Ranking Member Corker, and members of this committee, I know Peter is an individual of tremendous energy, enthusiasm, and dedication to our country and its finest principles, he's a person of the highest caliber, and I believe there is no question he will skillfully represent our nation's interest in this neighboring and critical region. So I want to commend the committee for his consideration. Thank you, Mr. Chairman.

Senator DODD. Thank you very much, Senator Snowe. That was a very generous introduction, and thank you for being with us.

Senator Collins.

**STATEMENT OF HON. SUSAN M. COLLINS,  
U.S. SENATOR FROM MAINE**

Senator COLLINS. Thank you, thank you, Mr. Chairman, Senator Corker. It's my privilege today to join Senator Snowe in presenting Peter Cianchette to this committee. We're very proud that he has been nominated to be our next Ambassador to Costa Rica.

As Senator Snowe indicated, the United States and Costa Rica have a long history of friendship and cooperation. Mr. Cianchette is an outstanding choice to strengthen this relationship. With more than 20 years of business experience and public service, he has a proven ability to work cooperatively with others to achieve progress. As a dedicated community leader and civic activist, he has a long and distinguished record of using his talents to benefit others.

As Senator Snowe mentioned, Peter served two terms in the Maine Legislature, he ably represented the people of South Portland and Cape Elizabeth. He has a long business record as well. He's been a partner in the Maine private investment firm known as CHK Capital Partners, and he's president of one of its portfolio companies. He's also the owner and president of the Cianchette Group, a public affairs management and business consulting firm. Prior to this, Peter served as the COO and executive vice president of Pierce Atwood Consulting. He previously had founded Cianchette Enterprises, which owned and operated a successful employee staffing, recruiting, and placement company. He also served, previously, as senior executive in one of Maine's manufacturing firms, the Dragon Products Company, a leading manufacturer of cement and concrete, and a subsidiary of the largest cement producer in Spain.

I mention this, in particular, because I know the chairman is always concerned about language capabilities and skills. In that position, Mr. Cianchette participated in meetings conducted in Spanish, and he is continuing to perfect his command of that language. I know that skill's going to be an invaluable asset in the position to which he's been nominated.

Mr. Cianchette's impressive business resume is exceeded only by his commitment to community service. I won't repeat the long list of community organizations, which Senator Snowe has already alluded to. But suffice it to say, that whenever a community group needs a strong leader, they turn to Peter Cianchette, and he always answers the call.

He is also a graduate of the University of Maine, and with his wife Carolyn, the proud parents of two children. There's one particular aspect of Peter's public service that I believe deserves special mention. His service in the Maine Legislature and his political campaigns have always been marked by civility, decency, and integrity. He is one of those rare elected officials who has opponents, but does not have enemies. He is able to work with people across party lines. These character traits have been evident in his business endeavors and in his community service, and they will serve our nation well if he is confirmed for this diplomatic position.

Mr. Chairman, Senator Corker, members of the committee, I strongly endorse Peter Cianchette's nomination to be our next Ambassador to Costa Rica, and I join Senator Snowe in enthusiastically recommending him for your favorable consideration.

Thank you very much.

Senator DODD. Thank you very much, Senator Snowe.

You've got a very high bar to climb over now, Peter. I tell you, you better be very good in your remarks, given that wonderful introduction. And truth in advertising, of course I think both Senator Snowe and Senator Collins are where my brother Tom was the Ambassador of Costa Rica a number of years ago and had the privilege of visiting him on numerous occasions, and so it's more than just a passing familiarity with the country. And so, we look forward to hearing from you shortly.

Senator Martinez, welcome.

**STATEMENT OF HON. MEL MARTINEZ,  
U.S. SENATOR FROM FLORIDA**

Senator MARTINEZ. Thank you, Mr. Chairman, thank you, Senator Corker, and members of the committee. I'm really delighted today to have the opportunity to be here to introduce Hugo Llorens, the former Deputy Chief of Mission to the United States Embassy in Madrid, and a Floridian.

Hugo, like myself, shares an immigrant background to this country, and in one of those poignant coincidences that I like to think as, only in America, he came to the United States 46 years ago precisely today, on April 16th of 1962.

The President nominated him to serve as Ambassador to Honduras, and I know he's got a long list of accomplishments, but I want to speak about Mr. Llorens in terms of my own experience with him. I've been in Madrid when he was DCM there and I've also been to Buenos Aires when he was DCM there. And I have had the opportunity to work with him and see his work firsthand and up and close and personal.

I know he could play a key role in our strong relations with Honduras during his critical time there. Through a \$215 million compact with the Millennium Challenge Corporation, the United States is supporting Honduras' efforts to reduce poverty and improve its citizens' quality of life. Successful implementation of this compact will help to consolidate the gains already made with the help of the Central America Free Trade Agreement.

And I totally agree with the chairman's comments about having to have a much broader approach to Latin America than free trade and democratic institutions. Those are great and we have to continue that commitment, but it is broader than that and I think the MCC is one great way to broaden that. I think that Mr. Llorens has that kind of understanding of the balance that we have to bring in our foreign policy to all of those issues.

He has a long—life-long commitment to serving our Nation and serving our Nation's interest abroad. He's been in four different continents and I just want to note that he has, in fact, received some wonderful accolades for his work. He has earned three superior and six meritorious awards. He is a past recipient of the prestigious Cobb Award for excellence in promoting of U.S. business and trade policy, and was runner-up for the Saltsman Award for distinguished performance in advancing U.S. international economic interest, and was also the runner-up for the James Baker Award for the best DCM.

Hugo, I know, as all of the folks here today, not only does this job, but they do it as a team with family members. Lisette, his wife, is here. She has been with him through all the steps of his distinguished career in the Foreign Service of our Nation.

And so, I am delighted to be here today. And with a total passion and endorsement of Hugo Llorens to be Ambassador to the Republic of Honduras, and commend him to the committee, and thank you for allowing me this opportunity.

Senator DODD. Thank you very much, Senator, and appreciate your being at the table to introduce Mr. Llorens.

George Voinovich, our colleague from Ohio, has got a statement to make.

Senator VOINOVICH. Mr. Chairman—

Senator DODD. Thank you all very much, and Senators are excused. We won't have any questions for you here today. [Laughter.]

Tempting, tempting, but—  
[Laughter.]

**STATEMENT OF HON. GEORGE V. VOINOVICH,  
U.S. SENATOR FROM OHIO**

Senator VOINOVICH. Thank you, Senator Dodd, Senator Corker. I'm pleased to be here today, especially because Dr. Sam Speck has been nominated to the International Joint Commission.

Sam has an outstanding academic record, graduated from Harvard, got his Ph.D. from Harvard, and the was the President of Muskingum College for many years, served as a State Representative, State Senator, and his last position was the position as Director of the Department of Natural Resources in Ohio.

Sam and I met when we were State reps together and worked on the creation of the Ohio Environmental Protection Agency, and passed the Mine Reclamation Act that served as a model to many States throughout the country. And during the years since then, we've stayed in touch with each other, and more recently we've spent a lot more time together when he was Director of the Department of Natural Resources.

In that position, as Director of the Ohio Department of Natural Resources, he served as chairman of the Council of Great Lakes Governors Water Management Working Group, which helped lead the development of the Great Lakes Annex Agreement and the Great Lakes Water Management Compact. This effort brought together the eight Great Lake States and Canadian provinces of Ontario and Quebec to devise a strategy to cooperatively manage the waters of the Great Lakes. Sam's work on the Great Lakes Water Management Initiative exemplifies his ability to work impartially for the best outcome to manage and protect our waters.

He's committed to preserving the Great Lakes and has served on a variety of Great Lakes commissions and councils. He works well with and is respected by a variety of interests to use our waters, with his more than 30 years of public service as well as his commitment to making our State of Ohio a better place to work and live. I believe that Sam would bring a great deal of knowledge, background, and expertise to the commission.

I'd like to also, Mr. Chairman, ask that two statements, one from Governor Strickland from Ohio and one from Senator Sherrod

Brown, be submitted for the record.[The statements referred to above appear in the "Additional Material Submitted for the Record" section at the end of this hearing.]

Senator DODD. They'll be included.

Senator VOINOVICH. They both strongly support Sam's nomination to the Great Lakes Commission.

[The prepared statement of Senator Voinovich follows:]

PREPARED STATEMENT OF HON. GEORGE V. VOINOVICH,  
U.S. SENATOR FROM OHIO

Good morning. I am pleased that this committee is holding today's hearing on all of these nominees, and I am particularly pleased to see Dr. Sam Speck's here today. I have worked with Sam for many years on projects in Ohio, and I strongly support his nomination to the International Joint Commission.

Many rivers and lakes lie along or across the border between the United States and Canada. The 1909 Boundary Waters Treaty had the foresight to establish the International Joint Commission to help solve problems and resolve disputes in these shared waters. Canada and the United States recognized that each country is affected by the other's actions on boundary waters. Our two countries cooperate to manage these waters wisely and to protect them for the benefit of both of our citizens and future generations. Commissioners are governed by the requirements of the Boundary Waters Treaty. They are impartial and work toward the interests of the shared boundary waters.

Sam has had a long history of working on a portion of the United States and Canadian boundary waters—the Great Lakes. In his most recent position as the Director of the Ohio Department of Natural Resources, Sam served as the Chair of the Council of Great Lakes Governors' Water Management Working Group which helped to lead the development of the Great Lakes Annex Agreement and the Great Lakes Water Management Compact. This effort brought together the eight Great Lakes States and Canadian Provinces of Ontario and Quebec to devise a strategy to cooperatively manage the waters of the Great Lakes. Sam's work on the Great Lakes Water Management initiative exemplifies his ability to work impartially for the best outcome to manage and protect our waters.

He is committed to preserving the Great Lakes and has served on a variety of Great Lakes commissions and councils. He works well with and is respected by the variety of interests who use our waters. With his more than 30 years of public service, as well as his commitment to making our State of Ohio a better place to work and live, I believe that Sam would bring a great deal of knowledge, background, and expertise to the commission.

Senator DODD. Well, thank you very, very much.

You are welcome, if you want to spread out a little bit. I know you're all going to be close to each other in the years ahead, but if you want breathing room there.

And then what I'll do is, Mr. Llorens, I want to begin with you and then go to Ms. Hodges and Mr. Callahan and Mr. McFarland. If you could, I'd like you to try and keep your remarks to about 5 minutes or so. I'm not going to bang down the gavel, obviously, but you understand that. I know the members would like to maybe raise some questions with you. And any other supporting documents or information you think would be helpful for the committee to consider during the nomination process—we're happy to include those in the record as well.

And I know they've done this already to some degree, but I thought, Mr. Llorens, I think these are special moments, and I'm sure you'll make reference, all of you will, to your family and friends who've gathered here as well, but I always like to welcome them to the committee. This is a very important moment, to be nominated to be an ambassador to represent our country, is a very special moment.

I've been involved in this committee for 27 years and I still find that one of the best jobs of all is to have a confirmation hearing for people to serve. And I always love the fact that people bring their families with them, as well. I don't know if you have any here, and if you do, we're happy to have them recognized.

**STATEMENT OF HUGO LLORENS, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF HONDURAS**

Mr. LLORENS. Yeah, I'd like to—thank you, Mr. Chairman, Ranking Member Corker, Senators. I'm truly honored to appear before you as President Bush's nominee to serve as United States Ambassador to Honduras. I'm deeply grateful for the trust and confidence President Bush and Secretary Rice have placed in me. If confirmed, I look forward to working with members of this committee and Congress, as appropriate, to advance United States interests in Honduras.

I would like to take a moment, Mr. Chairman, to acknowledge my wife, Lisette. She has been my life partner for 25 years—

Senator DODD. Would you stand up and be recognized. Welcome.

Mr. LLORENS [continuing]. And she has been a dedicated representative of our country in seven overseas postings. My son, Andrew, a student at Loyola University in New Orleans, and Dirk, who is living with us in Madrid, could not be here today. But I consider myself fortunate to have my family's constant love and support.

I came to this great Nation with my family 46 years ago as a 7-year-old Cuban refugee. We arrived with a suitcase in hand and a buffalo nickel in our pocket, but we knew we were richly blessed by America's freedoms. We worked hard and an unquenchable faith in America, as the land where dreams come true. It is difficult to convey in words how proud I am to have been given an opportunity to serve my adopted land these many years, and what a profoundly humbling experience it is to be in the presence of this committee today.

I've been a career Foreign Service officer—

Senator DODD. The record wants to know, as I heard, it was 46 years ago today.

Mr. LLORENS. Today, today.

Senator DODD. What better way to celebrate that anniversary.

Mr. LLORENS. Thank you, Mr. Chairman.

I've been a career Foreign Service officer for 27 years. I'm a Latin American hand by trade, having served in challenging assignments in Bolivia, Paraguay, El Salvador, Honduras, and most recently as DCM in Argentina. In the 4 years I served in Honduras, I traveled the length and breadth of the country and I know the land and its people. I've had the privilege of working Latin American issues in Washington at the State Department and at the NSC. In my current posting as DCM in Spain, our embassy coordinates actively on Latin America with our Spanish counterparts.

If confirmed, I will bring both the regional and executive experience to lead our diplomatic team in Honduras.

Honduras has been a faithful and long-standing friend of the United States. This year, Honduras will celebrate its 28th year of unbroken civilian and constitutional rule, and will hold elections

for a new president in November 2009. The U.S. mission I hope to lead will work closely with the current and future government in the spirit of friendship, cooperation, and respect.

Our hemispheric policy is based on consolidating democracy, promoting prosperity, investing in people, and protecting the security of the democratic state. Our key issues in Honduras include the rule of law and good governance, regional security, and economic development.

If I am confirmed, I will make the safety and security of United States citizens living and visiting Honduras a top priority. I will support our common efforts to dismantle narcotics and human trafficking organizations. I will work to increase economic opportunities and enable democracy to address the dramatic social obstacles Honduras faces, especially poverty and marginalization, which contribute to insecurity. Criminal organizations and gangs threaten our neighbors, and it is in our national interest to strengthen the capabilities of the Honduran police and security forces.

If approved, the Merida Initiative will be a multifaceted tool to partner with our Central American allies to build a regional strategy against crime and terrorism. In addition, I will support Honduran initiatives to revitalize the judicial system and ensure that the fight against lawlessness and impunity is done in full adherence to the law and respect for individual human rights.

If confirmed, I will support the Millennium Challenge Corporation's compact, signed in 2005, that provides Honduras \$215 million for building roads and enhancing rural development. I will also seek to deepen two-way trade and investment derived from CAFTA, promote U.S. business, and protect U.S. property rights.

We have a strong record of programs with the Honduran people thanks to the work of USAID and the Peace Corps, as well as many public/private partnerships with United States organizations. I will vigorously support these supports and all efforts to deepen our engagement with the Government and people of Honduras.

I would also encourage committee members and staff to visit Honduras. When U.S. Senators and staff travel overseas, we're given an enormous opportunity to advance our bipartisan agenda with our democratic partners. If confirmed, I look forward to welcoming the members of this committee and other Senators and Congresspersons.

Mr. Chairman, members of the committee, thank you again for granting me the honor of appearing before you today, and respectfully ask for you favorable consideration of my nomination. I pledge to you that I will work hard and to the best of my ability in Honduras to represent our great Nation. Thank you very much.

[The prepared statement of Mr. Llorens follows:]

PREPARED STATEMENT OF HUGO LLORENS, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF HONDURAS

Mr. Chairman, Ranking Member Lugar, Senators, I am truly honored to appear before you as President Bush's nominee to serve as United States Ambassador to Honduras. I am deeply grateful for the trust and confidence President Bush and Secretary Rice have placed in me. If confirmed, I look forward to working with the members of this committee and the Congress as appropriate to advance United States interests in Honduras.

I would like to take a moment, Mr. Chairman, to acknowledge my wife, Lisett. She has been my life partner for 25 years and a dedicated representative of our

country in seven overseas postings. My son, Andrew, a student at Loyola University in New Orleans, and Dirk, who is living with us in Madrid, could not be here today. I consider myself fortunate to have my family's constant love and support.

I came to this great Nation with my family 46 years ago as a 7-year-old Cuban refugee. We arrived with a suitcase in hand and a buffalo nickel in our pocket, but knew we were richly blessed by America's freedoms. We worked hard and had an unquenchable faith in America as the land where dreams come true. It is difficult to convey in words how proud I am to have been given an opportunity to serve my adopted land these many years and what a profoundly humbling experience it is to be in the presence of this committee today.

I have been a career Foreign Service officer for 27 years. I am a Latin America hand by trade, having served in challenging assignments in Bolivia, Paraguay, El Salvador, Honduras, and most recently as DCM in Argentina. In the 4 years I served in Honduras, I traveled the length and breadth of the country and I know the land and its people. I've had the privilege of working Latin America issues in Washington at State and the NSC. In my current posting as DCM in Madrid, I am well grounded on European perspectives on Latin America and our embassy cooperates on these issues with our Spanish counterparts. If confirmed, I will bring both the regional and executive experience to lead our diplomatic team in Honduras.

If I am confirmed, a top priority will be the security of the 7,000 American residents in Honduras and the 60,000 who travel to the country each year. This begins with the safety of our embassy staff and their families and the service men and women who work with our Honduran hosts at the Soto Cano air base.

Honduras has been a faithful and longstanding friend of the United States. This year, Honduras will celebrate its 28th year of unbroken civilian and constitutional rule and will hold elections for a new President in November 2009. The U.S. mission I hope to lead will work closely with the current and future government in a spirit of friendship, cooperation, and respect.

Our hemispheric policy is based on consolidating democracy, promoting prosperity, investing in people, and protecting the security of the democratic state. Our key issues in Honduras include the rule of law and good governance, regional security, and economic development.

If confirmed, I will support our common efforts to dismantle narcotics and human trafficking organizations. I will work to increase economic opportunities and enable democracy to address the dramatic social obstacles Honduras faces, especially poverty and marginalization that contribute to insecurity. Criminal organizations and gangs threaten our neighbors and it is in our national interest to strengthen the capabilities of the Honduran police and security forces. If approved, the Merida Initiative will be a multifaceted tool to partner with our Central American allies to build a regional strategy against crime and terrorism. In addition, I will support Honduran initiatives to revitalize the judicial system and ensure that the fight against lawlessness and impunity is done in full adherence to the law and respect for individual human rights.

If confirmed, I will support Honduran efforts to take full advantage of the Millennium Challenge Corporation's compact signed in 2005 that provides \$215 million for building roads, as well as promoting rural development. I also will seek to deepen the two-way trade and investment flows derived from the CAFTA-DR. We have a solid record of programs with the Honduran people thanks to the work of USAID and the Peace Corps, which has one of the largest programs in the world in Honduras. We also have many public-private partnerships with U.S. organizations. I will vigorously support these programs and all efforts to deepen our engagement with the Government and people of Honduras.

I would also encourage committee members and staff to visit Honduras. When U.S. Senators and staff travel overseas, we are given an enormous opportunity to advance our bipartisan agenda with our democratic partners. If confirmed, I will look forward to welcoming the members of this committee and other Senators and Congresspersons to Tegucigalpa.

Mr. Chairman, members of the committee, thank you again for granting me the honor of appearing before you today and respectfully ask for your favorable consideration of my nomination. I pledge to you that I will work hard and to the best of my ability in Honduras to represent our great Nation.

Thank you very much.

Senator DODD. Thank you very much.

Ms. Hodges, welcome, good to have you with us.



**STATEMENT OF HEATHER M. HODGES, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF ECUADOR**

Ambassador HODGES. Mr. Chairman and members of the committee, I'm honored and privileged to appear before you today to consider my nomination as Ambassador of the United States to Ecuador. I deeply appreciate the confidence and trust that President Bush and Secretary Rice have placed in me.

If confirmed by the Senate, I would look forward to working closely with this committee, along with your colleagues in the full Congress, to advance United States interest in Ecuador.

I bring to this assignment nearly 28 years of Foreign Service experience. Much of my career has been spent in countries dealing with the challenges of developing and strengthening democracies. At the moment, I am honored to serve as Principal Deputy Assistant Secretary in the Office of the Director General of the Foreign Service and Bureau of Human Resources in Washington, DC. Previously, I served as United States Ambassador to Moldova and worked overseas in Venezuela, Guatemala, Nicaragua, Peru, and Spain.

Historically, the United States and Ecuador have been close partners in combating narcotics trafficking, fighting corruption, and fostering economic development. We share a common vision of a democratic and prosperous hemisphere that provides opportunities for all its citizens.

Ecuador is known as a nation of great natural beauty, a nation of tremendous natural resources and biodiversity, a country of peace whose people and diverse cultures are its greatest strengths.

The people of Ecuador are committed to building stronger, more transparent institutions. The United States stands ready to assist them in reaching that goal through continued engagement that reinforces our hemispheric commitment to constitutional democracy, strong and inclusive institutions, respect for the rule of law, the war on drugs, and greater, more widely shared economic prosperity. If confirmed, supporting these objectives would be among my highest priorities.

The United States is concerned about the destabilizing effects of the revolutionary armed forces of Columbia, FARC, on the Andean region. Ecuador's fight against drug trafficking and FARC incursions along the northern border, combined with its efforts to bolster alternative development in the region is crucial for United States interests.

Another priority in the United States-Ecuador relationship is support for economic development and poverty reduction. United States trade and economic growth assistance to Ecuador focuses on technical assistance, training, outreach, financial support for free and open markets, and poverty reduction.

As in most countries, Ecuador also holds both challenges and opportunities for United States investors. I was pleased to learn that Ecuador and Occidental Petroleum recently reached an agreement on payment of an arbitral award in a long-standing investment dispute, and are together addressing another dispute. If confirmed, I look forward to continuing our efforts to promote United States exports and commercial interests, while encouraging Ecuadorian economic development.

Lastly, there are approximately 20,000 American citizens living in Ecuador and another 150,000 visit the country every year. Protecting U.S. citizens is the first responsibility of any ambassador and, if confirmed, I will ensure that the embassy in Quito and our Consulate General in Guayaquil continue to provide a high level of service and attention to our citizens.

I thank you for the opportunity to share my thoughts about the United States relationship with Ecuador and I'm happy to answer to answer any questions.

[The prepared statement of Ambassador Hodges follows:]

PREPARED STATEMENT OF HEATHER M. HODGES, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF ECUADOR

Mr. Chairman and members of the committee, I am honored and privileged to appear before you today to consider my nomination as Ambassador of the United States to Ecuador. I deeply appreciate the confidence and trust that President Bush and Secretary Rice have placed in me. If confirmed by the Senate, I would look forward to working closely with this committee, along with your colleagues in the full Congress, to advance United States interests in Ecuador.

I bring to this assignment nearly 28 years of Foreign Service experience. Much of my career has been spent in countries dealing with the challenges of developing and strengthening democracies. At the moment, I am honored to serve as Principal Deputy Assistant Secretary in the Office of the Director General of the Foreign Service and Bureau of Human Resources in Washington, DC. Previously, I served as United States Ambassador to Moldova and worked overseas in Venezuela, Guatemala, Nicaragua, Peru, and Spain. I have been especially privileged to work for and with extremely talented people at the Department of State in the Foreign and Civil Service, as well as with our very committed locally employed staff. I would also like to point out that I completed a Pearson Fellowship in the Senate 20 years ago, an experience I still remember fondly and for which I will always be grateful. If confirmed, I hope that all of these experiences and influences in my life will make me an effective ambassador to Ecuador.

Historically, the United States and Ecuador have been close partners in combating narcotics trafficking, fighting corruption, and fostering economic development. We share a common vision of a democratic and prosperous hemisphere that provides opportunities for all its citizens. The United States is the most important source of Ecuador's imports and in turn the primary market for Ecuador's exports. Furthermore, Ecuador is known as a nation of great natural beauty, a nation of tremendous natural resources and biodiversity, and a country of peace whose peoples and diverse cultures are its greatest strength.

These are challenging yet promising times for Ecuador. Since the election of President Rafael Correa in 2006, the country's eighth president in 10 years, there has been strong popular support for a new constitution. A constituent assembly was elected in September of last year and has taken up the charge of creating a new constitution, and the people of Ecuador are committed to building stronger, more transparent institutions. The United States stands ready to assist them in reaching that goal through continued engagement that reinforces our hemispheric commitment to constitutional democracy, strong and inclusive institutions, respect for the rule of law, the war on drugs, and greater, more widely shared economic prosperity. If confirmed, supporting these objectives will be among my highest priorities.

The United States is concerned about the destabilizing effects of the Revolutionary Armed Forces of Colombia (FARC) on the Andean region, and we support regional efforts to eliminate narco terrorism and achieve a lasting peace. Ecuador's fight against drug trafficking and FARC incursions along the northern border, combined with its efforts to bolster alternative development in that region, is crucial for U.S. interests. As a result of an increased presence on the northern border, Ecuador in 2007 was able to destroy three multi-ton cocaine laboratories, eradicated several multi-hectare coca plots near the Colombian border, and reported a record number of land-based drug seizures. Also in 2007, Ecuador unveiled "Plan Ecuador," which is an integrated approach to northern border security and development aimed at countering the influence of Colombian terrorists and narcotraffickers on Ecuador. If confirmed, I will continue our robust support for Ecuador's counternarcotics efforts.

Another priority in the United States-Ecuador relationship is support for economic development and poverty reduction. Supported by favorable global conditions, Ecuador's economic performance in recent years has been strong. Between 2000 and

2007, per capita GDP more than doubled to \$3,270, while poverty rates fell. United States trade and economic growth assistance to Ecuador focuses on technical assistance, training, outreach, and financial support for free and open markets, competitiveness and poverty reduction. Among our projects is one focusing on microenterprises. Approximately one million people in Ecuador—nearly 25 percent of the workforce—work in microenterprises. Helping microenterprises grow contributes to poverty reduction and economic growth. Thanks in large part to United States assistance, Ecuador now has the fastest growing microfinance sector in all of Latin America. The Andean Trade Preference Act (ATPA), enacted in 1991 and extended three times by the Congress in the last year-and-a-half, remains a powerful tool. It has strengthened economic ties between our two countries and helped Ecuador create new, world-competitive businesses such as its flower industry. The Government of Ecuador estimates ATPA has generated over 300,000 jobs.

Ecuador is an important trading partner for the United States. As in most countries, Ecuador also holds both challenges and opportunities for United States investors. I was pleased to learn that Ecuador and Occidental Petroleum recently reached agreement on payment of an arbitral award in a long-standing investment dispute and are together addressing another dispute. If confirmed, I look forward to continuing our efforts to promote United States exports and commercial interests while encouraging Ecuadorian economic development.

Lastly, there are approximately 20,000 American citizens living in Ecuador, and another 150,000 Americans visit every year. Protecting United States citizens is the first responsibility of any ambassador, and, if confirmed, I will ensure that the Embassy in Quito and our Consulate General in Guayaquil continue to provide a high level of service and attention to our citizens. Our diplomatic representation in Ecuador includes 11 United States agencies with 155 Americans and 266 locally employed staff. In addition, the Peace Corps has a contingent of over 150 volunteers throughout the country. Providing an appropriate and secure work place for our employees is a critical requirement. To that end, the State Department will soon be opening a new chancery in Quito, a notable accomplishment under Ambassador Jewell's leadership.

I thank you again for the opportunity to share my thoughts about the United States relationship with Ecuador. If confirmed, I look forward to working with you closely, and welcome the opportunity to host you and other interested members of Congress in Quito. I am happy to answer any questions you may have.

Senator DODD. Thank you very, very much, Ms. Hodges.

Mr. Callahan, welcome.

I should have said Ambassador Hodges, by the way. I apologize.

**STATEMENT OF ROBERT J. CALLAHAN, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF NICARAGUA**

Mr. CALLAHAN. Thank you, Mr. Chairman.

If I may, I'd like to begin by introducing a few of my family members who are here. My wife of 31 years, Debbie, who has been my closest confidante in 28 years in the Foreign Service, our younger son, Emmett, his older brother, our oldest son, Andrew, is living and working in New York and couldn't be here today, my nephew, Tim Morrison, is also here, as are a few of my students from George Washington University, all of them very bright young men and women who are keenly interested in the government and in foreign policy.

Senator DODD. Why don't they stand up and be recognized, you probably got half the room here. [Laughter.]

The Callahans. Welcome all of you, nice to have you with us.

Mr. CALLAHAN. Thank you, Mr. Chairman, members of the committee. It is an honor to appear before you today as the President's nominee to be the United States Ambassador to Nicaragua. I am profoundly grateful to President Bush and Secretary of State Rice for the confidence they have placed in me. If confirmed, I look forward to working with the members of this committee and your col-

leagues in the Congress to promote our policies in Nicaragua and when appropriate, throughout the region.

Should I be confirmed, this will be my eighth overseas assignment and my fourth posting to Latin America, but my first since I left Bolivia in 1992. As someone who has developed a keen appreciation of Latin American culture, the Spanish language, and the profession of diplomacy, I eagerly welcome the assignment.

I also think that my varied career with the State Department, which has taken me from the diverse cultures of Bolivia to the center of the former Muslim Caliphate in Baghdad, from the enduring charms of San Jose and Tegucigalpa to the imperial legacies of London, Athens, and Rome, has provided me with the experience to lead effectively our mission in Managua, should the Senate confirm me.

I am no stranger to challenging assignments and I do think that Nicaragua will prove to be just that. There is, to begin with, what T.S. Eliot called "the persistence of memory," which of course, is not unique to Nicaragua. I would never suggest that we should ignore history, just that our thought and actions should not become hostage to the past. There are too many common interests between the United States and Nicaragua, too many problems that require our mutual attention, resources, and energy, to dwell on what we might have done to each other decades or even centuries ago. Acknowledge to be sure, and learn from it, but then move on.

Every member of this committee and every American who reads the paper or watches the news has recently come across intemperate words directed against the United States from certain Latin American countries, and unfortunately, Nicaragua has, at times, been among them. This kind of rhetoric can sting, even wound, and national leaders should always be prudent in their language and measured in their criticism. That said, and much to our credit, the United States has paid more attention to Nicaraguan deeds than words, and this would seem to be the right approach.

Our commitment to the Western Hemisphere, to help in consolidating democracy, promoting prosperity, investing in people, and protecting the security of the democratic state is no where more in evidence than in Nicaragua. Working closely with Nicaraguans from the government, police, and military, from business and labor, and from charitable and religious organizations, we have achieved some notable successes on a range of issues. Through the Millennium Challenge account, our bilateral aid, the Central American Free Trade Agreement, and other initiatives, we have helped Nicaraguans develop their economy.

When Hurricane Felix devastated the country's north coast last year, we provided over \$15 million in immediate assistance. In the fight against drugs, our two countries have worked together to seize more than 3 metric tons of cocaine so far this year, which follows a seizure of 13 metric tons last year. If confirmed, I will continue to support our efforts to build a strong, sustainable, and mutually beneficial partnership with Nicaragua, and I will regard as my most important responsibility, the protection of American citizens.

Our official presence in Nicaragua includes representatives from a dozen agencies of the Federal Government, as well as 165 Peace

Corps volunteers, all doing extraordinary work under difficult conditions. I will endeavor, as my predecessors have done, to provide a high level of service to American citizens living in and visiting Nicaragua. In addition, and should I be confirmed, I would eagerly welcome your visiting, which would provide excellent opportunities to engage Nicaraguans at every level.

Mr. Chairman, members of the committee, I recognize that there are many challenges in further developing our relationship with Nicaragua. If confirmed, I will work to promote U.S. interest and develop a partnership with the government and people of that beautiful country. Thank you for this opportunity to appear before your committee. I would be pleased to answer any questions you might have.

[The prepared statement of Mr. Callahan follows:]

PREPARED STATEMENT OF ROBERT J. CALLAHAN, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF NICARAGUA

Mr. Chairman and members of the committee, it is an honor and pleasure to appear before you today as the President's nominee to be the United States Ambassador to Nicaragua. I am profoundly grateful to President Bush and Secretary of State Rice for the confidence they have placed in me. If confirmed, I look forward to working with the members of this committee and your colleagues in the Congress to promote our policies in Nicaragua and, when appropriate, throughout the region.

If I may, I would like to take a moment to introduce several people. First, my wife, Debbie, who has been my life partner for over 30 years and my closest confidante during 28 years in the Foreign Service and who, if I am confirmed, will give up her job and accompany me once again on a foreign assignment; next, my younger son, Emmett, who spent all but 3 years of his youth abroad as I served in various cities on two continents, as did his older brother, Andrew, who is living in New York and couldn't be here today; and, finally, a number of my current and former students from George Washington University, who have come to the hearing to witness this committee discharge its constitutional responsibilities.

If confirmed, this will be my eighth overseas assignment and my fourth posting to Latin America, but my first since I left Bolivia in 1992. As someone who has developed a keen appreciation of, and a genuine affection for, Latin American culture, the Spanish language, and the profession of diplomacy, I eagerly welcome the assignment.

I also think that my varied career with the State Department, which has taken me from the diverse cultural expressions of Bolivia to the former center of the great Muslim caliphate in Baghdad, from the enduring charms of San Jose and Tegucigalpa to the imperial radiance of London, Athens, and Rome, has provided me with the experience and knowledge to lead effectively our mission in Managua, should the Senate confirm me.

I am no stranger to challenging assignments, and I do think that Nicaragua will prove to be just that. There is, to begin with, what T.S. Elliot called "the persistence of memory," which of course is not unique to Nicaragua. I would never suggest that we should ignore history; just that our thoughts and actions should not become hostage to the past. There are too many common interests between the United States and Nicaragua, too many problems that require our mutual attention, resources, and energy, to dwell on what we might have done to each other decades or even centuries ago. Acknowledge it, to be sure, and learn from it, but then move on.

Every member of this committee, and every American who reads a paper or watches the news, has recently come across intemperate words directed against the United States from certain Latin American countries, and unfortunately Nicaragua has at times been among them. This kind of rhetoric can sting, even wound, and national leaders should be prudent in their language, measured in their criticism. That said, and much to our credit and forbearance, the United States has paid more attention to Nicaraguan deeds than words, and this would seem to be the right approach.

Our commitment to the Western Hemisphere—consolidating democracy, promoting prosperity, investing in people, and protecting the security of the democratic state—is nowhere more in evidence than in Nicaragua.

Working closely with Nicaraguans from the government, police, and military, from business and labor, and from charitable and religious organizations, we have

achieved some notable successes on a range of issues. Through the Millennium Challenge Account, our bilateral aid, the Central American Free Trade agreement, and other initiatives, we have helped Nicaragua develop its economy. We provided over \$15 million in immediate assistance when Hurricane Felix devastated the country's North coast last year. In the fight against drugs, our two countries have worked together to seize more than 3 metric tons of cocaine so far this year, which follows the seizure of 13 metric tons in 2007.

If confirmed, I will continue to support our efforts to build a strong, sustainable, and mutually beneficial partnership with Nicaragua, and I will regard as my most important responsibility the protection of American citizens in Nicaragua.

Our official presence in Nicaragua includes representatives from a dozen agencies of the Federal Government as well as 165 Peace Corps volunteers, all doing extraordinary work under difficult conditions.

I will endeavor, as my predecessors have done, to provide a high level of service to American citizens living in and visiting Nicaragua. In addition, and should I be confirmed, I would eagerly welcome your visiting. Your presence provides excellent opportunities to engage Nicaraguans at every level.

Mr. Chairman, members of the committee, I recognize that there are many challenges in further developing our relationship with Nicaragua. If confirmed, I will work conscientiously to promote U.S. interests and develop a partnership with the government and people of that beautiful country. Thank you for this opportunity to appear before your committee. I would be pleased to answer any questions you might have.

Senator DODD. Thank you very, very much.  
Mr. McFarland.

**STATEMENT OF STEPHEN G. MCFARLAND, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF GUATEMALA**

Mr. MCFARLAND. Thank you very much, Mr. Chairman. I'd like to introduce my family. I'd like to introduce my wife, Karen McFarland—we met at our first post in Venezuela, and my sons—our sons, Christopher, Alexander, Andrew, and Kevin. They've been a source of inspiration and support to me throughout our career.

Senator DODD. Well, welcome. Christopher particularly, welcome, I like you. [Laughter.]

Mr. MCFARLAND. Mr. Chairman, members of the committee, it is a great honor to appear before you today as President Bush's nominee to serve as the United States Ambassador to Guatemala. I'm grateful to the President and to Secretary Rice for the trust and confidence that they have shown in sending my nomination to you.

I'm a second generation Foreign Service officer with 31 years of service. I've served nine times in Latin America, mostly in countries with insurgencies, political strife, and post-conflict challenges. My earlier assignments in El Salvador and Peru showed me the human costs when democracy falters and when social cohesion fails. As Deputy Chief of Mission and Charge in Guatemala from 2000 to 2003, I worked closely with a broad range of Guatemalans on bilateral issues.

My most recent assignment was as team leader of a Provincial Reconstruction Team embedded with the 2nd Marine Regiment in Western Iraq. There I saw the accomplishments of interagency leadership and teamwork, and I bear witness to the dedication and sacrifices of Americans and Iraqis. If confirmed as ambassador, I would use this experience to lead an active interagency embassy team.

The United States overarching objective in Guatemala is to support democracy. Democracy, in turn, requires security, prosperity, and the rule of law. These objectives are mutually reinforcing. Gua-

temalans ended their internal conflict through the 1996 Peace Accords. Out of the ashes of a cruel war, they embarked on an admirable, but unfinished effort to incorporate all citizens of all ethnic groups, all social classes, into Guatemala's democratic society.

Guatemala's democracy faces great challenges, corruption and organized crime, impunity and human rights abuses, drug and gang violence, and extreme poverty, including child mortality and malnutrition rates in some areas among the worst in the hemisphere. The United States has been a partner with success of Guatemalan Governments and civil society on these interrelated issues, and both countries that major progress is vital. If confirmed, I am committed to working with this committee, with the Congress, with all executive branch agencies, and with the Guatemalan, and other groups to continue efforts to address these challenges.

President Alvaro Colon took office in January 2008 and is building upon Guatemala's friendly relations with the United States. He has pledged to help the poor and the indigenous, and to improve security and transparency. In January, Guatemala and the U.N. inaugurated the commission against impunity in Guatemala. As President Bush said in his visit to Guatemala last year, "Strong democracy requires security from drug lords and violent criminals." The United States provides Guatemala cooperation in law enforcement and the Merida Initiative, if approved by Congress, would greatly increase cooperation on law enforcement and citizen security issues.

The CAFTA agreement has increased trade, greater security, transparency, and infrastructure would encourage even more investment in trade. Health and education, two issues that President Bush raised in his visit, also need more investment for Guatemala to take full advantage of CAFTA. If confirmed, I will work closely with the Guatemalan Government and with Guatemalan and American businesses in our shared interests in trade and economic opportunities.

Civil society, including the private sector, plays an important role in Guatemala. The ties between Guatemalan and American civil society strengthen our bilateral relations. If confirmed, I would seek to support these bonds, including through additional public diplomacy outreach.

Some 350,000 Americans visit Guatemala each year, another 25,000 live there. Many Americans have also adopted Guatemalan children. If confirmed, two of my top priorities would be the safety of American citizens and support for a transparent, efficient, adoption process in accordance with Guatemalan and American laws.

Embassy Guatemala also has some 400 American and Guatemalan employees who work in a dozen agencies, as well as 200 Peace Corps volunteers. Their safety and support would also be a major concern of mine.

Thank you, Mr. Chairman, members of the committee, for the opportunity to appear before you. I would be pleased to answer any questions.

[The prepared statement of Mr. McFarland follows:]

PREPARED STATEMENT OF STEPHEN G. MCFARLAND, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF GUATEMALA

Mr. Chairman, members of the committee, it is a great honor to appear before you today as President Bush's nominee to serve as the United States Ambassador to Guatemala. I am grateful to the President and to Secretary Rice for the trust and confidence they have shown in sending my nomination to you. I would like to introduce my wife, Karin, and to thank her for her support throughout our Foreign Service experience. I would also like to introduce my sons, Christopher, Alexander, Andrew, and Kevin, and to thank them for their support and inspiration.

I am a second-generation Foreign Service officer with 31 years of service; I have served nine times in Latin America, mostly in countries with insurgencies, political strife, and post-conflict challenges. My earlier assignments in El Salvador and Peru showed me the human costs when democracy falters and social cohesion fails. As Deputy Chief of Mission and Charge in Guatemala from 2000 to 2003, I worked closely with a broad range of Guatemalans on bilateral issues. My most recent assignment was as team leader of a Provincial Reconstruction Team embedded with the 2nd Marine Regiment in western Iraq. I saw the accomplishments of inter-agency leadership and teamwork, and I bear witness to the dedication and sacrifices of Americans and Iraqis. If confirmed as ambassador, I would use this experience to lead an active interagency embassy team.

The United States overarching objective in Guatemala is to support democracy. Democracy in turn requires security, prosperity, and the rule of law; these objectives are mutually reinforcing. Guatemalans ended their internal conflict through the 1996 Peace Accords. Out of the ashes of a cruel war, they embarked on an admirable—but unfinished—effort to incorporate all citizens of all ethnic groups and social classes into Guatemala's democratic society.

Guatemala's democracy faces great challenges: corruption and organized crime; impunity and human rights abuses; drug and gang violence; and extreme poverty, including child mortality and malnutrition rates in some areas among the worst in the hemisphere. The United States has worked as partners with successive Guatemalan governments and civil society on these interrelated issues, and both countries agree that major progress is vital. If confirmed, I am committed to working with this committee, with all executive branch agencies, and with the Government of Guatemala and other groups to continue our efforts to address these challenges.

President Alvaro Colom took office in January 2008 and is building upon Guatemala's friendly relations with the United States. He has pledged to help the poor and the indigenous, and to improve security and transparency. In January 2008, Guatemala and the United Nations inaugurated the Commission Against Impunity in Guatemala. As President Bush said when he visited Guatemala a year ago, "strong democracy requires security from drug lords and violent criminals." The United States provides Guatemala cooperation in law enforcement, and the Merida Initiative—if approved by the Congress—would significantly increase our cooperation on law enforcement and citizen security issues of mutual concern.

The CAFTA-DR Free Trade Agreement entered into force in Guatemala in July 2006. It has increased trade, and President Bush's March 2007 visit to Guatemala underscored the ability of nontraditional producers in indigenous areas to improve their standard of living under CAFTA.

However, greater security, transparency, and infrastructure are needed to encourage more investment and trade. Health and education—two issues that President Bush raised during his visit—also need more investment to foster the workforce Guatemala needs to take full advantage of the trade agreement. If confirmed, I will be work closely with the Guatemalan Government, and with Guatemalan and American businesses, on our mutual interests in trade and economic opportunities.

Civil society, including the private sector, plays an important role in Guatemala. The ties between Guatemalan and American civil society strengthen our bilateral relations. If confirmed, I would seek to support these bonds, including through additional public diplomacy outreach.

Some 350,000 Americans visit Guatemala each year, and another 25,000 Americans live there. Many Americans are close to Guatemala as the birthplace of their adopted children; in the last 10 years, Americans have adopted over 25,000 Guatemalan children. If confirmed, two of my top priorities would be the safety of American citizens, and support for a transparent, efficient adoption process in accordance with Guatemalan and American laws. Embassy Guatemala has some 400 American and Guatemalan employees who work in a dozen agencies, as well as 200 Peace Corps volunteers; their safety and support would also be a major concern of mine.

Thank you, Mr. Chairman, for the opportunity to appear before you today. I would be pleased to answer any questions.



Senator DODD. Well, thank you very, very much.

I should have made note earlier, but I see my former colleague, Ben Gilman, here. Ben, I want to thank you for coming over, a former member of the House, where we served together many years ago, and a wonderful member of the House Foreign Affairs Committee, and very active in foreign policy issues. So we're honored to have you on the Senate side.

I always tell people the story, when I left the House and came to the Senate, Morris Udall turned to me and he said, "By going to the Senate, you have improved the intelligence of both bodies." [Laughter.]

So, I thank you for coming over.

Let me, first of all, tell you how pleased I am the President has nominated five of you here that are career Foreign Service officers. This doesn't happen often enough and I think it's very exciting, the fact that your careers are being recognized and the value contribution you've made, not only in this region, because I think all of you have had tremendous experience in the region as well, and I know that's always a battle back and forth on how these decisions are made.

And as I mentioned earlier, my brother Tom taught at Georgetown, he was never in the Foreign Service per se, but I think he was almost considered part of the family since he was so closely associated with the issues over the years, but the fact that there are people who work so very hard in this region year in and year out, and many times don't get the opportunity to serve as our ambassadors in these countries, because in so many cases, these ambassadors at embassies end up, sort of, political, so to speak, so there's a value in that, because you can be very good ambassadors.

But the fact that the President has asked those of you who have served so well over the years in these other countries, I commend him for that. I think this is something they need to recognize more often, so I commend all of you on your service to the region.

There's obviously a lot of people in front of us here, and I'm going to ask maybe just a couple of generic questions and ask you to respond to them because I think they apply to all of you.

The Merida Initiative, and my good friend, Bob Menendez, has a strong interest in this subject matter as well, and I'm very interested in hearing his comments and thoughts on it.

I mentioned, Bob, before you came in that I'm supportive of the idea, but it needs to be expanded. I'm worried that if it's just going to be a sort of more equipment kind of a program, where we're talking about high priced equipment, helicopters, weapons and the like—and I'm not arguing, that can't be a major contributor to all of this, but it seems to me it's got to be broader based than that. I mean, is there sufficient attention being paid to civilian institution-building, the rule of law, in this agreement? Should we begin by vetting key units in the police and the judiciary to be sure that there's going to be minimal corruption in the process as we go forward with a major investment in the region? Is serious political will a necessary condition for the success of this initiative, in your minds? Are they willing to take the difficult steps to actually confront the corruption-laden problems that exist in so many of these cases? I say that with a deep regret about what happens in these

nations. And, are you satisfied to the extent you can be at this juncture, that those kinds of concerns are going to be addressed? And I'd like to hear all of you comment on whether or not you agree with this, or if you have a different perspective on this.

I think it would be helpful for the committee at this juncture here, since you are experienced hands in all of this and know the area so well, what are your reactions to this? And as a committee of jurisdiction we're going to be very interested in following this and how it works. And I going to be particularly turning to Bob and asking him to be the lead on all of this as we go through it in this subcommittee.

But I'd be very interested, Mr. Llorens, beginning with you, and maybe on down in the order we've talked to each other to share some thoughts about this initiative. Is it enough, should it be more, are you concerned that it's limited it seems in one area, and how satisfied are you about the will, the corruption issues, the vetting process, and the like?

Mr. LORENS. Yeah, thank you, Mr. Chairman. Well, certainly, I know that for Central America we're asking for \$50 million for this year, and I think it's plussed up to \$100 million next year. And again, speaking specifically, I do agree that you need to have a holistic approach to dealing with the whole issue of crime and impunity, rule of law, and it has to be holistic and it has to be strategic.

I've looked at the specific—Merida Initiative and we do have training, we do have equipment, but you also have issues, you know, you do have community outreach, you do have programs to work with prosecutors, with the judicial system. Because I totally agree—I mean, I think if we don't build and focus a lot of our assistance to strengthening those institutions, none of this aid is going to be sustainable.

So, I look at the categories that are involved in institution-building and prevention, and community outreach is a critical component of the Merida Initiative, I agree.

Senator DODD. Thank you very much.

Ms. Hodges.

Ambassador HODGES. Sir, of course, the Merida Initiative is not related to Ecuador, but—

Senator DODD. I'm sorry, I apologize.

Ambassador HODGES [continuing]. But, I would like to comment on the fact that one of the positive things that we have in our relationship with the Government of Ecuador is the government's, and President Correa's firm commitment to combating corruption and to, you know, to work in this area. And much of our assistance already goes to programs that are related to corruption, to working on the judicial system, criminal—working on the judicial system in areas of criminal investigation, we have provided Ecuador with its first-time ever automated database on criminal cases, and things like that.

So, again, I would certainly support something like that.

Senator DODD. Thank you.

Mr. Callahan.

Mr. CALLAHAN. Yes, thank you, Mr. Chairman.

For Nicaragua, yes, I would echo what Hugo Llorens said—there's a very important component in Merida, which addresses the

rule of law and institution-building. And that goes to the heart of trying to reduce, if not eliminate, corruption. Corruption is, unquestionably, a problem. A World Bank study placed Nicaragua in the 23rd percentile.

But in preparing for these hearings, and in talking with a number of my colleagues in the Government, including the DEA and the people at the Department of Defense who deal with the Nicaraguan Police, they have a very high regard for the Chief of Police in Nicaragua, a woman named Aminta Quinera, who is highly professional, and determined to make her police force professional.

So, I would think that we can, with some confidence, trust them to use the money wisely, and attempt to reduce, if not eliminate, corruption, which is a problem.

Senator DODD. That's very good, thanks very much.

Mr. McFarland.

Mr. MCFARLAND. Yes, Mr. Chairman.

I agree with you, Mr. Chairman, that for the Merida Initiative to be successful, there has to be a holistic approach, and there has to be support for the institutions that underpin the rule of law, not just for the agents that actually execute the actions.

I'd like to point out, in the case of Guatemala, the part of the Merida agreement which—if approved by Congress—would focus on gang activities, illustrates some of this approach.

It starts with prevention efforts that are carried out by NGOs and community organizations. Then there is community policing, there is support, with support, training, equipment for the police, as well as support for vetted units. There's communications equipment and other training for the police to be able to link up with counterparts in other countries, there's considerable training and support, and I think here the political will element is crucial, and it's one we have to monitor carefully for prosecutors, as well.

There is support for reform of prisons, to ensure that they are not simply used as another office by gang members. And at the same time, there is additional work on prevention at the prisons, focused on first-time offenders and juvenile offenders. And I think that kind of holistic approach could be a useful model, sir.

Senator DODD. That's very encouraging. And I'd be very interested—I know the committee would be—in any additional thoughts as you end up in your posts, any thoughts for the committee to consider as we evaluate the program.

I want to say to you, Mr. Callahan, I was struck with your testimony and your opening statement, and I appreciate it very, very much. I think the T.S. Elliot quote is a very apt one—probably could be used a lot of places, about the persistence of memory, and I welcome your comments. We've had sort of a troubled history over the last more than 20 years—more than that now—with Nicaragua, and you can get preoccupied with the history. But as you point out, I think, in your testimony—we've got to look ahead, as well. And it's important we do that.

So, your comments, I think, will be welcomed, and it's an opportunity. And I hope that the Ortega Government and others will hear your words this afternoon, and understand what they—as I imply them to be—have as an opening, and to take advantage of that comment that you made this morning. This is an opportunity

to try and get on a better track than we've been on. So, I appreciate immensely your testimony. Very smart.

Let me turn to Senator Corker.

Senator CORKER. Mr. Chairman, thank you. And I have to say that question you ask about rule of law and institutions, building institutions—I think is dead-on. And I thought that your responses were well-received, I look at the places in the world where so much poverty and other kinds of human dilemma exists, it's in those places that lack those two things. And I do appreciate your focus on that, or your focus here in the next few months.

I also agree that, I think it's wonderful that people of your background and quality are being appointed these jobs. And while certainly political appointees do outstanding work for us all over the world, I personally am very thrilled that people who have worked so long in Foreign Service are going to be representing us in a part of the country—a part of the world—that I actually feel is one of the most important that we have to deal with, and I certainly look forward to working with Chairman Dodd on initiatives in that area.

And actually I had some questions, but because of the background that you all have and because of the opening statements that each of you made, I actually wonder, Chairman, whether they shouldn't be asking us questions. [Laughter.]

Senator DODD. Believe me, they have them, too.

Senator CORKER. And as a matter of fact, I'll take any that you might have. [Laughter.]

Senator CORKER. But I think we all know that each of you is very well qualified, you've each demonstrated that by virtue of what you've done already in the way of public service, and I just wanted to thank you for being willing to do this, and look forward to working with you, and actually have no further comments or questions.

Thank you, each.

Senator DODD. Thank you, Bob, very much.

Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Let me congratulate all of you on your nominations, and certainly thank you for your previous service to our country. I echo the chairman's remarks about seeing career Foreign Service individuals nominated for ambassador positions. I think it is incredibly important. And so I'm glad to see the administration is doing that.

Mr. Chairman, I appreciate your comments on Merida, and my concern as I listen to the answers that you've received—and I agree with Mr. Llorens, for example, that it needs to be holistic and strategic. I'm just concerned that—as presently devised—it is not holistic and strategic, and that is a real challenge.

I think we've learned from Plan Colombia—which I was a supporter of, when in the House of Representatives that, in fact, it came to a point that if you can't give a coca farmer an opportunity to have sustainable development choices, he's going to sustain his family one way or the other.

Mr. LLORENS. You bet.

Senator MENENDEZ. And that won't simply be done at the point of a gun.

And so, part of my concern about how Merida is presently structured is that, that's largely what it is.

The other concern I have, Mr. Chairman, is that I appreciated the answer that you received from the panel about institution-building. And whenever we talk about Merida, everybody focuses on the institution-building, which I think is critical. The problem is, that as presently structured, the institution-building, at least in the Central America part, only gets about \$30 million of the \$150 million to be proposed. So, it's about one-fifth of the entire effort for Central America. Therefore, it is a small amount of institution-building that is going to take place, compared to the enforcement, the weapons, the machinery, equipment, and what-not.

So, if we really believe that institution-building and rule of law is the long-term, fundamental nature of what we need to do in Merida, then I think the dynamics of how it's structured need to be changed, and I look forward to working with the chairman and the ranking member to see that that can happen.

I think—I agree with you—the spirit of the opportunity, particularly with Mexico, is incredibly important. But the other question I'd like to have for the panel is, you know, you will collectively be part of—except for Ambassador Hodges—you will collectively be part, along with your other colleagues in Central America, of this \$150 million, if that's the way it ends up being. And I get a sense that the Central American countries were largely an afterthought in this initiative.

Having traveled to Guatemala this past December, and the visit between that visit and the visit in Mexico, with President Calderon, I got two very clearly different impressions about the thinking. Clearly, Mexico has put a lot of time and effort into the thinking—at least from their part of this—and I think Guatemala wants to do the right thing, but I don't get the sense that they have invested a lot of time and effort in thinking about how they're going to, for example, be at the forefront of this effort.

So, I'm wondering how you all see the engagement of these countries—not from what we hope they will do—but what we expect them to do, and what they've already participated in, in terms of preparation for the initiative. Can you give us any sense of that?

Mr. MCFARLAND. Yes, Senator, if I may speak from the perspective of Guatemala—I do understand that the proposal for Mexico was, came about in perhaps a better-structured format, in part, because they had the unity of effort of being one country, and the Central Americans were coming up with their proposal as part of their own regional integration, institution.

Guatemala also has a new government. If confirmed, sir, one of my tasks, in fact, would be to impress upon the government the opportunities that they have and to get a sense for the amount of real political will that they are willing to invest in this process, and to engage them on that subject.

Senator MENENDEZ. Any of you others have perspectives?

Mr. CALLAHAN. Well, I would just make the point, Senator, that we will be working closely with the Nicaraguans, should I be confirmed, and should the Merida Initiative go through as planned—we'd be working very closely with Nicaraguans on how they spend that money.

And I take your point about institution-building, and it doesn't seem like a lot of money in Merida, but there are other sources of money for institution-building—bilateral aid program, for example, the Peace Corps in Nicaragua—all of these entities, American entities, are working with Nicaraguans in an attempt to create robust and durable institutions.

Senator MENENDEZ. I appreciate that—I chair the subcommittee on all of our foreign assistance. The problem is, when we talk about Merida, in the context of what we are pursuing, some of those programs are great, other bilateral assistance, but they're focused in a different way. And so, how we marry them is going to be very important.

Mr. LLORENS. Senator, it's a very good question. I agree with you in the sense that ultimately, an initiative like Merida, or Central America's ability to deal with the situation, social—socio-economic situation that they face. It has to come from within, and they need to be able to take the initiative. So, I would like, certainly I think the SICA, the Central America System, so that the Central Americans coordinate together and engage with us, I think will be critically important.

I would just note with regard to Honduras, that I understand that they have developed their own national security strategy—I think a national security strategy very much focused on some of the issues, sort of the challenges that they face—the issues of crime, gangs, you know, marginalization of society, so in a way there is a challenge there, but it's absolutely critical for the Centrals to make that change.

And I assure you, one of my priorities will be to engage with the Hondurans, and work very closely with them in this regard.

Senator MENENDEZ. Well, I appreciate your answers, let me just say, capacity, ability, and commitment are going to be essential. Number two is, the amount is in and of itself, when you look at all of Central America, not all that much to try to meet the challenges, which are affected in a variety of ways, including gang violence, and what-not, are all elements of this.

So, we're going to—and you all will be so close to each other that individual national security strategies, I think, are very good, but we need a holistic, regional security strategy, because otherwise you have a balloon in which, you know, you push in one end and it pops out on the other.

And so those are some of the things that I think will be incredibly important.

I have some other questions, Mr. Chairman, but I will wait if you will have a second round.

Senator DODD. We'll do that. Also to let you know, we're going to submit questions, too, so we can be thorough.

Senator Isakson.

Senator ISAKSON. Thank you, Mr. Chairman, and I concur completely with your comment at the outset about the qualification of these nominees, and particularly, that they are career Foreign Service individuals. Having traveled and seen what you do in some of the more challenging places in the world, I thank you for being willing to accept this responsibility and certainly hope that you are confirmed.

And Mr. Callahan, you and I had a great conversation about some of my experience with Nicaragua when you came to my office, and I know Ortega, Sandinista, is back in power and was reelected with a plurality. Is there any indication that he has sought aid from either Venezuela and Chavez, or Iran? Further, has he received some commitments for the ports from Iran, and housing from Venezuela? Do you know the extent to which they are working together? The extent to which Chavez is influencing Ortega, and the extent to which he influenced his election?

Mr. CALLAHAN. Yes, thank you, Senator, it's nice to see you again.

There was no question that President Ortega does maintain a close relationship with President Chavez. President Chavez, through the Petrocaribe program is making oil available to Nicaragua at discounted rates. But I would point out that the United States also has an economic engagement with Nicaragua, which is both broad and deep. Not only our bilateral aid program, but the Millennium Challenge Account which, I think, we discussed, which is \$175 million over 5 years. There is the CAFTA program, the CAFTA Free Trade Agreement, which has resulted in a dramatic increase in both Nicaraguan exports to the United States and American investment in Nicaragua.

Through the World Bank and the International Monetary Fund, which we play a leading role, about \$1.7 billion of Nicaraguan debt has been forgiven. So, the Nicaraguan economy depends greatly on the United States, both for its trade, and for a lot of its bilateral aid.

In addition to that, as I mentioned in my statement, we have a very active Peace Corps program, and these volunteers are all over the country.

To get back to your original point, yes, he does have a relationship with Mr. Chavez, but in a recent poll that I just looked at, the approval rating for the United States in Nicaragua is over 80 percent. So the Nicaraguans clearly have a great affection for the United States, which is something we can work with, as well.

Senator ISAKSON. And he won with 37.6 percent, so we're doing better than he did. [Laughter.]

Right? Well, for all of you, Central and Latin America is critical to the interests of the United States, and I'm troubled by the amount of power Chavez has through the prices of petroleum and how he's leveraging that money. And I think your presence in those countries and your outreach to maintain the great friends that we do have, and maybe win over a couple that we may have lost, is going to be critically important to us, both in the short run, as well as the long run, and I wish you the very best of luck.

Senator DODD. Is that it, John?

Senator ISAKSON. Yes.

Senator DODD. Well, thank you.

This is a good question Senator Isakson's raised, not just about Nicaragua, but generally in the region. And again, you're looking, what is it—a gallon of gas, I think, in Venezuela is about seven cents? And obviously having a huge potential influence in the region, we're aware of it in Bolivia, and the efforts in Ecuador with

the recent events that have unfolded between Venezuela, Colombia, and Ecuador. The relationship with Brazil—it gets complicated.

This is all a rosy picture, the world is changing its views regionally on President Chavez, and Brazil is a classic example. I think there may have been one relationship, or one attitude to begin with, that has certainly been modified, given some of the energy issues that have evolved over the years.

But it's a good question—certainly struggling countries economically where you can offer low-cost energy at a time when you're trying to hold your country together is a very appealing offer to receive, and obviously, he's extracting commitments in return.

But, I hope we will look at some of these ways in which we can expand economic opportunities, as well. I was looking at the remittance issue in Latin America and someone gave me these numbers. In 2005, 22 million people from Latin America worked in the developed world. They returned, the 22 million, \$54 billion in remittances to the region. That was more than all of the foreign direct investment and foreign aid for the entire region, in those remittances coming back. And a good part of that \$54 billion, I don't know how it breaks out, of the \$54 billion, what percentage comes from the United States, but I presume it's a fairly healthy chunk of that, going back.

We have our own downturn in the economy here, and those numbers get adversely affected. In Honduras, \$2.7 billion in remittances were sent back to the country in 2007, that made up a quarter, 25 percent of the GDP of the country. And so there's a direct correlation in terms of what happens here.

I noticed in foreign aid, Nicaragua, by the way, 26 percent of foreign aid, makes up 26 percent of Nicaragua's budget in the country. And I presume the bulk of that comes from us, is that true?

Mr. CALLAHAN. Yes, that's—

Senator DODD. I don't know if that foreign aid number is U.S. foreign aid?

Mr. CALLAHAN. It's of all sorts, and it's international foreign aid, as well.

Senator DODD. But I want you to just comment on this general question, because obviously I'm a believer that foreign aid can be of help, and certainly there's a value in all of that.

But the realities of the world in the 21st century—just given our own budget constraints on how much you can actually do, and the importance of wealth creation, immigration policy, I mentioned earlier, 100 million people have left the region since World War II, primarily over economic issues. And, I presume, in some cases political reasons that were intolerable to live the way you live, your family lived, and you made that decision that many of us at this side of the dais families did—to emigrate. The case of Bob Menendez certainly reflects exactly what your family went through.

And yet, obviously, many others are leaving for economic reasons, and how we begin to get our arms around this issue, in the holistic way that I've mentioned, that Senator Menendez has mentioned, Senator Corker has mentioned, would be helpful—the IDB, U.S. aid—do you have any thoughts as a panel, here, on how we might look at this, out of the box, a bit differently? And ways in



which we can address these issues beyond the traditional ways we've been talking about it, over the last number of years?

Mr. LLORENS. That's a very good question, Mr. Chairman. You know, I would say one of the things I think that's very important there, a country like Honduras receives significant economic assistance from the United States. You have \$43 million in bilateral assistance, you have the Millennium Challenge Account which is \$215 million over 5 years. The United States obviously provides a lot of money through the multilateral banks, so there is significant amount of economic assistance.

I would look at something, for example, in terms of being really effective on the ground, something I'd look at, just to make sure that donor coordination is really effective, and maybe it is. But it's something that, you know, I would like to look at in making sure that the major donors, the multilateral banks, the major bilateral donors are working together, so when you look at the development issues, you really—whether it's education, whether it's health—are we really being holistic and strategic as a donor community, so I'd say that's one thing.

The other thing I would mention is the fact that certainly, I think that the Central America Free Trade Agreement, in the sense that it locks in the trade benefits for both countries, but for Central America region, and for the United States. I think it provides a certain amount of stability so that it's sort of a platform for growth, I think, for Honduras and Central America. But, the overriding issue, of course, is, that you have to get back to the rule of law you have to get—you know, the good governance issues, corruption, which you all mention.

And I think that this is an issue—this is really the task, and it's the task that the Central America democracies have to take the lead on, but I think the United States has to make sure that, you know, our assistance is, comes with the fact that we're going to ask our democratic friends in Central America to raise the standard—to have a better investment climate, to have the rule of law, to improve the basis for an independent judiciary. And that's going to be the key to be able to create sustainable development.

Senator DODD. Yes.

Ambassador Hodges.

Ambassador HODGES. I would say that one thing that's very important is to—well, for many, many years we've been looking at these issues of what's pushing people, what's pulling people, and I feel—I'm very confident in the programs that we're working with that promote economic prosperity, reasons for people to stay, you know, in their countries.

Ecuador has, I think, something like 2 million immigrants in the United States, and probably many of them for many years. I think that in Ecuador, we should be looking at, you know, doing more in terms of again, working with the Government of Ecuador to reduce corruption, the themes that are, you know, corruption really hurts the everyday man or woman, their pocketbook. And to help people realize that it really is in all of our interest to fight against corruption, and any of the programs related to social justice, the same thing. These give people a reason to stay in their own countries,

and to build their institutions, and believe that they will have a better future for themselves and their children.

Senator DODD. Mr. Callahan.

Mr. CALLAHAN. Yes, Mr. Chairman, and as you and Senator Menendez talk about a holistic approach—and I think it's applicable here, as well—progress does come slowly. If we look—as you well know, because you've been following this as closely as any of us in the State Department for the last 25 years—there has been enormous progress in Latin America, not only in the return to democracy, but respect for human rights. Which we should acknowledge, and compliment the Central Americans and the Latin Americans for.

But, I agree with my colleagues talk about corruption. I think this is an enormous problem throughout Latin America and the only way to reduce it or eliminate it, is by encouraging the people who are governing the country to do so honestly and effectively, and I think a lot of our capacity-building, a lot of our money and training goes into that, exchanges can help. But, I think we have to accept that this will be as slow as was the return to democracy.

Mr. MCFARLAND. Mr. Chairman, in terms of Guatemala, I think that if we take a step back, and look at the accomplishments over the last, say, 20 years. Certainly peace, the return to democracy, putting the military back into what we would consider to be the traditional military role of not engage—not carrying out internal security missions, but rather defending borders—promoting free trade. A lot of the important items have been, have been done at least in part—to echo some of my colleagues—several of the missing parts, the parts where I think we really have to focus attention on, are transparency and rule of law and investing in health and education of the people.

I think to echo, again, something that some of my colleagues have said, it's important that we try to coordinate the significant U.S. donor efforts with other donors, with the countries involved. I think the private sector in each of these countries is also a potential benefactor of a better trained workforce, and a potential contributor, if you will, to grassroots programs.

Ultimately, I think that, you know, Latin Americans watch events in Venezuela and Cuba with interest, but I think those models have little direct relevance for them, it's hard to replicate them in other countries. That doesn't mean, though, that they will continue to support blindly their governments, if they perceive that they're not being fair, or they're, if they're behaving unjustly.

Senator DODD. Well, they're aspirational qualities, and I agree with you.

I'll just end on this note, but I spoke last week at the Naval Academy—they had the Forestall Lecture, and they asked me to come and talk about Latin America, and the point I want to make is, Latin America is right on the cusp, with this tremendous advance in democracy, which is no small achievement—it's really been remarkable what's happened. From one end of the continent to the next, with the obvious exception of Cuba, it hasn't been easy, it's gone through an awful lot to get there.

But, we're on the cusp of really breaking open, I think, all of these other issues. So, it's unlike other parts of the world which,

respectfully fall further behind in this effort—Latin America really is on the edge of breaking into a 21st century of achieving all the potential greatness that's capable in this hemisphere. So, this is really a critical moment, in my view, of getting this right. And if we do as Bob has suggested, and expanding this Merida proposal, really working on these other avenues that need to be exploited if we're going to make this program succeed, I think we have an opportunity to really have a big influence, and make a big difference in this hemisphere.

So, it's sitting there, now. You think of other parts of the world, and imagine they had achieved what had been achieved in Latin America, think of how much further along and more hopeful we might be about some of the potential changes.

So, it really is a time of optimism, in my view. With all of the problems out there, this is a time of optimism in Latin America.

So, I welcome your nominations. Any additional questions I have, I'll submit along—and obviously there are a ton of—I could think of just a load of questions I'd love to ask each and every one of you, but I'll restrain myself, and submit them to questions.

Bob, you had some additional?

Senator MENENDEZ. First of all, I appreciate your comments about—you know, one of our challenges is that even as we talk about the Millennium Challenge Account, that's a handful of countries that qualify. And the reality is, is that the one place in the world over the last several years that we have cut overall development assistance is Latin America and the Caribbean.

So, you know, I hope that the chairman will look at the bill that he has cosponsored with me, on the Social and Economic Development Fund for the Americas as part of a tool to try to see if we can reverse that trend, because I think sustainable development opportunities to make people eligible to be part of an MCC compact is equally as important, as well, and I would look at that.

I just have one or two quick questions, the rest I'll submit for the record.

Mr. McFarland, with reference to Guatemala, I'm glad to hear your comments about adoptions. I have a fair number of constituency cases that are going, respecting Guatemalan law, but seems to take forever and find difficulties, so we hope that if you are confirmed, you said it would be one of your priorities, and we look forward for that to actually take place and happen.

Mr. Callahan, let me ask you one thing—I am concerned about Iran's growing presence in Nicaragua. Particularly, Iran has pledged to invest in Nicaragua's ports, agricultural sector, energy network, Venezuela is cofinancing some of these, and I view this as part of a challenge that we have in somewhat of a vacuum that we need to be engaged in. How will you work to limit Iranian influence in Nicaragua if you are confirmed as the ambassador?

Mr. CALLAHAN. Thank you, Senator. Yes, we are all concerned, you are correct to be concerned, we are concerned. President Ortega has visited Iran, and President Ahmadinejad has visited Nicaragua. There have been a lot of promises made, the Iranians have established a diplomatic mission in Managua, we are monitoring it closely, but to date, we really haven't seen much of these promises

and the rhetoric that President Ahmadinejad had talked about when he was there.

But it is of great concern, it's something that we are looking at, and I can assure you that if I am confirmed, it will be a priority for me to keep my eye on this, and that the—we have to convey to the Nicaraguans that Iran is a state sponsor of terrorism, and that any kind of close relationship with them would have an effect on how we dealt with Nicaragua.

Senator MENENDEZ. They have a Millennium Challenge Account agreement?

Mr. CALLAHAN. They do, \$175 million over 5 years, yes, sir.

Senator MENENDEZ. Ambassador Hodges, one quick question—Ecuador's obviously been in the news, with Colombia, President of Ecuador said he's going to file a new complaint with the OAS. How do you see the circumstances, and what role do you think the United States should be playing—you would be playing as ambassador if, in fact, you were confirmed?

Ambassador HODGES. Well, sir, obviously we value our friendship with both Colombia, and with Ecuador, and with respect to the ongoing incidents or crises between, or the—in the relations between Colombia and Ecuador, we look to the OAS and its good offices to work with the two countries to see if we can come to a good resolution to these issues between them.

Now there are a couple of issues in the ICJ, and again, this is a matter for both of them.

No matter what, we—I recognize that both countries really need to be talking to one another, we need to—we all have regional interests there, the issues of narcotics trafficking in Colombia are, you know, very serious. We are fortunate that in Ecuador there is no coca cultivation, but that doesn't mean that they don't have to worry about the transportation of narcotics coming through Colombia, precursor chemicals and things like that.

So, it is really something that we all have to work on to get the two countries back together, and continuing their cooperation.

Senator MENENDEZ. And finally, Mr. Llorens, I don't have a question for you, but if, in fact, you are confirmed, there are some commercial transactions of U.S. citizens that I think have been dealt with unfairly along the way and we would want to pursue them with you when that opportunity comes, should you be at the post.

Mr. Chairman, I'll submit the rest of my questions for the record.

Senator DODD. Thank you very much, Senator, we'll do that, we thank all four of you, and wish you the very best. We'll try and move this along. Over the coming weeks, Senator Biden will schedule the appropriate timing for confirmation votes. I don't know when that will happen, but I'm sure we'll keep you posted and informed. I presume all of your paperwork and everything else has been complete, and there may be some additional questions that will come in, and we'll try to get them to you quickly, and urge you to respond to them quickly, as well, that would certainly move the process along.

I thank all four of you, for your service and for your responses today.

Let me invite the second panel to come up, sorry, I apologize, we sit on the banking committee together, too, so we do a little banking. [Laughter.]

I apologize.

Senator CORKER. I'm going to step out to another meeting, and I know that you all are in wonderful hands with the two Senators. I want you to know that's not out of any kind of disrespect—we are really, have wonderful, wonderful appointees coming before us right now, and I do hope there's a speedy confirmation, and I want you to know that I respect you very much.

But, with that, Mr. Chairman—

Senator DODD. Thank you.

Senator CORKER. Since you all already have me two to one, anyway, two to zip won't matter, so thank you. [Laughter.]

Senator DODD. Well, thank you all very much and welcome to the committee. You've been appropriately introduced, I guess, except for you, Ms. Stephenson.

Why don't we begin with you, Ms. Stephenson, I'll start with you. And welcome to the committee, and welcome again for your service.

**STATEMENT OF BARBARA J. STEPHENSON, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF PANAMA**

Ms. STEPHENSON. Thank you, Mr. Chairman. It's a great honor to appear before you today, as the President's nominee to serve as the next American Ambassador to Panama.

Mr. Chairman, throughout my career, I have appreciated the constructive role that you, personally, have played in achieving our foreign policy goals. First, when I was a young officer starting out in Panama, and then in El Salvador, and then more recently when I was Counsel General in Belfast, Northern Ireland, and you were on the right side of the issues over and over. So, I thank you.

Senator DODD. Thank you. Don't put your nomination in jeopardy, now. [Laughter.]

Ms. STEPHENSON. And I do look forward to working with you and the other members of the committee, and indeed, Congress, in general, if I'm confirmed as Ambassador to Panama.

I would like to take the opportunity that you've given us though, to introduce my family.

My husband, Matthew Furbush, served as our community liaison officer during our first Foreign Service assignment in Panama, about 20 years ago—a little more than that—when we were newlywed. And he's served with me at every single Foreign Service post since—six so far.

And our daughter, Claire, has also earned her Foreign Service stripes—six schools on four continents by the 9th grade. And she hopes to visit us in Panama when she's not studying at the University of Virginia.

And our little son, Brewster, who opted to go to elementary school today, hopes to earn some Foreign Service stripes of his own to compete with his sister, by joining us in Panama, as well.

Senator DODD. Welcome, delighted to have you here. And thank you for your service, as well.

Ms. STEPHENSON. It's the whole family.

Senator DODD. Good.

Ms. STEPHENSON. If confirmed as ambassador, I would be embarking on my fourth tour in the region. In addition to my first tour in Panama, I served in El Salvador during the final years of the civil war there, and more recently in Curacao as our Counsel General, leading a big interagency law enforcement effort, essentially.

As I prepare to return to the region, Mr. Chairman, I am struck by the dramatic positive changes that have taken place over the years. Instead of wrestling with how to get military governments to give way to democratic leadership, with the ravages of war, with devastating human rights abuses, we talk today, instead, about free trade agreements, about ensuring that the fruits of an expanding economy reach all of the citizens. About strengthening the various institutions that are vital to democracy, and about bolstering partnerships with these countries so that we can tackle hemispheric and even global challenges together.

I look forward, if confirmed, to drawing on the deep well of support for the United States—over 80 percent of Panamanians have a favorable image of us—to pursue this positive agenda.

Approval ratings this high are one of the greatest gifts any diplomat can be given. They mean that our voice counts, and that Panamanians who share our enthusiasm for achieving this agenda, from President Torrijos, to civic action groups, welcome us as partners.

But the Trade Promotion Agreement, if approved by Congress, would also be a very powerful tool. Because, beyond the Trade Promotion Agreement's benefits—trade benefits—for both of our countries, the agreement directly supports our broader goals for Panama, such as encouraging transparency and accountability, and seeking to ensure that all citizens, including the nearly 40 percent of Panamanians who continue to struggle in poverty, benefit from Panama's impressive economic growth and maturing democratic institutions.

As much as some things have changed beyond recognition, other things have remained constant, such as an ambassador's fundamental obligation to look out for fellow Americans abroad. If confirmed, I assure you that protecting Americans will be one of the top priorities of my embassy, and with over 25,000 Americans now living in Panama, this is a growing part of the embassy's work, and a task I've always taken very seriously.

Of course, geography remains destiny for Panama. As a vital crossroads for the movement of goods, people, and ideas, Panama is a third border for the United States. Two-thirds of the 14,000 ships that transit the Panama Canal each year are either coming from or going to United States ports. So, I recognize that protecting the Canal and Panama's core infrastructure is critical to the homeland security of the United States.

I would want to underscore here that the Panama Canal Authority, the Panamanian Government entity that's been in charge of running the Canal since the handover in 1999, has done a really impressive job of running it. And we're also really pleased to see that U.S. firms are getting a very fair shot at work on the ambitious multibillion dollar Canal Expansion Project.

Our shared history has allowed us to forge an effective and enduring partnership to increase the benefits of Panama's unique geography, while countering the threats that flow from it.

If confirmed, I look forward to leading a strong interagency effort to help Panama in its efforts to push back against the drug traffickers and the criminals who would exploit Panama's growing transportation hub for illegal ends.

Close cooperation with Panamanian law enforcement has already yielded some important successes—increased drug seizures, a more effective police force, and an enhanced capability to counter money laundering.

And the Merida Initiative, if it's approved by Congress, would also add considerably to these efforts, both in Panama and the region.

As Panama's democratic institutions mature—and I look forward to the 2009 elections—when Panamanians will once again go to the polls to bring about a democratic transfer of power—seems humdrum today, it did not awhile back, it's a miracle—and the country enjoys impressive economic growth, it was more than 11 percent last year—we recognize Panama's progress, and bright prospects for the future by thinking and speaking of Panama increasingly as a partner in the region.

We're pleased to see Panama taking a leader role, not only regionally like last summer, when Panama effectively hosted the OAS General Assembly, but also more, in global terms as exemplified by Panama's current work, as a member of the United Nations Security Council.

Mr. Chairman, it would be my great honor, if confirmed, to return to Panama as ambassador to build on this partnership, especially now at this profoundly promising moment in Panama's history.

Mr. Chairman, members of the committee, thank you again for granting me the honor of appearing before you, and I'd be happy to answer any questions you might have.

The prepared statement of Ms. Stephenson follows:|

PREPARED STATEMENT OF BARBARA J. STEPHENSON, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF PANAMA

It is a great honor to appear before you today as the President's nominee to serve as the next American Ambassador to Panama. Mr. Chairman, throughout my career, I have appreciated the constructive role you have played in achieving our foreign policy goal—first as a young officer in Central America and later as Consul General to Belfast—and I look forward to working with you and others members of this committee and indeed with Congress more generally if I am confirmed as Ambassador to Panama.

With your permission, Mr. Chairman, I would like to recognize my husband, Matthew Furbush. Matt served as our community liaison officer during our first Foreign Service assignment—in Panama—over 20 years ago when we were newlywed, and he has served with me at every overseas post since then—six so far. Our daughter Claire, who has also earned her Foreign Service stripes—six schools on four continents by 9th grade—hopes to visit us in Panama when she is not studying at the University of Virginia. Our son Brewster, who opted to go to elementary school today, hopes to earn some more Foreign Service stripes of his own by joining us in Panama.

If confirmed as ambassador, I will embark on my fourth tour in the region. In addition to Panama, I served in El Salvador during the final years of the civil war there and more recently in Curacao as our Consul General, heading a robust interagency counternarcotics effort, partly in support of Plan Colombia. As I prepare to

return to the region, I am struck by the dramatic, positive changes that have taken place over the years. Instead of wrestling with how to get military dictatorships to give way to democratic government, with the ravages of war, with devastating human rights abuses, we talk instead today about free trade agreements, about ensuring that the fruits of an expanding economy are shared by all citizens, about strengthening institutions vital to democracy, about bolstering our partnership to tackle hemispheric and indeed global problems together.

I look forward, if confirmed, to drawing on the deep well of support for the United States—over 80 percent of Panamanians have a favorable image of us—to pursue this positive agenda. Approval ratings this high are one of the most precious gifts any diplomat can be given. They mean that our voice counts and that Panamanians who share our enthusiasm for pursuing this positive agenda—from President Torrijos to civic action groups—welcome us as partners.

But the Trade Promotion Agreement, if approved by Congress, would also be a very powerful tool. Beyond the TPA's trade benefits for both countries, the agreement directly supports our broader goals for Panama—such as encouraging transparency, and seeking to ensure that all citizens, including the nearly 40 percent who continue to struggle in poverty, benefit from Panama's impressive economic growth and maturing democratic institutions.

As much as some things have changed beyond recognition, other things have remained constant—such as an ambassador's fundamental obligation to look out for fellow Americans abroad. If confirmed, I assure you that protecting American citizens will be a top priority of my embassy. With over 25,000 Americans now living in Panama, this is a growing part of the embassy's work, and a task I have always taken very seriously.

Of course, geography remains destiny for Panama. As a vital crossroads for the movement of people, goods, and ideas, Panama is a "third border" for the United States. Given that two-thirds of the 14,000 ships that transit the Panama Canal each year are bound for or coming from United States ports, I recognize that protecting the canal and Panama's core infrastructure is critical to the homeland security of the United States. I would want to underscore here that the Panama Canal Authority, which has been in charge of the canal since the handover at the end of 1999, has done an impressive job of running it, and we are very pleased to see that United States firms are getting a fair shot at work on the ambitious multibillion dollar canal expansion project.

Our shared history has allowed us to forge an effective and enduring partnership to increase the benefits of Panama's unique geography while countering the threats that flow from it. If confirmed, I look forward to leading a strong interagency effort to protect our homeland by helping Panama in its efforts to push back against drug traffickers and other criminals who would exploit Panama's growing transportation hub for illegal ends. Close cooperation with Panama in law enforcement and security has already yielded many successes, including increased narcotics seizures, a more effective police force, and enhanced ability to combat money laundering. The Merida Initiative, if approved by Congress, would add considerably to our efforts both in Panama and the region.

As Panama's democratic institutions mature—and I look forward to the 2009 Presidential elections, when Panamanians will once again go to the polls to bring about a democratic transfer of power—and the country enjoys enviable economic growth—more than 11 percent last year—we recognize its progress and bright prospects for the future by thinking and speaking of Panama increasingly as a partner in the region. We are pleased to see Panama taking a leadership role, not only regionally (such as last summer, when Panama effectively hosted the OAS General Assembly) but also globally, as exemplified by Panama's current work as a member of the U.N. Security Council. It would be my great honor, if confirmed, to return to Panama as ambassador to build on this partnership, particularly now, at this profoundly promising moment in Panama's history.

Mr. Chairman, members of the committee, thank you again for granting me the honor of appearing before you today. I would be happy to answer any questions you may have.

Senator DODD. Well, thank you very, very much. And we thank you, as well as the previous nominees, for your wonderful service to the country—and that of your family. We don't often recognize the family's contribution but thank you immensely for that great work.

Ms. STEPHENSON. Thank you, Mr. Chairman.



Senator DODD. Well, since we'll stay in the region, here, we'll go north in a minute Mr. Speck, but if you don't mind I'll turn to a fellow New Englander.

And I've got to tell you one quick story, Mr. Cianchette. You'll know the individual, I think he's a majority leader in the State Senate in Maine—Brennan, is that his last name? Or was the President Pro Tem, I forget what office he holds—

Mr. CIANCHETTE. Assistant leader.

Senator DODD. Assistant leader. I'll just tell you a wonderful story—he introduced me back a number of months ago in an event in Maine, and he told me a wonderful story—his grandmother is from a little island off of the West Coast of Ireland, which just so happens, about 15 years ago, I bought a little house on this island off the West coast—about 20 people live on the island. And Senator Brennan went back to see the site where his grandmother had left in 1911, and there's one individual on the island, Paddy Folan, who's 94 years old, born on the island, and a great character. And he showed Mr. Brennan, Senator Brennan and his family, around the island where I have this little cottage, and he turned to Senator Brennan and he said, "And what do you do in the United States?" and Mr. Brennan said, "Well, I'm a Senator." And Paddy Folan said, "Wow," he said, "the island's overloaded with them." [Laughter.]

So, I couldn't resist when I saw you're from Maine.

Mr. CIANCHETTE. I'll be sure to tell him that you—

Senator DODD. Please do.

Mr. CIANCHETTE [continuing]. Recanted that story this afternoon.

**STATEMENT OF PETER E. CIANCHETTE, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF COSTA RICA**

Mr. CIANCHETTE. Senator Dodd, Senator Menendez, other members of the committee thank you for granting me this opportunity to appear before this august body. I am honored and I'm humbled to be here as President Bush's nominee to be the United States Ambassador to Costa Rica. I'm grateful to the President and to Secretary Rice for their confidence and their trust in sending my name to the Senate for your consideration.

I'm further humbled by the comments during the introductory remarks by your colleagues and my beloved Senators, Senators Snowe and Collins. I agree with you that they set the bar fairly high for me in their introductory remarks, and I will always do my best never to disappoint them, nor this institution.

With the committee's indulgence I, too, would like to introduce my family. I have with me my wife of nearly 22 years, Carolyn. We have our children, Evan, who is 16, our daughter, Maria, who is 14. My family is very excited about the prospect of living and serving in Costa Rica along with me, and they've been very supportive as we've contemplated this major transition.

I'd also like to introduce my parents, Bud and Priscilla Cianchette, and they probably prefer I don't give their ages, as well as my brother, Earl, and my nephew, Dave Toomey.

Would you all—

Senator DODD. We've got the whole gang here, why don't you—

Mr. CIANCHETTE. They're all right here.

Senator DODD. All right here—why don't you all raise your hands so we can see which of you—there you go, all right, right in the front row. Welcome, all of you. Nice to have you with us.

Mr. CIANCHETTE. I might add that my nephew, Dave Toomey, works over at the EPA and he's taking the afternoon off to be here. So, I'm grateful for that. I may have to slip him a few bucks to make up for his lost compensation.

Mr. Chairman, I'm truly honored by this potential opportunity to serve in Costa Rica, and if I'm confirmed, I believe my extensive business and public service experience will help me strengthen our relationship with this important regional ally.

My service in the Maine State legislature gave me valuable experience that I'm confident will be useful if I am confirmed. Legislative work, as you know, requires the ability to demonstrate leadership and build consensus. An effective legislator listens to the citizens he serves, responds to their concerns, as well as those of his colleagues and the other stakeholders, in any particular policy initiative.

Everything I've learned suggests that an effective ambassador must lead the embassy, staff, and country, but build consensus as a team player within the interagency community, so that all U.S. equities are well-represented.

In business, as in public service and diplomacy, the ability to connect with people is essential. My experience as an executive with a Spanish-owned manufacturing company has prepared me well to take advantage of the opportunities presented by working in a different cultural context. Indeed, decades of work with people at all levels in business, public service, and civic organizations, have taught me that one sure way to connect with someone is to tap into their aspirations.

And Costa Rica is a nation of great aspirations. With its rich tradition of individualism and democracy, this staunch U.S. ally is a model for other countries in the region, in several respects.

A bastion of stability in an often troubled region, Costa Rica abolished its military in 1948 to channel investments into social services such as health care and education. Costa Rica has progressively preserved its abundant national resources. Last year, the poverty rate fell to a 30-year low, a historic achievement.

However, at this critical moment, Costa Rica faces new challenges. Costa Rica, the United States and other countries in the region face shared security threats from human and drug traffickers, terrorists, and other criminals.

In 2006, a greater amount of illicit narcotics was interdicted in Costa Rica than any other country in Central America with the exception of Panama. Costa Rica is grappling with domestic crime on an unprecedented scale.

Fortunately, we have a willing partner in the Arias administration that seeks for Costa Rica to play an important and pivotal role in the integrated regional response to these threats. If the President's Merida Initiative is approved, Costa Rica's law enforcement personnel would receive training and equipment to improve their ability to disrupt drug traffic, and to combat crime.

Security concerns already affect hundreds of thousands of United States citizens who visit and reside in Costa Rica each year. If con-

firmed, I would have no greater priority than protecting American citizens. Having traveled and conducted business abroad, I understand what a tremendous resource the U.S. Embassy can be, whether it's for replacing a lost or stolen passport, or communicating lifesaving information during a natural disaster.

From among other issues, if I'm confirmed, I will do my utmost to help Costa Rica become a full partner in the Central America-Dominican Republic-United States Free Trade Agreement. The United States has a vibrant trade relationship with Costa Rica that is likely to make the Costa Ricans the biggest beneficiary of the free trade in this region, once this agreement is fully implemented.

From 2005 to 2006, trade between Costa Rica and the United States rose by almost 14 percent. Having long enjoyed access to our markets through the Caribbean Basin Initiative, Costa Rica is now ready for CAFTA. President Arias' leadership on this issue has been impressive, and if confirmed, I will use my professional experience to foster stronger trade, tourism, and investment ties between our two nations.

Mr. Chairman, Senator Menendez, members of the committee, I truly appreciate the opportunity to be before you today, and I would be grateful for your support in this nomination process.

Thank you.

[The prepared statement of Mr. Cianchette follows:]

PREPARED STATEMENT OF PETER E. CIANCHETTE, NOMINEE TO BE  
AMBASSADOR TO THE REPUBLIC OF COSTA RICA

Thank you, Mr. Chairman and members of the committee, for granting me the opportunity to appear before this august body.

I am honored and humbled to be here as President Bush's nominee to be the United States Ambassador to Costa Rica. I am grateful to the President and Secretary Rice for their confidence and trust in sending my name to the Senate for your consideration.

With the committee's indulgence, I would like to introduce my wife of nearly 22 years, Carolyn, who is here with me today, along with my son, Evan, and my daughter, Maria. My family is excited about the prospect of serving in Costa Rica and has been extremely supportive when contemplating the possibility of this major transition. Also with us today are my parents, Bud and Priscilla Cianchette.

Mr. Chairman, I am truly honored by this potential opportunity to serve in Costa Rica. If confirmed, I believe my extensive public service and business experience would help me to strengthen our relationship with this important regional ally.

My service in the Maine state legislature gave me valuable experience that I believe will be useful if I am confirmed. Legislative work requires the ability to demonstrate leadership and build consensus. An effective legislator listens to the citizens he serves and responds to their concerns, as well as those of colleagues and the many other stakeholders in any particular policy. Everything I've learned suggests that an effective ambassador must lead the embassy staff in the country, but build consensus as a team player within the interagency community so that all U.S. equities are represented.

In business, as in public service and diplomacy, the ability to connect with people is essential. My experience as an executive with a Spanish-owned manufacturing company has prepared me well to take advantage of the opportunities presented by working in a different cultural context. Indeed, decades of work with people at all different levels in business, public service, and civic organizations have taught me that the one sure way to connect with someone is to tap into aspirations.

And Costa Rica is a nation of great aspirations. With its rich tradition of individualism and democracy, this staunch U.S. ally is a model for other countries in the region in several respects. A bastion of stability in an often-troubled region, Costa Rica abolished its military in 1948 to channel investment into social services such as healthcare and education. Costa Rica has progressively preserved its abundant natural resources. Last year, the poverty rate fell to a 30-year low, a historic achievement. However, at this critical juncture Costa Rica faces new challenges.

Costa Rica, the United States, and other countries in the region face shared security threats from human and drug traffickers, terrorists, and other criminals. In 2006, a greater amount of illicit narcotics was interdicted in Costa Rica than any other country in Central America except Panama. Costa Rica is grappling with domestic crime on an unprecedented scale. Fortunately, we have a willing partner in the Arias administration that seeks for Costa Rica to play a pivotal role in an integrated regional response to these threats. If the President's Merida Initiative is approved, Costa Rica's law enforcement personnel will receive training and equipment to improve their ability to interdict drug traffic and combat crime.

Security concerns already affect the hundreds of thousands of U.S. citizens who visit and reside in Costa Rica each year. If confirmed, I would have no greater priority than protecting American citizens. Having traveled and conducted business abroad, I understand what a tremendous resource a U.S. embassy can be, whether for replacing a lost passport or communicating lifesaving information during a natural disaster.

From among other issues, if confirmed, I would do my utmost to help Costa Rica become a full partner of the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR). The United States has a vibrant trade relationship with Costa Rica that is likely to make Costa Ricans the biggest beneficiaries of free trade in the region once the agreement is fully implemented. From 2005 to 2006, trade between Costa Rica and the United States rose by almost 14 percent. Having long enjoyed access to our market through the Caribbean Basin Initiative (CBI), Costa Rica is now ready for CAFTA-DR.

President Arias' leadership on this issue has been impressive. If confirmed, I will use my professional experience to foster stronger trade, tourism, and investment ties between our two nations.

Thank you, Mr. Chairman, and members of the committee, for the privilege of appearing before you. I would be pleased to answer any questions you may have.

Senator DODD. Thank you very much, we appreciate that.

Mr. Speck, thank you. Thank you for joining us.

**STATEMENT OF SAMUEL W. SPECK, NOMINEE TO BE COMMISSIONER ON THE PART OF THE UNITED STATES ON THE INTERNATIONAL JOINT COMMISSION, UNITED STATES AND CANADA**

Mr. SPECK. Thank you, Mr. Chairman, and members of the committee. I'm honored to also have the opportunity to appear before you, and grateful for the trust that the President placed in me by nominating me to serve on the International Joint Commission.

I have a special request, however, for this committee, and that is, I didn't have an appreciation that families were also invited, and I would greatly appreciate that my wife does not learn of that opportunity, as well as the rest of the family. [Laughter.]

Senator DODD. You've got some diplomatic work to do. [Laughter.]

Mr. SPECK. Yes.

The United States and Canada share a stewardship over the largest concentration of fresh surface water on this planet. Americans and Canadians share a vital interest in the effective management of our shared water resources at the border. And despite some occasional, localized disputes, the degree of cooperation between the United States and Canada in managing transboundary environmental concerns, remains unprecedented in the world.

If confirmed, I would bring to the position of IJC Commissioner significant—and I believe—successful experience in State and Federal Government, and in higher education, and a strong background in resolving boundary water issues.

My educational/professional background includes—as Senator Voinovich mentioned—Master's and Doctorate degrees in govern-

ment, extensive college teaching, 13 years of experience as a State Representative and as a Senator in the Ohio legislature, where I specialized in natural resources issues, including chairing the Senator Natural Resources Committee, and appointment as the Federal Emergency Management Agency's associate Director for State and Local Programs and Support, which included responsibility for some natural resources issues like flood plain management and preparation for dealing with natural resources disasters.

I also served as the President of Muskingum College for some 11 years, and of course that was John Glenn's alma mater, so you know it had to be a good institution.

Most recently, I served as Director of the Ohio Department of Natural Resources, and at present, am involved in natural resources consulting, and on a number of boards, including Ohio State Nature Conservancy board, and Audubon board, and on International Joint Commission's International Upper Great Lakes Studies Public Information Advisory Committee—or group, I should say—known as a PIAG.

During my tenure as Director of Ohio's Department of Natural Resources, I was an active member and chair of the Lake Erie Commission, the Great Lakes Commission, which also included representatives of the Great Lakes Provinces—essentially Quebec and Ontario—the Ohio Water Resource Council.

In 2004, I was one of three State officials in the United States to receive the National Governor's Association's Annual Award for distinguished service in State government, and I think that was related primarily to my work in water resources issues, including perhaps my most important experience as it relates to the position before you, in that I served over 4 years as chair of the Council of Great Lakes Governors and Premiers Water Management Working Group, which developed the Great Lakes-St. Lawrence River Basin Water Resources Compact, and the Great Lakes-St. Lawrence River Basin Sustainable Water Resources Agreement.

And, in part these were stimulated by the encouragement Congress gave in WERTA, and particularly, WERTA 2000, in urging the States to work together, and the Canadian Provinces alike, to try to develop a more effective management of the waters of the Great Lakes to protect that resource for the future. And during our development of those agreements, we received helpful guidance from the International Joint Commission.

In December of 2005, the Ten-Party Agreement was signed by the Great Lakes governors and premiers, and the compact was endorsed by the governors and sent on to the State legislatures. The compact and agreement represent an unprecedented commitment to preserve and protect the world's largest single source of fresh water.

And I'm pleased to report to you, that as of March 2008, four of the State legislatures have enacted the compact. The legislation is pending in the other four, three of which have passed it in one of the two houses in their respective States. So, I hope that the compact is something that will soon be ready to be presented to Congress for its consent.

The commission is uniquely positioned to assist the United States with cooperatively addressing a number of continuing and

emerging challenges that exist along the boundary, including responding to the change in demographics and water use and water levels and supply conditions along the border, reducing the threats to human and ecosystem health from toxic substances, encouraging the development of watershed boards that will build cooperative relationships among local stakeholders, like the one recently developed, indeed the first, up in the St. Croix area, between the State of Maine and Canada.

With that, Mr. Chairman, members of the committee, I would be glad to answer any questions you might have, either now or in writing.

[The prepared statement of Mr. Speck follows:]

PREPARED STATEMENT OF SAMUEL W. SPECK, NOMINEE TO BE A COMMISSIONER ON THE PART OF THE UNITED STATES ON THE INTERNATIONAL JOINT COMMISSION, UNITED STATES AND CANADA

Mr. Chairman and members of the committee, I am honored to appear before you today and grateful for the trust placed in me by the President in nominating me to serve on the International Joint Commission.

The United States and Canada share stewardship over the largest concentration of fresh surface water on the planet. Americans and Canadians share a vital interest in the effective management of our shared water resources at the border. Despite occasional localized disputes, the degree of cooperation between the United States and Canada in managing transboundary environmental concerns remains unprecedented in the world. For almost 100 years, the Boundary Waters Treaty of 1909 has guided our two countries in developing shared water resources for domestic supply, navigation, hydroelectric power, and irrigation in an amicable and mutually beneficial manner. It also provides a framework for preventing and resolving disputes over water quantity and quality issues. The International Joint Commission (IJC) plays a pivotal role in giving impartial science-based advice to assist our countries in attaining the goals of the Treaty.

If confirmed, I would bring to the position of IJC commissioner significant and successful leadership experience in State and Federal Government and higher education and a strong background in resolving boundary waters issues. My educational and professional background includes earned masters and doctoral degrees in government (Harvard University), extensive college teaching, 13 years of service as an Ohio State representative and Senator where I specialized in natural resources issues, appointment as the Federal Emergency Management Agency's Associate Director for State and Local Programs and Support (1983-1986), and President of Muskingum College (1987-1999) during which time the college cut tuition by \$4,000. Most recently I served as Director of the Ohio Department of Natural Resources (1999-2007). At present, I am involved in natural resources consulting and serving on a number of nonprofit boards (including the Ohio Nature Conservancy and Audubon boards) and on the International Joint Commission's International Upper Great Lakes Study's Public Information Advisory Group (PIAG).

During my tenure as Ohio's Director of Natural Resources, I served on the Ohio Lake Erie Commission (member and chair), Great Lakes Commission (member and chair), and Ohio Water Resources Council (member and chair). In 2004, I was one of three state officials in the United States to receive the National Governors Association's annual award for Distinguished Service in State Government.

Perhaps most significant, I served for over 4 years as the chair of the Council of Great Lakes Governors and Premiers Water Management Working Group which developed the Great Lakes-St. Lawrence River Basin Water Resources Compact and the Great Lakes-St. Lawrence River Basin Sustainable Water Resources Agreement. In December 2005, the agreement was signed by Great Lakes Governors and Premiers and the compact was endorsed by Great Lakes Governors. The compact and agreement represent an unprecedented commitment to preserve and protect the world's largest single source of fresh water. I am happy to report that as of March 2008, four of the eight Great Lakes States have enacted the compact and legislative action is pending in four others. I hope that the compact will soon be ready to be presented to Congress for its consent.

The International Joint Commission has had a long history of carrying out the scientific work and consultations that provided the basis for approving the development of hydroelectric power along the border and providing advice to governments

in defining transboundary water quality objectives and managing shared water resources.

In addition, the commission is uniquely positioned to assist the United States with cooperatively addressing a number of emerging challenges that exist along the boundary. These include:

- Responding to changing demographics, water use, and water levels and supply conditions on the border;
- Reducing the threats to human and ecosystem health from toxic substances; and
- Encouraging development of watershed boards that will build cooperative relationships among local stakeholders on both sides of the border and foster a sense of shared responsibility for the health of the watershed.

If confirmed by the Senate, I look forward continuing communication with appropriate executive branch agencies and with the Congress to help maintain the strong and productive relationship with Canada that is so important to our country and the shared water resources upon we depend.

I look forward to answering any questions that you might have for me.

Senator DODD. Well, thank you very, very much. I appreciate that.

We've been joined by Senator Feingold, from Wisconsin, thank you Senator for being with us.

I'll just ask a couple of questions of you, and then I'll quickly turn to my colleagues and have them raise any other issues that they're interested in.

Ms. Stephenson, let me ask you about the plans on the Panama Canal. This was a remarkable event, I happened to be there in nineteen—I'm trying to think what year it was, now, we celebrated—I think it was 1979, and then 1989, it was the 10th anniversary that I went down to celebrate that anniversary, and I was very impressed at how things were working.

At that time, obviously, a very controversial issue, and it was before I arrived in the Senate, but that was about as heated a debate in the country and where you stood—and people like Howard Baker, Paul Sarbanes, who played a critical role in that issue—and a lot of people, Barry Goldwater, people like John Wayne, I recall, people have forgotten some of the people who were heroic in that effort, and the importance of that conclusion.

But I know there's some talk about plans for expanding the canal, and the like. Do you want to share with us what you know about that?

Ms. STEPHENSON. Yes, sir. It's good to have someone who remembers just how controversial that was. Because I certainly—when I arrived in Panama—the feelings about that were still very raw and bubbling near the surface, I mean certainly with, here on the Senate.

And I think both sides feel really good about the way that it's unfolded. The handover happened in 1999, so the Panama Canal Authority runs the canal. Revenues are up, accidents in canal waters are down, transit times have been shortened—so really, by every measure, the canal is being run efficiently and effectively, and it's a source of pride for Panamanians, and it's an excellent source of transit for us.

Panamanians had a referendum in 2007, and decided yes, indeed, they would expand the canal. So, it would add a third set of locks, and the work will go on for about the next 10 years. The budget right now is about \$5 billion—you will remember that are

ships that are actually built called Panamax which are, you know, big boxy ships that just slide through those locks. The third set of locks would be bigger, so that you could actually have, not only more traffic going through, but you could take through ships that are bigger than those specifications.

So, it's broken into a number of phases, some U.S. companies have already won portions of it, CH2M Hill won the project management contract, an American law firm won the legal advice contract, and there's a design-build contract that's going out also—some U.S. companies are part of some of the bids that are there for that.

I was reading a piece in the Spanish press, the Spanish-language press, boning up on my Spanish, and see that the Canal Expansion Project won a big award in Verona, Italy, for sort of the best civil engineering going forth this year, so it's a source of real pride.

And I think the concerns we've had that were very present in the 1977 debate about whether our interests could be preserved if we handed it over to Panama, I think it's another thing to look back on with a real sense of pride, is that our ships still transit it, we're still by far the biggest user. But it runs very well, and it's a source of great pride for Panama, too.

So, I think it's one of those where we can all look back on it, and feel very good about having done the right thing.

Senator DODD. Yeah. It's a remarkable history.

I was in London about a month ago, and I love maps. I went to an old map store and I found an old map, an 1850 map of Panama, that identified the potential sources of a canal, drawn onto the map, including the one that's the Panama Canal, but also the San Juan River going to Lake Managua—

Ms. STEPHENSON. Right, remember?

Senator DODD [continuing]. Which was the earlier idea that the Vanderbilts were promoting at that time.

Ms. STEPHENSON. Right.

Senator DODD. So, it's a wonderful little piece of history to know that 50 years before any of this started, there were people already moving in that direction.

On Costa Rica, you know, and I was thinking, in a way, you've got Torrijos in Panama, you've got Oscar Arias in Costa Rica, you've got Dan Ortega in Nicaragua—

[Laughter.]

Senator DODD [continuing]. You've got the Bushes in the White House—

[Laughter.]

Senator DODD. I mean, I'll tell you, sort of, nothing's changed a lot in terms of names around the region.

Oscar Arias is someone that all of us have worked with over the years in various points, and explain a little bit about how this is working you're optimistic in your statement about how the CAFTA agreement is working in Costa Rica. It was a major election item for Oscar Arias in his campaign, he survived, and won the election. And it's the process of ratifying and implementing CAFTA, but it's clear the public remains divided on this issue, still, I think is reports say that we get out of Costa Rica. But you seem to indicate otherwise. It is divided, or not? How is this going?



Mr. CIANCHETTE. Well, Senator, certainly that was a very close election. As you most likely well know, there was a public referendum, a country-wide referendum on CAFTA. It was ratified, it was narrowly passed, but yet now enjoys a greater level of support than when it did, when it went out for that referendum in last fall, in October of 2007.

I think at this—there's been much discussion around the country, certainly a referendum of that nature causes lots of people to be educated, and discussion, and I really believe that from everything that I've learned, and the intense research I've been doing the last couple of months, that Costa Ricans understand, by and large, that they've been given a unique opportunity to partner with other allies, or with other countries in the region, and most importantly with the United States and this is—truly presents them with a unique opportunity.

So, I believe that the support for this agreement has increased, and certainly the President, President Arias, has been steadfast in his support, and his belief that it is in the best interest of his country. And he's continued to work with the assembly, they've made great progress, as you may know, they did receive an extension to enter into the agreement fully—had the ratification, but now it's required that they have a number of modifications to their laws and regulations to fully implement.

They're making very good progress on that. I believe that that will happen, and if I am confirmed, and fortunate enough to serve there, I will continue to work with the President and other stakeholders to make certain that they understand that this is a last, best chance, if you will, for them to join this unique opportunity, and I believe they will, and I will lend whatever support I can to that.

Senator DODD. Well, thank you very, very much.

I've got a couple of questions for you, Mr. Speck, but I want to respect my colleagues' presence here and their time constraints, and I know Senator Feingold probably has some strong questions.

But I understand, Bob, you've got about 10 minutes before you've got to be at another meeting, if you have any questions here, and then we'll jump to Russ.

I'm going to step out for one second, just excuse me, I'll be in the back room, here, so Russ, take over.

Senator FEINGOLD [presiding]. Thanks, Mr. Chairman. I won't ask for unanimous consent for anything while you're gone. [Laughter.]

Senator MENENDEZ. Again, congratulations to all of you on your nominations, and Mr. Speck, I won't say anything to your wife, but I'm not sure today's proceedings are on C-Span or not, and hopefully she's not watching if that's the case, so—

[Laughter.]

Senator MENENDEZ. So, let me—Mr. Cianchette, I appreciated our two colleagues introduction of you, and your own statement, and you come from a bit of a different background than some of the other nominees, so you'll—I hope you'll understand the nature of my questions, in that respect.

Have you traveled to Costa Rica?

Mr. CIANCHETTE. Sir, I have not, to date.

Senator MENENDEZ. How—what is your depth of your command of Spanish—I know you said you worked with a Spanish-related company—what is the depth of your command of Spanish?

Mr. CIANCHETTE. Well, during the mid-1980s, I worked for a company based from Madrid, Spain, and I traveled often to board meetings, and conduct—other opportunities to conduct business with them—and tour around Spain. And during that time, I completed a total immersion course in Spanish, and became—what I felt was—very comfortable with business and social discussions, and able to communicate, both verbally and to understand what's being discussed in Spanish.

I will admit, sir, that my—I haven't had many opportunities to work with my language in the last—in the Spanish language—in the last years, and I have engaged actively with the FSI in distance-learning programs and others, I will avail myself to boost my knowledge of the language and to regain much of the ability that I had during the time when I worked for this international company.

Senator MENENDEZ. You know, an ambassador has a lot of skill sets that are involved here. Certainly, language is always very helpful, customs—an understanding of customs—a sense of the politics of the country, a sense of strategy within the country. I—could you give me a sense of the experiences that you've had, how you believe that some of those skill sets that you've had—will help you in this regard?

Mr. CIANCHETTE. Sir, thank you for your question, and I understand the nature of this. I will address that in a number of different ways.

One, is to say very clearly that since receiving the nomination, and having it been sent forth to you all for consideration, I have devoted my time to understanding Costa Rica, its history, its culture, and its current issues, and sort of political climate, as well as other geo-political issues. So, I have spent a great deal of time, so that I can be fully learned about those issues.

I have sought the counsel of the three most recent ambassadors to Costa Rica. One happens to be Chairman Dodd's brother, who I had the great opportunity to make his acquaintance last week, and I have sought their counsel from each of those.

So that's really what I've done to fully immerse myself, and understand the issues that would confront me if I am confirmed.

Again, I would underscore my work with an international company based in Madrid, Spain, in other years where I—in order to really, fully understand their issues and their philosophy, as we were business associates—I really needed to understand their cultural, things in their cultural context, and pride myself on the ability to have done that in the past, so that I could be fully engaged in a productive way with them.

Senator MENENDEZ. One last question, on the question of drug interdiction in Costa Rica—it's going to be a significant part of our efforts, here—I heard what you said about Merida, which all of you have said, to the extent that those previous panelists were involved, as well. But, what do you believe is the extent of the United States cooperation with Costa Rica in terms of the whole narcotics

interdiction effort? And what role do you see yourself playing if you were to be ultimately confirmed?

Mr. CIANCHIETTE. Sir, I think we can point to a great deal of success that the United States and Costa Rica has had recently, working collaboratively. There was a bilateral maritime agreement that's been in force and been in place, that gave us great cooperation, with great success in interdicting drugs. Again, as we've said, we've had more cocaine seized in Costa Rica—or they have had more cocaine seized in Costa Rica—than anywhere else in the region, with the exception of Panama.

Their—our opportunities to work with their law enforcement organizations, their security personnel, their Coast Guard, if you will, those institutions and those organizations to make sure they are highly effective, I believe, has been successful.

Furthermore, I believe that the willingness that we have from the Costa Rican—the interest in our support, in our aid, in our assistance—in training their personnel and building their capacity is a very positive sign. And that we've been cooperating with them, and that they're a willing partner, we can contribute—excuse me, we can build stronger capacity—and that we will continue to have successes, and that's why the initiatives, such as the Merida Initiative—and I understand you are all still contemplating that—but the components, or similar components, that underlie that program, I think can help us continue to have those types of successes so that we can disrupt the flow of drugs coming into Costa Rica, and ultimately, hopefully, prevent them from also coming into the United States.

Senator MENENDEZ. All right.

Finally, Ms. Stephenson, let me ask you, we have put nearly \$4 million toward Panama in the International Narcotics and Law Enforcement Assistance component for Panama. I wonder if you have a view as to whether or not the way we presently have it structured—do you think that is the best way we can engage with Panama?

And second, can you give me a sense of what you think the banking situation is in Panama as it relates to money laundering?

Ms. STEPHENSON. Yes, Senator Menendez, certainly I'll have a much better feel once I'm actually, if I'm confirmed, I'm in Panama, but I have had extensive consultations with the Department of Justice, and the various components of the law enforcement team leading up to this, and I'm pretty happy with this.

There are things like the vetted units, are a key component, the fingerprint system has been flagged for me by senior Justice officials as kind of if there's, "the one thing I could do, this is what I would do." So, even in the Pillar 1 part, which is the part that's more hard-core counternarcotics, even in there, I think it's, we've placed it on the things that really do pay the big dividends.

And the other component of it is an information sharing capability, so I think that that's—I think it's quite good.

I really agree with what you say about the importance of a holistic approach and of the institution-building. It's slow work, it's hard for us to measure institution-building, you know, on a year-by-year basis and so I think that that sometimes leads us to question whether it's working, when you look back you see that it did.

The other thing, though, about institution-building is sometimes it's not as expensive as some of the other things. And so, even though it's a core part of it, measuring it by the dollars that go into it is only one of the indicators of its relative importance. And I welcome you insisting that we have a holistic approach, and that we build the institutions, but I do flag that the kind of institution-building you're doing—training just doesn't cost as much as equipment does, it's just less expensive.

I'm happy with this, I have to say, if I had the chance to write it, it wouldn't look very different than this. I am happy that the amounts we've requested for 2009 are considerably greater. My experience over the years has been that when you go in that first year, you've got the political will—the Central Americans have asked for help in this. You go in, your initial aid money really does allow you to scope the problem, and explore the system and see where the weaknesses are, and then it allows you to spend larger amounts of money in the following years in a much more targeted and effective way.

So, I have to say, I'm very pleased with this, and I'm pleased with the political will the Central Americans showed. I'm also really pleased with the amount of inter-agency cooperation that has been generated in Washington, in the effort to put this together. Because when we pull together with the strategy, we get much better results than when we work competitively.

Senator MENENDEZ. And money laundering?

Ms. STEPHENSON. Money laundering—it's a sophisticated financial system. You know, it's situated right there where the drugs are flowing up, and Colombia is right below it. I think that unmistakably there is—there is some black market peso exchange activity that is going on there. We work closely with the Panamanians, like with the Caribbean Financial Action Task Force, to strengthen the systems that fight it, but it is something that I want to get—I want to work on when I'm down there. It was a huge problem when I was there 20 years ago. I asked this with—at every level of my consultations, and to be honest, I got varying views. With some agencies feeling like it was really looking awfully good, and others worried that perhaps it wasn't as good as it looked.

So, I want to get a good assessment of just what's going on, and where we can strengthen the systems to discourage it. But Panama is going to be a vulnerability, because of its geography, and because of a very robust banking sector.

Senator MENENDEZ. Well, I appreciate you recognizing that, I thank my colleague from Wisconsin.

Ms. STEPHENSON. Thank you, sir.

Senator FEINGOLD. Thank you, Senator Menendez.

And I thank the chairman and the ranking member for holding this hearing, I congratulate all of you on your nominations. I'd like to first make some brief remarks and then I do have a few specific questions for Samuel Speck.

Mr. Speck is nominated to be a Commissioner representing the United States on the International Joint Commission. The IJC plays an important role in the management of the Great Lakes and preventing water disputes between Canada and the United States.

Every year I hold town meetings or listening sessions in each of Wisconsin's counties, and last year I heard from many concerned Wisconsinites about the near-record low lake levels in both Lake Superior and Michigan. As anyone who has ever visited the Badger State knows, those lakes are near and dear to all Wisconsinites. Studies of water levels in the Great Lakes suggest that both man-made changes, and abnormal weather conditions may be contributing to the falling levels.

In September, I was joined by several other Great Lakes Senators in urging the IJC to expedite both its study of potential erosion in the St. Claire River, and its updating of the regulatory plan for Lake Superior's water level and its outflow. I greatly appreciate the IJC's attention to this request, and its announcement last October that part of the study—which is looking into the St. Claire River—would be expedited by a full year.

The IJC's International Upper Great Lakes Study is also looking at updating its 1979 plan for Lake Superior, to determine if its regulation of the lake's outflows can be improved to take into consideration changing interests, and the impact of climate change and other factors on Great Lakes water levels.

The Great Lakes undoubtedly require our continued commitment if they are to remain a vibrant economic and environmental resource for Wisconsin, the Mid-West and the entire nation.

Mr. Speck, I thank you for joining us today, and again, I congratulate you on your nomination. Given your natural resources background, I'm confident you have a strong grasp of the importance of the Great Lakes ecosystem. I know you've been involved in the International Upper Great Lakes Study, and to your knowledge, let me ask you, is the IJC still on schedule, and will you—as a commissioner—commit to meeting the expedited February 2009 deadline for the St. Claire River Study?

Mr. SPECK. I share your concern, and as I think is reflected on my agreeing to serve on that PIAG. To the best of my knowledge, it is on course, it is being given priority, as it was reprioritized.

The issues that you mentioned are proving to be very complex issues, as you look at what has been causing the drop in the waters of both Lake Ontario—I don't mean Lake Ontario, that's the lower Great Lakes study—in Huron and Michigan. And we want to make certain that we bring—as one of the main contributions of the IJC—the best science for making decisions, and have our arms around all of the factors that may have been causing that drop, which perhaps was masked by that higher water period a few years ago, and we didn't recognize it maybe as quickly as it should have been recognized.

But yes, we—that's critical, it has been reprioritized, and we are moving ahead—indeed we are holding public hearings throughout the area, we're commencing some at the end of this month.

Senator FEINGOLD. Well, will you commit to meeting the expedited February 2009 deadline?

Mr. SPECK. Certainly, we'll make every effort to do that.

Senator FEINGOLD. I hope so. Is the IJC planning to make recommendations to the U.S. Congress about necessary actions, such as potentially having the Corps of Engineers finish its environ-

mental mitigation work from several decades ago on the St. Claire River?

Mr. SPECK. I would, you know, Senator Feingold, and members of the committee, the IJC is sort of a strange organization, in that it is binational and the role of the IJC is to make recommendations to the Federal Government and the same goes with Canada. And we would certainly be coming back to do that, because it will be—Congress will likely have a critical role in the future there.

Senator FEINGOLD. We look forward to getting some of those recommendations. There are some very serious concerns, as you're aware, and I hope the IJC continues to work with and listen to all of the stakeholders, and I look forward to the final results.

In regard to the second part of the IJC study assessing low lake levels, can you tell me when the IJC intends to complete its recommendations for updating Lake Superior's regulatory plan—is this still expected to take 5 years?

Mr. SPECK. At this point, that's the best of my information, but I have no, you know, I can't tell you if there's any change afoot on that, but I certainly can get back to you that, and to the committee on that.

Senator FEINGOLD. Good.

Do you personally think, sir, that we can maintain Great Lakes water quality protection if discharges of pollution are no longer regulated at the source, as required by the Clean Water Act of 1972?

Mr. SPECK. That is a matter of justifiable concern, and we'd want to give attention to that.

Senator FEINGOLD. As you're probably aware, due to recent Supreme Court decisions, currently over 50 percent of the Nation's streams, and millions of acres of wetlands are in jeopardy of losing Clean Water Act protections, which means discharges of pollution into these waters could no longer be regulated. I don't see how the United States can fulfill its obligations under the United States-Canada Water Quality Agreement, which I understand the IJC wants to update—if these waters do not remain protected.

The agreement and the Clean Water Act share the same goal of reducing the discharge of pollutants into the Great Lakes system, in an effort to restore or maintain the chemical, physical, and biological integrity of the waters of the Great Lakes Basin Ecosystem. I hope that as commissioner, you'll support my efforts, and those of Chairmen Oberstar, Dingell, and Ehlers, to restore the Clean Water Restoration Act, to restore the 35-year old protections, and fulfill our obligations under the Water Quality Agreement.

As you know, the Great Lakes supply drinking water to more than 40 million United States and Canadian residents, so a lot is at stake, if you'd like to respond to that.

Mr. SPECK. I am not prepared to make a commitment—I understand the problem, and would certainly be glad to work within the commission to see where it would be appropriate for us to address it, in terms of recommendations that might be made.

As you know, with what you mentioned, in terms of the Great Lakes Protection Act itself, one of the things that the IJC has been recommending is that it be more active in this area. Those recommendations, I think, have been submitted to the respective Fed-

eral Governments. And so, something has been underway in that regard.

Senator FEINGOLD. Good, well, I just wanted to put that issue and legislation on your radar screen, and I wish you well.

Thank you, Mr. Chairman.

Senator DODD [presiding]. Thank you very much, Senator.

And I want to thank all three of you, and I wish you well in the coming days. You may have heard what I said to the previous panel. We'll try and move this process along, and any additional questions members have, and I suspect there may be some, we'll try and get them to you very quickly.

For those who are staff, I'd like you to notify your respective members of how important it is to get these questions asked, and then responses to it, and we'll try and see if we can't schedule a mark-up of these nominations.

Congratulations to all three of you. And thank you, again, for being here today.

The committee will stand adjourned.

[Whereupon, at 5:00 p.m., the hearing was adjourned.]

#### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HON. SHERROD BROWN,  
U.S. SENATOR FROM OHIO

Mr. Chairman, members of the committee, I am pleased to offer my strong support for the nomination of my fellow Ohioan, Dr. Samuel W. Speck, Jr., to the International Joint Commission. There are numerous important issues affecting the international boundary waters that separate the United States and Canada, including ballast water and other issues related to the continued presence of invasive species, and ongoing water quality concerns, just to name a few. We must have smart, confident U.S. representation on the commission. Samuel Speck is a perfect fit for this job.

Dr. Speck has a long and distinguished career as a public servant and as an educator, including his longtime service to his alma mater, Muskingum College, as a faculty member and then college President, his work as a State legislator and with the Federal Emergency Management Agency, and more recently his tenure as Director of the Ohio Department of Natural Resources. At ODNR, Dr. Speck was greatly involved in improving Lake Erie and championing new protections for the Great Lakes, both as ODNR Director and as Chairman of the binational Great Lakes Commission. His knowledge of the Great Lakes—home to 1/3 of the world's fresh water—and familiarity with the numerous issues affecting our shared waterways would be of great benefit on the IJC.

As a former colleague of Dr. Speck's, I can speak to his willingness to bring different sides together, his integrity, and his dedication to the task at hand. He has spent his life committed to educating our children, protecting the environment, and improving our world for future generations. I offer my wholehearted support for the nomination of Dr. Samuel W. Speck, Jr., to the International Joint Commission.

Thank you, Mr. Chairman.

STATE OF OHIO,  
Columbus, OH, April 15, 2008.

Hon. JOSEPH R. BIDEN, JR.,  
U.S. Senate, Committee on Foreign Relations, Washington DC.

DEAR CHAIRMAN BIDEN: On behalf of the people of the Great State of Ohio, please accept my letter of support for the nomination of Dr. Samuel W. Speck to the position of Commissioner on the part of the United States on the International Joint Commission, United States and Canada. I support this nomination based on Dr. Speck's proven expertise, experience, and leadership in the area of natural resources at both the State and Federal level.

Dr. Speck served as Ohio's director of the Ohio Department of Natural Resources for 8 years and in this position Dr. Speck was responsible for the management of Ohio's 74 State parks, 20 State forests, and 125 State nature preserves, in addition to numerous other management responsibilities. Dr. Speck chaired the Council of Great Lakes Governors and Premiers Water Management Working Group that led to the development of the Great Lakes Annex Agreement and Compact—an historic and much needed protection for our Great Lakes.

Dr. Speck worked collaboratively and in a bipartisan manner over the years to protect our natural resources and build a consensus around some of the most important issues for the State of Ohio. I am confident that he will continue to offer vision and perspective in this position.

I appreciate the attention your office and your committee have directed to this important appointment. Please be assured that I am available to lend any assistance to the process.

Thank you for your consideration.

Kindest Regards,

TED STRICKLAND,  
Governor.

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RESPONSES OF PETER E. CIANCHETTE TO QUESTIONS SUBMITTED  
BY SENATOR CHRISTOPHER J. DODD

*Question.* President Arias nearly lost reelection because of his support for CAFTA. Costa Rica is in the process of ratifying and implementing CAFTA but it is clear that the public remains seriously divided regarding this trade agreement. What are some of the key concerns the public has raised on this issue?

*Answer.* CAFTA was narrowly ratified in a historic public referendum on October 7, 2007, but the Costa Rican public has come to view the agreement more favorably in the ensuing months. Public opinion polls conducted in Costa Rica in January 2008 revealed that two-thirds of Costa Ricans expect CAFTA to benefit the country, and that a strong majority—even among those who voted “no” to the referendum—want CAFTA to be implemented. In addition, President Arias currently enjoys the highest approval rating—64 percent—among Central American leaders.

This shift in public opinion about CAFTA can likely be attributed to three factors. First, in Costa Rica's vibrant, long-standing democracy, the will of the people is paramount. Now that the public has spoken in the referendum, the national debate is largely over. Second, the public, in addition to the political sector, including most of the parties that had opposed CAFTA, is anxious to complete CAFTA in order to focus on other priorities, such as addressing Costa Rica's growing domestic security problems. Third, the public remains confident that the Arias administration is proceeding along the right track.

There is still a vocal, very small minority opposed to CAFTA, but they are out of the political mainstream. This minority argues that CAFTA would weaken the statist model that has historically provided Costa Ricans a generous social welfare safety net, and would jeopardize small farmers, once the backbone of Costa Rica's economy. Environmentalists also fear that the rapid economic development CAFTA is expected to promote will come at the expense of environmental protection.

*Question.* How is the United States working with President Arias to address these issues?

*Answer.* The Arias administration believes that the state institutions to be opened by CAFTA (telecommunications and insurance) need reformation in order to provide better service to the people. The Arias administration, with other political parties, is also working on legislation to offset any CAFTA-related impact on small businesses and farmers.

The United States and the other CAFTA signatories agreed to grant Costa Rica sufficient time to implement CAFTA. At Costa Rica's request, all of the CAFTA countries agreed to a one-time entry-into-force extension from March 1, 2008, as required in the agreement, until October 1, 2008.

The United States is also providing \$100 million in regional Trade Capacity Building assistance from fiscal year 2005–2007 to improve environmental protection and labor rights protection as CAFTA is implemented. Costa Rica is receiving a share of those funds, and has invested in the strengthening of the capacity of the Ministries of Environment and Energy, and Labor. If confirmed, I will support CAFTA-linked environment and trade capacity building. USAID has funded training and programs administered by the U.S. Department of Agriculture (USDA) and En-



vironmental Protection Agency (EPA) to strengthen Costa Rica's regulatory systems and ultimately increase trade with the United States.

*Question.* Have you read the cable ref: 04 STATE 258893—Peace Corps-State Department Relations?

*Answer.* Yes. I have read the cable ref: 04 STATE 258893—Peace Corps-State Department Relations.

*Question.* Do you understand and agree to abide by the principles set forth in this cable?

*Answer.* Yes. I understand and unreservedly agree to abide by the principles set forth in 04 STATE 258893. The more than 3,000 Peace Corps volunteers who have served in Costa Rica since 1963 have advanced United States objectives significantly and contributed to Costa Rica's development through a variety of projects including health, education, environment, agriculture, small business development, and youth development. If confirmed, I will strongly support Peace Corps Volunteers in Costa Rica in their mission to focus on addressing the needs of the most vulnerable populations throughout the country, strengthening agencies and communities to serve these populations.

*Question.* Specifically, do you understand and accept that "the Peace Corps must remain substantially separate from the day-to-day conduct and concerns of our foreign policy" and that "the Peace Corps' role and its need for separation from the day-to-day activities of the mission are not comparable to those of other U.S. government agencies"?

*Answer.* I understand that the Peace Corps must remain substantially separate from the day-to-day conduct and concerns of our foreign policy and wholly accept and endorse this separation. I comprehend the Peace Corps' unique role and realize that its need for separation from the day-to-day activities of the mission is not comparable to those of other U.S. government agencies.

*Question.* Do you pledge, as Secretary Rice requests in 3.B of the cable, to exercise your chief of mission "authorities so as to provide the Peace Corps with as much autonomy and flexibility in its day-to-day operations as possible, so long as this does not conflict with U.S. objectives and policies"?

*Answer.* I pledge that, if confirmed, I will exercise my chief of mission authorities so as to provide the Peace Corps with as much autonomy and flexibility in its day-to-day operations as possible, so long as this does not conflict with U.S. objectives and policies.

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RESPONSES OF PETER E. CIANCHETTE TO QUESTIONS SUBMITTED  
BY SENATOR JOSEPH R. BIDEN, JR.

*Question.* What are the most important actions you have taken in your career to date to promote human rights and democracy? What was the impact of your actions?

*Answer.* Throughout my career and in my public service, I've worked with people at all levels in manufacturing, investment, personnel, public, and other sectors. I have found that the one sure way to connect with someone is to tap into aspirations. I have then sought to use those aspirations to promote an appreciation for individual and human rights, democracy, and decency. As examples, I would cite my support, as a state legislator, for expanding the Maine Human Rights Act to extend protections from discrimination (in employment, housing, credit, etc.) based on sexual orientation. As a legislator and private citizen, I have also broadly encouraged individuals to participate in the democratic process at all levels. Further, I am especially proud of my work with charitable foundations including the Make-A-Wish Foundation, YES! to Youth, and the Greater Portland Big Brothers/Big Sisters. These opportunities have allowed me to witness the impact that the time and attention of concerned community-oriented citizens can have on the scores of children and families served by these programs.

*Question.* What are the most pressing human rights issues in Costa Rica? What are the most important steps you expect to take, if confirmed, to promote human rights and democracy in Costa Rica? What do you hope to accomplish through these actions?

*Answer.* Costa Rica is a stable, long-standing democracy with an admirable history of protecting and defending human rights, domestically and internationally. While there are far fewer in Costa Rica than elsewhere in the region, the most pressing human rights issue in Costa Rica is trafficking in persons. Costa Rica is

a source, transit, and destination country for men, women, and children trafficked for the purpose of sexual exploitation, and to a lesser degree, for labor exploitation. Other urgent human rights concerns the U.S. government has noted in recent years focus on prison overcrowding, a slow and complex legal justice system, and the protection of refugees.

If confirmed, I will make promoting human rights a central issue. I will support use of the ambassador's fund for programs that help resettle refugees. I will encourage Costa Rica to adopt comprehensive legislation to criminalize all forms of human trafficking and to provide greater legal protections and assistance for victims. Through these actions, I hope to promote human rights and democracy through the reduction of trafficking in persons and increasing governability.

*Question.* If confirmed, what are the potential obstacles to addressing the specific human rights issues you have identified in your previous response? What challenges will you face in Costa Rica in advancing human rights and democracy in general?

Answer. Embassy San Jose's Mission Strategic Plan notes that the broader challenge is not to make Costa Rica more democratic, but to make it a more effective democracy by increasing the effectiveness of the legislative and judicial systems, a key governability issue. If confirmed, I will work with the Arias administration with the goal of increasing governability through new legislation, improve intragovernment coordination, devote additional resources for prisons, and increase the focus on trafficking in persons issues. Lack of staff resources and funding are the main obstacles to combating trafficking in persons. Prosecutors and the judiciary are woefully understaffed and underfunded, resulting in relatively few prosecutions.

*Question.* In your new position, what steps will you take to ensure that promotion of human rights objectives will be an integral part of the activities of the United States Embassy-Costa Rica? If confirmed, what steps will you take to ensure that Foreign Service officers who engage in human rights activities are encouraged and professionally rewarded for superior service?

Answer. If confirmed as ambassador, I would emphasize the importance of monitoring, promoting, and reporting on human rights and labor rights as a fundamental goal of the U.S. Mission. I would ensure that the embassy cooperates with the Costa Rican Ministry of Labor on child labor prevention and school retention programs. I would ensure that embassy personnel continue to make much-needed judicial and other training available to the Costa Rican public sector through our various assistance programs. The Merida Initiative, if approved, includes funding to improve prison management.

As a businessman who has managed hundreds of employees, I would take a highly personal approach to motivating embassy staff to excel in promoting human rights. As ambassador, I would recognize and reward embassy employees who are proactive in this area by nominating them for Department of State-wide awards as well as recognizing them in the presence of peers to indicate that this issue is a high priority.

*Question.* Will you commit to meeting regularly with nongovernmental organizations in the United States and in Costa Rica who are working to promote human rights?

Answer. Yes. If confirmed, I will regularly meet with major nongovernmental organizations that share our interest in combating sexual exploitation and forced labor. If confirmed, I will also encourage embassy personnel to actively engage with these NGOs and to broaden their social networks to allow the mission to gain a fuller understanding of the conditions that drive these crimes. Through consultation with civil society, we will be better able to generate innovative means of helping Costa Rica to address root causes.

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RESPONSES OF HEATHER M. HODGES TO QUESTIONS SUBMITTED  
BY SENATOR CHRISTOPHER J. DODD

*Question.* Poverty and inequality are enormous problems in Ecuador, particularly among indigenous populations. According to a recent World Bank study, 87 percent of indigenous Ecuadorians live in poverty. What can the United States do to assist Ecuador in reducing poverty and inequality?

Answer. Economic development and poverty reduction are priorities in our relationship with Ecuador. The Andean Trade Promotion Act (ATPA) is an important tool in our continuing efforts to assist the people of Ecuador in creating economic opportunity and alleviating poverty through market-based solutions. Our trade and economic growth assistance to Ecuador focuses on technical assistance, training, fi-

nancial support for free and open markets, competitiveness and poverty reduction. Our programs help farmers increase productivity and product quality, link them to end users, and improve family incomes. We also work with local governments to increase tax collection and improve transparency. Last year, our infrastructure programs financed the construction of 14 bridges, 20 water systems, and 9 sewage systems, which benefited 70,000 of the poorest Ecuadorians.

*Question.* The Andean Trade Preference Act is an enormously important trade provision for Ecuador and for the Government of Ecuador. ATPA was recently extended by Congress, but is scheduled to expire in the fall. Is it your expectation that the administration will seek an extension beyond this fall? What are the implications of letting ATPA lapse?

*Answer.* ATPA is a key component of our continuing efforts to assist the people of Colombia, Peru, Ecuador, and Bolivia in combating drug production, creating economic opportunity, and alleviating poverty by using the power of the free sector. This people-to-people program has strengthened economic ties between businesses and workers in Ecuador and the United States, and has helped Ecuador create new, globally competitive industries in such areas as its flower sector. The Government of Ecuador estimates ATPA has generated approximately 350,000 jobs in Ecuador.

ATPA will expire on December 31, 2008. I believe it is premature to speculate what the administration's position will be when Congress must again deliberate extending this important program.

*Question.* My understanding is that the Andean Parliament is going to convene a regional security conference next month in Quito. Do you believe that these regional efforts can be productive in reducing tensions and fostering greater regional cooperation and integration on a host of issues?

*Answer.* The Andean Parliament has stated that one of the issues that will be addressed during the May 29–30, 2008 conference will be the tensions between Ecuador and Colombia over Colombia's raid of a Revolutionary Armed Forces of Colombia (FARC) camp across the Ecuadorian border. The overall purpose of the conference will be to discuss with experts how to avoid such incidents from occurring again. We value our strong relationship with both Colombia and Ecuador and support efforts that reduce tensions between them. However, the countries of the region must also address the underlying cause of this tension, which is rooted in the presence of the FARC in the territory of Colombia and its neighbors and the need for the affected states to work together to combat the threat of the FARC.

*Question.* Have you read the cable ref: 04 STATE 258893—Peace Corps-State Department Relations?

*Answer.* Yes. I have carefully reviewed this cable.

*Question.* Do you understand and agree to abide by the principles set forth in this cable?

*Answer.* Yes. I understand and agree to abide by the principles set forth in 04 State 258893 regarding Peace Corps-State Department relations.

*Question.* Specifically, do you understand and accept that "the Peace Corps must remain substantially separate from the day to day conduct and concerns of our foreign policy and that the Peace Corps role and its need for separation from the day to day activities of the mission are not comparable to those of other U.S. Government agencies?"

*Answer.* Our mission in Ecuador assiduously respects keeping the Peace Corps removed from any and all policy areas. As an illustration of that principle, the Peace Corps will be the only United States Government element that will not be collocated at the New Embassy Compound when the Embassy in Quito moves this summer.

I understand the need to keep the Peace Corps substantially separate from the day to day conduct of our foreign policy and, if confirmed, will strongly support this policy.

*Question.* Do you pledge, as Secretary Rice requests in 3.B of the cable to exercise your chief of mission "authorities so as to provide the Peace Corps with as much autonomy and flexibility in its day-to-day operations as possible, so long as this does not conflict with U.S. objectives and policies"?

*Answer.* When I was ambassador in Moldova we had a large and successful Peace Corps program (approximately 115 volunteers). I considered the Peace Corps one of our greatest assets and did everything to support and promote their programs. Whenever I traveled outside Chisinau, I made it a point to meet with our volunteers and visit their programs. I was extremely proud one day when Moldovan President

Voronin started talking about the Peace Corps volunteers with genuine admiration and knowledge of their grassroots activities. He seemed particularly pleased that there were English language programs.

I am sure the Peace Corps directors I worked with would concur that I exercised my chief of mission authorities to provide the Peace Corps with as much autonomy and flexibility in their day-to-day operations as possible. If confirmed, I pledge to do the same in Ecuador.

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RESPONSES OF HEATHER M. HODGES TO QUESTIONS SUBMITTED  
BY SENATOR JOSEPH R. BIDEN, JR.

*Question.* What are the most important actions you have taken in your career, to date, to promote human rights and democracy? What was the impact of your actions?

*Answer.* Democracy and human rights have been an important part of the agenda in most of the countries I have worked in overseas and in Washington.

My assignment to Moldova, however, provides the best recent examples of work I have done to promote human rights and democracy. In the early post-Soviet period, Moldova had a good reputation for free and fair elections, but over time this reputation was becoming tarnished. Just before I arrived in 2003, municipal elections throughout the country had clearly been flawed. I realized that the upcoming national elections in 2005 would be a challenge. I worked closely with the OSCE and a few other diplomatic missions, especially the handful of European Union embassies, to carry out both private and public activities to promote free and fair elections.

One of the best things the embassy did was to support the creation of the "Coalition for Free and Fair Elections," a group of over 60 nongovernmental organizations that represented the range of the political spectrum in Moldova and became a watchdog for independent assessment of the way in which the Government of Moldova was organizing and carrying out the elections. Our support to the coalition cost us little money but throughout the elections we saw evidence that the coalition's vigilance was contributing to the democratic process all over the country. Although it was a close call, the national elections were declared by the OSCE and other international observers to be free and fair. I am convinced that the results would not have been the same without the coalition.

Also in Moldova we had a large program to combat trafficking in women and young girls, a serious problem in one of Europe's poorest countries. Meeting battered victims who had managed to return to their country thanks to improved police work in Moldova and in the region was an experience I will never forget. It also convinced me we had to do more to educate the population about this terrible scourge. The embassy organized dozens of conferences, workshops, and focus groups around the country. And I persistently discussed our program with the highest levels in the government. Soon the Deputy Prime Ministers started holding monthly meetings outside the capital with municipal authorities and NGOs to monitor progress in fighting trafficking. We also helped vulnerable youth learn job skills that would help them earn a decent living and resist the ploys of the traffickers.

*Question.* What are the most pressing human rights issues in Ecuador? What are the most important steps you expect to take, if confirmed, to promote human rights and democracy in Ecuador? What do you hope to accomplish through these actions?

*Answer.* Inconsistency in the judicial process, issues of overcrowding, lack of medical care, and suspicious deaths of prisoners in Ecuadorian prisons are the most pressing human rights issues in Ecuador. The United States is working with Ecuador through our assistance programs to help address rule of law issues. One of our projects is to create automated data bases that will streamline criminal prosecutions and enhance the use of precedent in trials.

If confirmed, it will be one of my priorities to continue and strengthen programs such as this one. It is my hope that these efforts will make a long term contribution to improving the human rights situation in Ecuador.

*Question.* If confirmed, what are the potential obstacles to addressing the specific human rights issues you have identified in your previous response? What challenges will you face in Ecuador in advancing human rights and democracy in general?

*Answer.* The largest potential obstacle to addressing human rights concerns in Ecuador is lack of enforcement of existing laws. The United States is working with the Government of Ecuador, especially the judicial sector, to provide training to prosecutors and other legal professionals.

I believe that education is one of the most important ways in which we can advance human rights. If confirmed, I would strongly support our existing training and outreach efforts and look for opportunities to expand these initiatives.

*Question.* In your new position, what steps will you take to ensure that promotion of human rights objectives will be an integral part of the activities of the United States Embassy-Ecuador? If confirmed, what steps will you take to ensure that Foreign Service officers who engage in human rights activities are encouraged and professionally rewarded for superior service?

*Answer.* Promoting human rights is one of the highest priorities of our mission in Ecuador. The United States stands ready to assist Ecuador through continued engagement and programs that reinforce our commitment to constitutional democracy, strong and inclusive institutions, respect for the rule of law, counternarcotics efforts, and greater, more widely shared economic prosperity.

If confirmed, supporting these objectives will be among my highest priorities. I believe that every member of our mission in Ecuador can play a role in meeting this objective, and I will support and encourage each member of the team to contribute to this effort. As appropriate, I will recognize Foreign Service officers on my team for their human rights contributions by using the Department's evaluation and employee rewards programs.

*Question.* Will you commit to meeting regularly with nongovernmental organizations in the United States and in Ecuador who are working to promote human rights?

*Answer.* If confirmed as ambassador, I would make it a priority to reach out to all segments of society in Ecuador. You have my assurances that I would meet regularly with a range of American and Ecuadorian nongovernmental organizations, in particular those working to promote human rights.

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RESPONSES OF SAMUEL W. SPECK TO QUESTIONS SUBMITTED  
BY SENATOR CHRISTOPHER J. DODD

*Question.* Concerns have been raised in the past that both the United States and Canadian Governments are often too slow in implementing the International Joint Commission's recommendations. How will you work with both countries' governments to ensure better United States and Canadian compliance with and expedited implementation of the commission's decisions and recommendations?

*Answer.* If confirmed, I will carefully look into delays in implementing the International Joint Commission's recommendations. I would work with my fellow commissioners in continuing to urge United States and Canadian compliance through our semiannual meetings with governments, commission reports and letters, and in personal contacts with policymakers.

*Question.* Since 2005, the IJC has been reviewing its management plans for controlling the water level of Lake Ontario and the St. Lawrence Seaway. The current management regime minimizes fluctuations in water levels, which some scientists have argued has produced significant changes in shoreline ecosystems. After months of study and review, it proposed several alternatives to the current management regime. Just last month, the IJC released a proposed plan for public comment, called Plan 2007. New York State has had concerns with Plan 2007, but the IJC released it despite earlier promises to work with the State to find a compromise. Can you assure this committee that, if confirmed, you will work with the State of New York to address their concerns with Plan 2007?

*Answer.* Since I was not involved in the study or development of the plan or in any subsequent discussions with New York State, I am not positioned to comment on the issues you raise. I can assure you that, if confirmed, I will participate actively in public hearings and review all public comments received on the IJC's plan. I have an open mind on the merits of the plan and will carefully consider the views of the public and key stakeholders in forming my opinion on its merits and any needed modifications. If confirmed, I will look into the concerns of all stakeholders impacted by the plan and do everything I can to ensure that views of all interested parties, including the State of New York, are taken into consideration as the commission makes its decision.

RESPONSES OF BARBARA J. STEPHENSON TO QUESTIONS SUBMITTED  
BY SENATOR JOSEPH R. BIDEN, JR.

*Question.* What are the most important actions you have taken in your career, to date, to promote human rights and democracy? What was the impact of your actions?

*Answer.* As a member of the generation of Foreign Service officers whose careers began with the writing of the annual human rights report, I have always seen respect for human rights as a central and integral part of U.S. foreign policy. My service in the Netherlands, where Dutch Foreign Ministry colleagues vied for a copy of the annual human rights report reinforced for me how important it was that our human rights reports be accurate, balanced, and credible. With too small a diplomatic service to produce their own reports, they relied on ours for key judgments.

Beyond my work in various assignments to ensure the quality of our human rights reporting, I would cite my work in 1991 in El Salvador to ensure that the legislative assembly elections could take place peacefully. Week after week, I organized teams of embassy observers to cover significant campaign events—hoping that our presence would discourage violence and knowing that, if violence occurred, we would, at a minimum, bear witness to it. Partly because of our observer effort, leftist candidates returned from exile, participated in the political process, and won some seats in the legislative assembly, where they became articulate advocates for their political point of view. When the peace agreement was signed 10 months later, a Salvadoran friend, who was a member of the government's negotiating team for the peace talks, told me he believed that the key difference between war and peace in El Salvador was that now there was "espacio politico"—political space. The embassy's observer effort helped open up that political space.

I would also cite my work as Consul General to Belfast, Northern Ireland, from 2001–2004. Friends from Northern Ireland tell me how much they value the time and attention I devoted to modest community workers attempting to build peace and decent lives for working class people from the ground up. Some of those friends see the platform I gave them—opening up the official residence to them for strategy sessions, helping shift the focus of the White House St. Patrick's Day events from political leaders to these everyday heroes—as central to the ultimate success in achieving a major shift in government policy. Under the "Shared Future" policy, the government moved away from segregated schools and public housing (which reinforced the divisions at the heart of the conflict) toward a deliberate policy of increasing contact between Catholics and Protestants through shared schools, neighborhoods, recreation facilities, and the like. Many of the community leaders whose efforts I championed with all the resources available to me as Consul General have grown in influence and become powerful voices for social justice and peaceful resolution of conflict, not only in Northern Ireland but abroad as well.

*Question.* What are the most pressing human rights issues in Panama? What are the most important steps you expect to take, if confirmed, to promote human rights and democracy in Panama? What do you hope to accomplish through these actions?

*Answer.* The most significant human rights problems in Panama include harsh prison conditions, with reports of abuse by prison guards; prolonged pretrial detention; corruption, ineffectiveness, and political manipulation of the judicial system; political pressure on the media; citizenship determination; discrimination and violence against women; trafficking in persons; discrimination against indigenous communities; and child labor.

If confirmed, I intend to build upon the embassy's work with civil society, human rights defenders, and the Government of Panama to discuss and find ways of addressing these issues. As I have in previous assignments, I will bring concerned stakeholders together to develop strategies to support adherence to the rule of law, government accountability and transparency, and strengthening the role of civil society and an independent media. My embassy would continue to consult with non-governmental organizations, indigenous communities, and other groups to continue to bolster those groups in their work to support and strengthen human rights in Panama.

*Question.* If confirmed, what are the potential obstacles to addressing the specific human rights issues you have identified in your previous response? What challenges will you face in Panama in advancing human rights and democracy in general?

*Answer.* Corruption, lack of transparency, and an ineffective judicial system are some of the obstacles Panama faces in addressing its human rights situation. If confirmed, I will seek to overcome these challenges by working with civil society to build its capacity to hold government accountable. I will also work with the Pan-

amanian Government to encourage them to continue to work to adopt transparent systems to fight corruption and impunity particularly within the judicial system. I will also work with the press to encourage a free and open debate on the issue of human rights.

*Question.* In your new position, what steps will you take to ensure that promotion of human rights objectives will be an integral part of the activities of the United States Embassy-Panama? If confirmed, what steps will you take to ensure that Foreign Service officers who engage in human rights activities are encouraged and professionally rewarded for superior service?

Answer. Because I see respect for human rights as so central to our foreign policy, I have no doubt that, if confirmed as Ambassador to Panama, I will give human rights a central place in our strategy discussions, our public diplomacy outreach efforts, our reporting, and other facets of the embassy's work. I will, of course, reward officers who share my passion for human rights, both with formal tools such as evaluation reports and awards, and informally, by devoting my own time and attention to these issues.

*Question.* Will you commit to meeting regularly with nongovernmental organizations in the United States and in Panama who are working to promote human rights?

Answer. Certainly. As my discussion of most important actions indicates, I am proud of my association with such NGOs and of the success of my efforts to give their voices greater weight.

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RESPONSES OF ROBERT J. CALLAHAN TO QUESTIONS SUBMITTED  
BY SENATOR CHRISTOPHER J. DODD

*Question.* What effect, if any, has the Millennium Challenge Corporation (MCC) compact had on poverty reduction in Nicaragua, and on United States-Nicaraguan relations? Please describe the current status of MCC work in the country.

Answer. MCC's 5-year (2006–2011), \$175 million compact with Nicaragua will help the country to build the necessary productive capacity to seize opportunities to achieve growth by taking advantage of regional economic integration and trade openings. The compact focuses on improving insecure property rights, underdeveloped infrastructure, and rural business activities that were identified as the greatest barriers to economic growth that could be addressed with Millennium Challenge Account assistance. We expect the MCC program to improve the lives of the 800,000 residents of León and Chinandega by raising household incomes in the region and transforming the region into an engine of economic growth.

The MCC compact is helping Nicaragua accomplish this objective through:

1. A property regularization project to provide secure, registered titles to an estimated 70 percent of rural and 50 percent of urban properties;
2. A transportation project upgrading roads to reduce transportation costs between the region and domestic, regional, and international markets for an estimated 3,300 current road users per day; and
3. A rural business development project to benefit directly thousands of farmers by providing help in transitioning into higher-value agriculture, creating an estimated 7,000 jobs.

Examples of how the MCC is effecting poverty reduction are steadily growing. The rural business project has helped producers develop and implement nearly 1,000 business plans. New investment commitments are expected to create 1,300 jobs in León and Chinandega. Through the MCC, 1.2 million trees have been planted to improve soil conservation. More than 1,000 clean property titles have been issued, allowing landholders access to the credit needed to fulfill their business plans.

MCC's works with Nicaragua not as a recipient of aid, but rather as a full partner in this program that aims to reduce poverty through economic growth. This has yielded enormous benefits in our bilateral relations. MCC's CEO Ambassador John Danilovich visited Nicaragua in January 2008 to inaugurate the beginning of road construction and to deliver clean property titles, forest fire prevention equipment, and irrigation systems to beneficiaries. His visit produced many examples of how MCC's engagement has strengthened our bilateral relations and enjoys the strong support of both the Nicaraguan people and the country's leaders, including President Ortega.

*Question.* Have you read the cable ref: 04 STATE 258893—Peace Corps-State Department Relations?

Answer. Yes, I have read the cable ref: 04 STATE 258893—Peace Corps-State Department Relations.

*Question.* Do you understand and agree to abide by the principles set forth in this cable?

Answer. I understand and wholeheartedly and unreservedly agree to abide by the principles set forth in this cable.

*Question.* Specifically, do you understand and accept that “the Peace Corps must remain substantially separate from the day-to-day conduct and concerns of our foreign policy” and that “the Peace Corps’s role and its need for separation from the day-to-day activities of the mission are not comparable to those of other U.S. Government agencies”?

Answer. I understand, accept, and fully endorse the fact that the Peace Corps must remain substantially separate from the day-to-day conduct and concerns of our foreign policy and that the Peace Corps’s role and its need for separation from the day-to-day activities of the mission are not comparable to those of other U.S. Government agencies.

*Question.* Do you pledge, as Secretary Rice requests in 3.B of the cable, to exercise your chief of mission authorities so as to provide the Peace Corps with as much autonomy and flexibility in its day-to-day operations as possible, so long as this does not conflict with U.S. objectives and policies”?

Answer. I pledge, as Secretary Rice requests in 3.B of the cable, to exercise my chief of mission authorities so as to provide the Peace Corps with as much autonomy and flexibility in its day-to-day operations as possible, so long as this does not conflict with U.S. objectives and policies.

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RESPONSES OF ROBERT J. CALLAHAN TO QUESTIONS SUBMITTED  
BY SENATOR JOSEPH R. BIDEN, JR.

*Question.* What are the most important actions you have taken in your career to date to promote human rights and democracy? What was the impact of your actions?

Answer. Throughout my career I have been intimately involved in promoting human rights, especially during my assignments to Honduras and Bolivia. Both countries were making the transition from military rule to democracy—Honduras in 1982, while I was there, and Bolivia a few years before my arrival in 1989. I encouraged the press in those countries to monitor human rights and speak out on any abuses they uncovered. Through seminars and training sessions organized by the public affairs office in the embassy, in talks to journalism guilds and schools, we reminded reporters and editors of their duty to serve as guarantors of human rights, most notably when the government remained silent or unresponsive.

We also regularly brought American experts, many of them practicing journalists, to talk to their counterparts in those countries. Our intention was to show solidarity with them and to let them know that they had powerful supporters elsewhere. We also used many of our international visitor grants for reporters, again hoping to provide them an object lesson in how American journalists guard tenaciously their independence, comfort the afflicted, and afflict the comfortable.

While serving in Rome, and shortly after Milosevic left power in Serbia, my office organized a week-long seminar in Italy for about 20 Serbian journalists. As they emerged from years of governments that attempted to control and intimidate the press, we thought that they needed some training and encouragement, both of which our team of experienced American writers and editors, including the managing editor of the *American Journalism Review*, provided.

In my one year in Baghdad, where I served as the embassy spokesman and press attaché, I regarded as my most important responsibility the nurturing of a woefully inexperienced and timid press corps. We told them of the role of a free and active media in a democratic society. We emphasized that paramount among their duties was ensuring that human rights of every sort—freedom of the press, speech, and religion, freedom from fear, exploitation, and arbitrary arrest—be respected. I also worked closely with the Commission on Public Integrity and the Human Rights Commission and detailed officers to work with each. This gave them both confidence to pursue their mandates and a sense of security.

If I am confirmed as Ambassador to Nicaragua, I will ensure that respect for human rights, and the honest and timely reporting on them, be a priority for the mission. I think that this is one of our most effective foreign policy initiatives and that it is perfectly consonant with—in fact, reinforces—our other policy objectives.



I believe that respect for human rights is a core American value, a source of pride for our Nation, and a universal imperative.

*Question.* What are the most pressing human rights issues in Nicaragua? What are the most important steps you expect to take, if confirmed, to promote human rights and democracy in Nicaragua? What do you hope to accomplish through these actions?

*Answer.* Nicaragua is a constitutional democracy that still struggles with the issue of human rights. Arbitrary application of justice, lack of respect for the rule of law, widespread corruption, the politicization of the judiciary and other government organs, intimidation and harassment of nongovernmental organizations (NGOs) and journalists, widespread child labor, discrimination against indigenous communities, and trafficking in persons are some of the most pressing human rights issues in Nicaragua. If confirmed, I will devote our resources to ensuring that supporting human rights and democratic principles remain central elements of our foreign policy in Nicaragua.

This will mean focusing our efforts on programs that support adherence to the rule of law, government accountability and transparency, and strengthening the important role of civil society and an independent media. I will consult with civil society, nongovernmental organizations, indigenous communities, and other groups to develop a human rights strategy that is responsive to the needs of Nicaraguans suffering from human rights abuses. These consultations will guide us as we draft the Annual Country Report on Human Rights Practices for Nicaragua, which will bring attention and much-needed information about this issue in Nicaragua.

As part of the implementation process of the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR), the United States will provide additional resources that will be essential in improving Nicaragua's labor justice system, its capacity to enforce labor laws and reduce the adverse affects of gender and other forms of discrimination in Nicaragua's labor sectors. I believe these efforts together will advance the recognition and respect of human rights in Nicaragua.

*Question.* If confirmed, what are the potential obstacles to addressing the specific human rights issues you have identified in your previous response? What challenges will you face in Nicaragua in advancing human rights and democracy in general?

*Answer.* Some principal obstacles Nicaragua faces in addressing its human rights problems are widespread government corruption, arbitrary application of justice, politicization of the Supreme Electoral Council, and a fragmented and fragile civil society and divided political opposition that lack unified strategies for furthering democracy and respect for human rights. If confirmed, I will seek to overcome the challenges I will face in advancing human rights, the lack of transparency and accountability within the Nicaraguan Government, and fragile judicial and prosecutorial institutions to name a few, by working with civil society to build its capacity to meet the needs and interests of the Nicaraguan people. I will also work with the Nicaraguan Government to encourage respect for the rule of law and address widespread corruption and arbitrary application of justice. To overcome the challenge of advancing human rights in Nicaragua, I will also advocate for greater technical and financial assistance to aid civil society groups in their efforts to depoliticize the judiciary and increase citizen awareness of these issues.

*Question.* In your new position, what steps will you take to ensure that promotion of human rights objectives will be an integral part of the activities of the United States Embassy-Nicaragua? If confirmed, what steps will you take to ensure that Foreign Service officers who engage in human rights activities are encouraged and professionally rewarded for superior service?

*Answer.* If confirmed, I will make the advancement of human rights in Nicaragua one of the central tenets of the embassy's mission to fulfill our commitment to the Nicaraguan people. To accomplish this objective, I will encourage the embassy staff to meet with civil society groups and to conduct outreach programs to foment greater ties with remote communities, like Puerto Cabeza or Bluefields, which historically have been overlooked. Providing technical assistance to nongovernmental organizations, civil society groups and the Nicaraguan Government will help build their capacity to develop plans specifically tailored to Nicaragua's human rights situation and will be critical for us to achieve our objectives. I will also continue to support the embassy staff in its preparation of the Annual Country Report on Human Rights Practices in Nicaragua. In recognition of staff efforts to promote human rights, I will recognize exemplary work through the embassy and Department of State's evaluation and employee rewards programs.

*Question.* Will you commit to meeting regularly with nongovernmental organizations in the United States and in Nicaragua who are working to promote human rights?

*Answer.* I intend to make outreach with Nicaraguan and United States nongovernmental organizations a central element of the embassy's policy for advancing human rights. I will encourage and seek to ensure that embassy personnel, including myself, extend our outreach throughout the country to work with historically disenfranchised communities and other populations that live in remote or difficult to reach areas within Nicaragua. I believe the embassy must demonstrate to these communities that their voice, concerns, and livelihood is no less important by virtue of who they are or where they live.

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RESPONSES OF HUGO LLORENS TO QUESTIONS SUBMITTED  
BY SENATOR CHRISTOPHER J. DODD

*Question.* Many human rights defenders in Honduras peacefully protest their displacement by large landowners and corporations and as a result are often attacked or threatened. How will you support Honduran human rights defenders and ensure that those who attack them are prosecuted?

*Answer.* Over the past several years, embassy staff has met with several environmental justice advocates to discuss these threats with the Honduran security authorities and have advocated for prompt and effective investigation of these incidents. In addition, the mission sponsored a joint letter with other G-16 donor countries, which requested that the Government of Honduras take action to properly investigate the death of an environmental activist. If confirmed, I will make support for democratic governance and the protection of human rights a top priority of my embassy. I am committed to ensuring that the mission continues to strongly advocate on behalf of human rights defenders in our discussions with the government, particularly through underscoring our deep desire that the government take appropriate steps to ensure security for defenders and investigate promptly and effectively abuses committed against them.

*Question.* Many human rights violations occur in remote areas of Honduras. How will you work to support the rights of marginalized communities in Honduras?

*Answer.* If confirmed, I plan to continue the embassy's efforts to reach out to the marginalized communities throughout Honduras. It is my intention to lead my country team in promoting human rights in Honduras. Along with the embassy team, I will travel widely throughout Honduras to raise human rights issues with local and national government officials, NGOs, and civil society groups. Moreover, on certain matters, constructive comments from the ambassador on human rights receive positive press coverage, stimulate discussion, and could lead to positive action. Through speeches, op-eds, and meetings with relevant officials, I will continue to highlight the issue of human rights with the objective of moving, as appropriate, Honduras toward increased legal protection and guarantee the rights for all communities.

*Question.* What is the status of CAFTA implementation in Honduras? What are the major issues that need to be addressed?

*Answer.* The United States-Central American Free Trade Agreement (CAFTA-DR) entered into force for Honduras on April 1, 2006. Honduras has not made as much progress as some of its neighbors in implementing CAFTA-DR or in enacting the reforms necessary to benefit fully from the agreement. CAFTA-DR requires modernization and greater transparency in government procurement and services, such as locking in structural reforms, especially opening up the telecommunications industry to competition and greater levels of private investment. Passage of the new telecommunications law and implementing regulations for the intellectual property rights laws passed to implement CAFTA are still pending.

The embassy continues its work with the Government of Honduras to increase capacity and compliance of environmental requirements under CAFTA. If confirmed, I intend to work hard to ensure full implementation of CAFTA.

*Question.* Has there been any improvement in worker's rights since the implementation of the free trade agreement with the United States? What is the status of Honduran cooperation with the International Labor Organization to improve working conditions?

*Answer.* If confirmed, I will build upon the Mission's current active dialog with the government, employers, and workers to underscore the importance of full adher-

ence to labor rights in a democracy. Along with the embassy team, I will work to strengthen the Honduran labor ministry's ability to enforce labor law, modernize labor justice systems, seek to eliminate gender and other types of employment discrimination, build a culture of compliance with labor law, and support the ILO in its State Department-funded tripartite benchmarking/monitoring work in the region. One such successful example is the "Cumple y Gana" (Comply and Win) project implemented by the Department of Labor with Department of State funding. I will also ensure that we continue our support for the International Labor Organization's IPEC program and similar U.S. Department of Labor-sponsored initiatives to eradicate the worst forms of child labor, which include plantation, agriculture, and commercial sexual exploitation.

While Honduras had a comprehensive labor code, worker education has been the most significant area of improvement for workers under CAFTA. Basic and detailed brochures on worker's rights, a well-publicized Web site with information on labor rights ([www.leylaboral.com](http://www.leylaboral.com)), and a number of radio spots that play widely on local and national radio stations have helped disseminate information on workers rights. Embassy officials routinely meet with the Honduran Ministry of Labor officials, NGOs, labor unions, and others to discuss CAFTA-DR issues, progress, and areas for improvement.

*Question.* The State Department's report last month on human rights conditions in Honduras notes that "Representatives of sexual diversity rights NGOs asserted that their members were killed, beaten, and subjected to other mistreatment by security authorities." The State Department also noted that "the government [of Honduras] required, as a condition for legal registration, sexual diversity rights organizations to remove any reference in their bylaws to promotion of respect for the rights of gay, lesbian, or transgender persons. In March the secretary general of the Ministry of Governance and Justice commented publicly that the government denied registration to gay rights advocacy NGOs because their stated purposes did not comport with 'good custom.'" Would you, Mr. Llorens, be willing to meet some of the leaders of the LGBT human rights community in Honduras once you take up this post to discuss these serious findings? How do you think the United States Embassy in Honduras should address these findings and help convey to the Honduran Government that they represent a serious human rights issue?

*Answer.* Respect of human rights is central to any thriving democracy. If confirmed, very early on in my tenure, I will seek a meeting with members of the LGBT community in Honduras to develop a strong working relationship and to discuss the findings. Consolidating democracy and strengthening adherence to the rule of law is crucial for human rights. There are no discriminatory laws based on sexual orientation, but in practice there is widespread social discrimination against persons based on sexual orientation in Honduras. I intend to include the findings of human rights violations in the LGBT community as integral to our overall effort to improve the human rights situation in Honduras, and convey the importance of this issue to senior officials of the Government of Honduras.

*Question.* Honduras has the highest HIV prevalence rate in Central America. Can you please describe how the United States is assisting Hondurans as they combat this epidemic?

*Answer.* Honduras has the second-highest rate of HIV prevalence in Central America, after Belize. The U.S. Government's HIV/AIDS program focuses on five objectives:

- (1) To prevent transmission of HIV through activities to reduce high-risk behavior;
- (2) To expand voluntary counseling and testing for most-at-risk populations;
- (3) To provide care and support services for people living with HIV/AIDS;
- (4) To strengthen the Ministry of Health's (MOH) HIV/AIDS epidemiologic surveillance and monitoring and evaluation systems; and
- (5) To provide the Global Fund and MOH assistance for improved service delivery, including supply chain management.

The U.S. Government supports an umbrella grants program that provides technical and financial assistance to 13 local NGOs to reduce high-risk behavior among most-at-risk populations. In fiscal year 2007, this program trained 2,256 community volunteers to promote HIV prevention through abstinence and fidelity. These volunteers reached 29,663 people with abstinence/be faithful messages, mostly Garifuna youth, an Afro-Caribbean population highly affected by HIV/AIDS.

Through these NGOs, condom marketing, and mass media communications activities, 173,420 additional people were reached with prevention messages beyond "abstinence/be faithful," including correct and consistent condom use and prevention of

drug and alcohol abuse. The social marketing program expanded sales of affordable condoms to 359 new high-risk outlets, such as brothels, for a total of over 800 high-risk outlets now selling condoms. The scale-up of rapid HIV testing services by 10 NGOs in highly affected communities has been highly successful. In addition, the U.S. Centers for Disease Control and Prevention (CDC) continues to provide technical assistance to the Ministry of Health for the operation of three sentinel surveillance sites that provide testing for HIV and sexually transmitted infections for commercial sex workers.

*Question.* Have you read the cable ref: 04 STATE 258893—Peace Corps-State Department Relations?

Answer: Yes, I have read the cable.

*Question.* Do you understand and agree to abide by the principles set forth in this cable?

Answer: I agree to abide by the principles set forth in the cable.

*Question.* Specifically, do you understand and accept that "the Peace Corps must remain substantially separate from the day-to-day conduct and concerns of our foreign policy" and that "the Peace Corps' role and its need for separation from the day-to-day activities of the mission are not comparable to those of other U.S. Government agencies"?

Answer: Yes. In preparation for my possible assignment as ambassador, I met with the Peace Corps to get a full understanding of Peace Corps activities in Honduras and its need for separation of the day-to-day activities of the mission. I pledge to keep the Peace Corps day-to-day activities substantially separate.

*Question.* Do you pledge, as Secretary Rice requests in 3.B of the cable, to exercise your chief of mission "authorities so as to provide the Peace Corps with as much autonomy and flexibility in its day-to-day operations as possible, so long as this does not conflict with U.S. objectives and policies"?

Answer: I pledge to keep the Peace Corps day-to-day activities substantially separate, as per Secretary Rice's request in 3.B of the cable.

RESPONSES OF HUGO LORENS TO QUESTIONS SUBMITTED  
BY SENATOR JOSEPH R. BIDEN, JR.

*Question.* What are the most important actions you have taken in your career, to date, to promote human rights and democracy? What was the impact of your actions?

Answer: As a 27-year veteran of the Foreign Service, I have been engaged in support of human rights and democracy in one way or another in every one of my assignments. In my very first tour as a junior consular officer in the Philippines, colleagues and I met with Filipino citizens opposed to the Marcos dictatorship. We learned from them about the repression against the democratic opposition and independent media, as well as the thousands in jail or exiled because of their political views. As U.S. diplomats, we encouraged their efforts and reported what we learned to our supervisors. I was in Manila on the terrible day in August 1983 when Benigno Aquino was murdered. I remember volunteering with fellow officers to cover the massive and spontaneous anti-Marcos demonstrations, and I provided political reporting of the Filipino people's public demand for elections and democracy.

Serving in Bolivia in 1984 was a challenging assignment. Our embassy's principal objective was to support the newly-elected government of President Hernan Siles following 20 years of authoritarian rule by a long succession of military governments. Our embassy team played a critical role in the democratic transition, which included helping to block a coup attempt by disgruntled military officers. As an economic officer, we worked with Bolivian workers to strengthen the trade union movement and nominated several young Bolivian labor leaders to travel to the United States on international visitor programs. It was also greatly gratifying for me to serve as one of the embassy's observers in the free and fair elections of 1985 that resulted in the constitutional transfer of power to a new civilian president, Victor Paz Estenssoro. I also worked with the Bolivian Government and local business organizations to promote the rule of law and more transparent judicial systems. Indeed, in my many economic assignments in Latin America, my work to create a trade and investment climate favorable to U.S. commercial interests invariably meant promoting good governance, openness, democracy, and human rights.

I am particularly proud of my work temporarily running a combined political and economic section in 1989 in the immediate aftermath of the coup that overthrew the

35-year-old dictatorship of General Alfredo Stroessner in Paraguay. During this historic transition, our embassy played a crucial role. In this effort, we supported democratic forces in Paraguay to bring about radical positive change. For example, over a 6-month period, we worked closely with the new Paraguayan authorities and civil society that resulted in the release of political prisoners, the recognition of banned political parties, the restoration of press freedoms, including the reopening of the main opposition newspaper—ABC Color—and the holding of the first truly free elections in Paraguay's 150 year history. Today Paraguay faces many difficulties and challenges, and its democracy is highly imperfect and still fragile. However, for the Paraguayan people and for many of us who remember the repression and total impunity of the Stroessner era, Paraguay has moved in freedom's direction.

Over the years, I have continued to engage actively to support human rights and democracy. As an economic officer in El Salvador and Honduras, I worked with colleagues in the American Institute for Free Labor Development to advance labor rights and push for the recognition of trade unions. Serving as Director of Andean Affairs on the National Security Council, I made sure the protection of human rights continued to be a front burner issue for us in Colombia. We pressed for the investigation of extrajudicial killings of journalists and labor leaders and made sure that a significant chunk of our assistance dollars were devoted to good governance, strengthening the rule of law, and civil society. Finally, over the 5 years that I have served as deputy chief of mission, I have sought to make sure that both the Governments of Argentina and Spain worked closely with us in multilateral fora to support democracy and human rights around the world.

*Question.* What are the most pressing human rights issues in Honduras? What are the most important steps you expect to take, if confirmed, to promote human rights and democracy in Honduras? What do you hope to accomplish through these actions?

*Answer.* Honduras suffers from human rights problems that include: unlawful killings and beatings by members of the police, government agents, vigilantes, street gangs, and former members of the security forces; failure to provide legal due process; politicization, corruption, and institutional weakness of the judiciary; erosion of press freedom; intimidation of human rights defenders; government restrictions on recognition of nongovernmental organizations (NGOs); trafficking in persons; and ineffective labor law enforcement.

If confirmed, I will make the promotion of democracy and human rights a top priority. I will advocate forcefully for the rule of law and transparency. I will work with the Government of Honduras to support free and fair elections in November 2009. Along with my embassy team, I will consult with government institutions, NGOs, labor unions, and other organizations. I will work closely with these groups to encourage reforms and discuss problems related to human rights and democracy.

Addressing corruption and institutional weaknesses is a major part of the mission's current activities, and if confirmed, I will continue this work. The United States offers technical and financial resources to public and private organizations, including providing speakers and training to Honduran Government officials, NGOs, and civil society representatives on transparency, rule of law, citizen participation and accountability. I will also advocate for the implementation of the new transparency law and civil procedure code to provide greater access to public information and modernize the civil justice system.

By continuing to focus on the broad theme of human rights in Honduras, I hope to further the important and historical goals of United States engagement in Honduras, to broaden participation in the democratic system to assure ordinary citizens have a role in the political process; and to assure that the economic opportunity brought to Honduras by CAFTA will increase Honduran citizens' ability to lift themselves out of poverty.

*Question.* If confirmed, what are the potential obstacles to addressing the specific human rights issues you have identified in your previous response? What challenges will you face in Honduras in advancing human rights and democracy in general?

*Answer.* Corruption, impunity, and insecurity are principal obstacles to addressing the human rights situation in Honduras. In addition, weak institutions and the difficulty of making necessary microeconomic and national changes to extend the benefits of democracy and free markets to all people has generated impatience and frustrations.

If confirmed, my team and I will continue to help the Honduran Government reach Millennium Challenge Corporation compact goals through a remediation plan that promotes transparency and combating corruption. We will support compliance with this plan, and we will promote respect for the rule of law and general good

governance by providing training to government officials, NGOs, law students, and others on the newly enacted civil procedure code and transparency laws.

If confirmed, I will also work with the Honduran Government to encourage them to respect the rule of law and address widespread corruption and the ineffective judicial system. I will also work with civil society and the press to create an open, honest debate on the issue of human rights and the challenges corruption and impunity place on the development of Honduras.

*Question.* In your new position, what steps will you take to ensure that promotion of human rights objectives will be an integral part of the activities of the United States Embassy-Honduras? If confirmed, what steps will you take to ensure that Foreign Service officers who engage in human rights activities are encouraged and professionally rewarded for superior service?

*Answer.* If confirmed, the advancement of human rights in Honduras will continue to be one of the top priorities of the embassy's mission. I will encourage the embassy team to meet with civil society groups and to conduct outreach programs to strengthen ties with communities, which historically have been overlooked.

The promotion of human rights objectives is central to all of our work to encourage representative democracy, economic integration, and faith in the transformative power of freedom in individual lives. We will work to encourage the consolidation of sustainable economic growth and political stability so that all Hondurans can benefit from the political system, economic opportunity, and social justice, especially for poor and marginalized populations.

I will lend my voice to my team's work and acknowledge and reward their efforts through formal means of recognition and promotion of human rights.

*Question.* Will you commit to meeting regularly with nongovernmental organizations in the United States and in Honduras who are working to promote human rights?

*Answer.* If I am confirmed, I plan to reach out early in my tenure and develop strong working relationships with NGO representatives from both the United States and across Honduras who are working to advance human rights in Honduras. NGOs and civil society members are integral to the effort to promote human rights in the country and will be valued allies for me and the embassy team.

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RESPONSES OF STEPHEN G. MCFARLAND TO QUESTIONS SUBMITTED  
BY SENATOR CHRISTOPHER J. DODD

*Question.* How will you work to encourage the Guatemalan Government to bring to justice former military officials accused of committing these crimes? How will you support Guatemalan human rights defenders and ensure that those who attack them are prosecuted?

*Answer.* If confirmed, I will stress in my discussions with the President, Attorney General, and other key government officials the importance of promoting the rule of law, and to achieve justice, national reconciliation and closure for families of the victims of the human rights abuses committed during the internal conflict. I will engage with the Ministry of Government, the Attorney General's Office, and the Judiciary to press for investigation and prosecution, as well as raise the issue with senior military authorities to ensure their continued cooperation in legal proceedings.

As other U.S. ambassadors before me, if confirmed, I would continue to meet with human rights defenders, particularly in public, to raise the profile of the work they are doing on behalf of all Guatemalans. I will continue the embassy's practice of showing public solidarity with human rights defenders who have been the victims of threats and urge the government to strengthen efforts to protect those defenders. And I will continue to raise the investigation and prosecution of crimes against human rights defenders with appropriate senior-level government officials.

*Question.* What will you do to support the International Commission against Impunity in Guatemala (CICIG) important mandate? How will you encourage the Guatemalan Government to provide CICIG with the necessary cooperation to enable it to fulfill its critical mandate? How do you plan to encourage lasting improvements to the judicial system, both through CICIG's recommendations and by other means?

*Answer.* If confirmed, I will maintain the vigorous United States support for CICIG by continuing the embassy's strong relationship with CICIG Commissioner Carlos Castresana and other CICIG staff; by advocating for CICIG technical and financial resources within the U.S. Government, the diplomatic community, and multilateral institutions; and by continuing to highlight the importance of CICIG in

combating Guatemala's culture of impunity and violence, and promoting the rule of law.

I will encourage the Guatemalan Government to meet and go beyond its obligation to provide its best investigators, prosecutors, and security professionals. I will continue to raise the United States' and broader interest in the success of CICIG in my meetings at the highest levels of Guatemalan Government, including the President, Vice-President, and Attorney General, as well as with members of civil society and the private sector.

By Mr. Castresana's and others' intentions, a good portion of the CICIG staff is Guatemalan, which is crucial if the effects of CICIG are to last. I think the key to lasting improvements is CICIG's own performance in the 18 months remaining on its mandate. If Guatemalans understand that impunity is not inevitable, that violent criminals can be held accountable, then they will come to expect no less from their own institutions. I know that the United States Embassy has already begun to plan for rule of law assistance for coordination between CICIG and Guatemalan institutions, and if confirmed, I will earnestly advocate to make available the additional resources needed for the United States to assist Guatemalan institutions to carry on the work started by CICIG.

*Question.* What information do you have about the recent assassination of President Colom's security advisor? Does this assassination reflect the same corrupt influence that resulted in the killing of Salvadoran parliamentarians recently in Guatemala?

*Answer.* Former Security Advisor Victor Rivera was murdered April 7 at 11:30 p.m. by unknown assailants who intercepted his vehicle on a main thoroughfare in Guatemala City. His companion, who was a passenger in his car, was wounded. The murder occurred one week after he was dismissed from his position in the Ministry of Government.

Investigation of his murder is ongoing. Thirteen investigators of the National Civil Police and the Attorney General's Office have been assigned to the case.

This high-profile murder, like the February 2007 PARLACEN murders, demonstrates the extent of Guatemala's climate of violence and the need for continued Guatemalan efforts, with international assistance, to improve the rule of law.

*Question.* The Hague Conventions on adoption came into force in the United States on April 1. Is the United States permitting adoptions from Guatemala now that this convention has been adopted? Have all outstanding issues surrounding adoptions been resolved?

*Answer.* The Guatemalan Government has started creating the structure necessary to process adoptions in accordance with the Hague compliant provisions of its new internal legislation. However, they are not yet ready to initiate new adoptions that meet these provisions. The embassy is working closely with the new National Adoption Council (CNA) so as to be in a position to confirm the CNA's ability to process Hague compliant adoptions once regulations are drafted and implemented, and the critical portions of the new adoption procedures are functional. Meanwhile, both the United States and Guatemala continue to process under pre-Hague rules adoptions initiated in Guatemala prior to December 31, 2007, the date Guatemalan adoption reforms took effect.

*Question.* Have you read the cable ref: 04 STATE 258893—Peace Corps-State Department Relations?

*Answer.* Yes, I have read the cable on Peace Corps-State Department Relations (04 State 258893).

*Question.* Do you understand and agree to abide by the principles set forth in this cable?

*Answer.* Yes, I do.

*Question.* Specifically, do you understand and accept that "the Peace Corps must remain substantially separate from the day-to-day conduct and concerns of our foreign policy" and that "the Peace Corps' role and its need for separation from the day-to-day activities of the mission are not comparable to those of other U.S. government agencies"?

*Answer.* Yes, I understand and I accept that the Peace Corps must remain substantially separate from the day-to-day conduct and concerns of our foreign policy, and the Peace Corps' role and its need for separation from the day-to-day activities of the mission are not comparable to those of other U.S. government agencies. These principles have guided my earlier work as Deputy Chief of Mission and Charge in Paraguay and in Guatemala, which have large Peace Corps programs.

*Question.* Do you pledge, as Secretary Rice requests in 3.B of the cable, to exercise your chief of mission "authorities so as to provide the Peace Corps with as much autonomy and flexibility in its day-to-day operations as possible, so long as this does not conflict with U.S. objectives and policies"?

*Answer.* Yes, if confirmed I pledge to exercise my chief of mission authorities so as to provide the Peace Corps with as much autonomy and flexibility in its day-to-day operations as possible, so long as this does not conflict with U.S. objectives and policies.

RESPONSES OF STEPHEN G. McFARLAND TO QUESTIONS SUBMITTED  
BY SENATOR JOSEPH R. BIDEN, JR.

*Question.* What are the most important actions you have taken in your career to date to promote human rights and democracy? What was the impact of your actions?

*Answer.* Support for democracy and human rights has been a major U.S. objective in my previous posts, and it has been an important component of my work, as well as a personal commitment. As the human rights officer in Peru, 1985–1988, I visited human rights and community leaders in areas affected by the internal conflict. These meetings sent a message of support for human rights groups—some of which were threatened by security force members as well as the guerrillas—and they provided accurate information on human rights abuses that the United States used to engage the Government of Peru. As political counselor in El Salvador, I led the U.S. reporting and assessment of the 1988 San Francisco killings, and I contributed to our reporting on the cover-up of the Jesuit murders; these cables assisted the United States in challenging the government to punish human rights abusers. I also carried out considerable outreach to the political left and right in El Salvador to support the emerging peace process, and I made personal recommendations to the Bureau of Inter-American Affairs at the State Department to leverage United States assistance to better support the peace process and the Jesuit murders investigation. As political counselor in Peru, I led the reporting effort on the clandestine "Colina" death squad supported by then-national intelligence chief Vladimiro Montesinos. These cables contributed to a vigorous debate within the U.S. Government about our relationship with Montesinos. I also reported on the increasing authoritarian measures of the Fujimori government, and I met often with the opposition as well as government officials to express our concerns about democracy. As the United States representative on the 1995 interim cease-fire monitoring group on the Peru-Ecuador border, I contributed to United States efforts to disengage the opposing military forces and to facilitate the eventual diplomatic resolution of this dispute. As Charge in Paraguay, I led the rapid United States response to oppose the April 2000 coup attempt; I then made a public (and successful) request for the government not to mistreat the captured coup participants. As Charge in Guatemala I led the embassy's support for human rights; as part of that effort, I made public visits to human rights workers who had received threats, and I attended two high-profile human rights trials. These actions underscored U.S. concerns about the protection of human rights groups and about impunity. I also led U.S. efforts to engage the Portillo government, first privately and then publicly, on official corruption, organized crime, and narcotics trafficking. This initiative led to subsequent public expressions of concern by other international donor countries about corruption, and it encouraged Guatemalan civil society groups that advocated greater transparency and accountability. Guatemalan prosecutors subsequently began numerous judicial actions against corrupt officials.

*Question.* What are the most pressing human rights issues in Guatemala? What are the most important steps you expect to take to promote human rights and democracy in Guatemala? What do you hope to accomplish through these actions?

*Answer.* The most pressing human rights issues in Guatemala are a weak judicial and law enforcement system that does not protect citizens from violent crime; impunity of human rights offenders; and organized crime and clandestine armed groups. These human rights issues in turn are one of the most important challenges to Guatemala's democracy; other major challenges are corruption, poverty, and social exclusion. If confirmed as ambassador, I would continue the vigorous United States support, in public and in private, for human rights and democracy, to include meeting throughout Guatemala with members of the government and with civil society. I would also support ongoing U.S. programs that address these issues, to include community policing, rule of law, police professionalization, human rights, transparency, and programs in rural and indigenous areas. I would also work closely with the U.N.-Guatemalan Commission Against Impunity in Guatemala (CICIG), to



which the United States is contributing, and which will support Guatemalan judicial authorities in investigating clandestine groups. The Merida Initiative, if approved by the Congress, would increase significantly our ability to cooperate with Guatemalan institutions on citizen security and rule of law issues. If confirmed, and if the Congress approves the Merida Initiative, I would scrutinize any Merida-funded proposals in Guatemala to ensure that they support our broader democracy and human rights goals, particularly Guatemala's ability to strengthen transparency, accountability, and the rule of law. I would also use ongoing assistance programs, as well as public diplomacy outreach, and our engagement on CAFTA, to work with our Guatemalan partners to improve living standards for those Guatemalans most in need, in particular the indigenous.

*Question.* What are the potential obstacles to addressing the specific human rights issues you have identified in your previous response? What challenges will you face in Guatemala in advancing human rights and democracy in general?

*Answer.* The principal challenges to democracy in Guatemala are security, transparency, prosperity, and social inclusion. Greater citizen confidence in the ability of elected government to address these issues in a fair and timely way will strengthen democracy. A weak judicial and law enforcement system is the primary obstacle to protecting human rights in Guatemala. This manifests itself in extremely low prosecution rates for all crimes, and in particular homicide, and violent crimes against women, which in turn lowers citizen confidence in police and prosecutors, and increases the temptation for some to take the law into their own hands. The police have not been able to provide sufficient security for most citizens, and in many cases have been involved in crimes. Guatemalans acknowledge that corruption and intimidation are two additional obstacles to improving the judicial system. While gangs and drug traffickers are responsible for considerable violent crime, there are also organized crime groups that seek political influence and protection, who pose a major challenge to democracy.

These obstacles notwithstanding, there are important partners with whom the United States can work with on these issues. The Colom administration, which took office in January, seeks to work with the United States on a broad range of human rights, democracy, and economic issues, to include improving rule of law institutions, and citizen security. There are also many members of the police and the judicial institutions committed to improving the rule of law and human rights, in addition to Guatemalan human rights, media, private sector, and other civil society groups.

*Question.* What steps will you take to ensure that promotion of human rights objectives will be an integral part of post activities? What steps will you take to ensure that Foreign Service officers who engage in human rights activities are encouraged and professionally rewarded for superior service?

*Answer.* Human rights are an integral part of Embassy Guatemala's activities. The embassy has an interagency Rule of Law Committee that addresses human rights in a collective forum. The political section has the lead on tracking and promoting human rights, but personnel throughout the embassy regularly promote human rights through public outreach, exchanges, training, and dialog. The embassy has undertaken human rights programs with the military, the police, prosecutors, and immigration authorities, among others. Promoting human rights is a priority in the mission strategic plan. If confirmed as ambassador, I will ensure that human rights remain of critical import across the range of embassy functions, including my own duties; I believe that ambassadorial involvement in human rights outreach also underscores within the embassy the importance of this effort. I will also ensure, as I have in the past, that Foreign Service officers and other personnel who work on human rights receive due recognition through the employee evaluation and award processes. I will also ensure that the embassy continues to have a spirit of openness in which issues such as human rights can be freely and frankly discussed and assessed.

*Question.* Will you commit to meeting regularly with nongovernmental organizations in the United States and in Guatemala that are working to promote human rights?

*Answer.* Yes. I have worked with human rights organizations throughout my career in the Department of State, both in the United States and abroad. As DCM and charge in Guatemala I met frequently with human rights NGOs, and I participated in activities that they organized to promote human rights; if confirmed as ambassador, I will continue to do so. Human rights NGOs are important partners in the quest to protect and promote human rights. The embassy team maintains close

contact with a range of human rights leaders and civil society leaders, and if confirmed, meeting with them will be among my first acts.

*Question.* With regard to international adoptions, how many adoption cases initiated prior to December 31, 2007 remain to be processed? What efforts are the U.S. Embassy and the Bureau of Consular Affairs making to resolve these cases? Does the embassy have sufficient resources in the consular section to devote to this issue? Can you provide an estimate of how long it will take to conclude processing of these cases?

*Answer.* Statistics of the U.S. Citizen and Immigration Services (USCIS) section at the United States Embassy in Guatemala City show 2,965 pending adoption cases as of April 1, 2008, down from 3,387 on March 1. Before USCIS and the Consular Section can complete processing of any of these cases, they must have a finalized adoption according to Guatemalan law. The embassy believes that nearly all of these cases have been registered with the new National Adoption Council (CNA) before the February 12, 2008 deadline created by Guatemala's new Hague compliant legislation, and will, therefore, be entitled to be processed under the notarial adoption system that existed prior to the new law. Completed adoption documentation is being presented daily to the embassy, currently running at a rate slightly slower than last year's record numbers (4,729 adoption immigrant visas issued in fiscal year 2007). Current USCIS and consular staff at the embassy is therefore sufficient for timely processing of these cases. The average number of days from receipt of final adoption documentation by the embassy's USCIS office to issuance of the immigration visa by the consular section is now under 14 calendar days. For most of last year this processing and scheduling time averaged approximately 21 days. If Guatemalan Government adoption processing continues at rates similar to March and April, most such "grandfathered" cases (barring problems discovered in individual cases) should be completed by the end of calendar year 2008.

*Question.* What is the status, in particular, of cases involving the children from Casa Quivira? How many prospective adoptions involving American citizens remain pending?

*Answer.* Thirty-five children remain in Casa Quivira, though one child's adoption has been completed and is scheduled for final visa interview on April 22. We believe that 30 of these children continue to be matched with American prospective adoptive families, according to the records of USCIS. However, we have recently learned of several withdrawals by U.S. families, and we have not been informed of new matches for those children. Eight of these children (counting the April 22 final interview above) have been released by the investigating prosecutor's office for completion of adoption processing. In 18 more cases, the prosecutor has been unable to locate birth mothers for interview. Several parents, however, have engaged additional assistance to help locate these mothers and to bring them for interviews by Guatemalan authorities. In nine cases, the prosecutor has discovered serious irregularities, mainly consisting of false identifications of the birth mothers. All such cases will have to be processed as abandonment cases, requiring court determinations, and almost certainly requiring processing in accordance with the new law. The embassy and the Bureau of Consular Affairs continue to dedicate extensive efforts to these cases.