

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

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**HEARINGS**

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE**

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

—  
FEBRUARY 7 THROUGH NOVEMBER 28, 2012  
—

Printed for the use of the Committee on Foreign Relations



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COMMITTEE ON FOREIGN RELATIONS  
112<sup>TH</sup> CONGRESS—SECOND SESSION

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**NOMINATIONS OF MARCIE RIES, JOHN KOENIG,  
MICHAEL KIRBY, THOMAS ARMBRUSTER,  
AND GRETA CHRISTINE HOLTZ**

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WEDNESDAY, JULY 18, 2012

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

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Hon. Marcie B. Ries, of the District of Columbia, to be Ambassador  
to the Republic of Bulgaria  
John M. Koenig, of Washington, to be Ambassador to the Republic  
of Cyprus  
Hon. Michael David Kirby, of Virginia, to be Ambassador to the  
Republic of Serbia  
Thomas Hart Armbruster, of New York, to be Ambassador to the  
Republic of the Marshall Islands  
Greta Christine Holtz, of Maryland, to be Ambassador to the Sul-  
tunate of Oman

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The committee met, pursuant to notice, at 2:35 p.m., in room  
SD-419, Dirksen Senate Office Building, Hon. Jeanne Shaheen,  
presiding.

Present: Senators Shaheen, Menendez, and Barrasso.

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

Senator SHAHEEN. Good afternoon, everyone. Welcome. I am  
pleased to open these nomination hearings this afternoon and  
pleased to be joined by Ranking Member Senator Barrasso from  
Wyoming.

Today the Senate Foreign Relations Committee considers the  
nominations of Marcie Ries to be the U.S. Ambassador to Bulgaria;  
John Koenig to be the Ambassador to Cyprus; Michael Kirby to be  
the Ambassador to Serbia; Thomas Armbruster to be Ambassador  
to the Marshall Islands; and Greta Holtz to be Ambassador to  
Oman.

We have a wide variety of posts under consideration today and  
an impressive panel of Career Foreign Service nominees. Each of  
you will be critical in helping to meet U.S. responsibilities and pro-  
tecting American interests throughout Europe, the gulf, and the  
Pacific.

First on the agenda today, the committee is going to examine our relationship with Bulgaria, and as some of you may have already heard, this afternoon there was an explosion in Bulgaria on a bus carrying tourists from Israel. It killed at least seven civilians and wounded many more. Early reports suggest that this was a suicide bomb attack likely aimed at innocent Israeli civilians. If true, it represents the kind of cowardly attack that has been condemned by civilized society across the world. We must all stand together to strongly condemn those individuals responsible for the attack and to hold accountable any associated terrorist organizations or nations who played a role in this heinous and senseless violence against innocent civilians.

There have been a number of attempted attacks against Israeli diplomats in recent months around the world, and if this explosion proves to be a similar attack, it will be part of a troubling pattern that should not be accepted by the international community. I am confident that the United States will do everything in its power to work with Bulgarian and Israeli officials to fully investigate the attack and reveal those responsible. And when we get to the question and answer portion of this afternoon's hearing, I will ask the nominee to be Ambassador to Bulgaria if she would comment.

As a relatively new member of the NATO alliance, Bulgaria has contributed significantly to the military and training effort in Afghanistan and it continues to provide the United States with several of its military bases for joint training exercises in Southeast Europe. As one of the poorest countries in the European Union, Bulgaria faces serious issues with respect to organized crime, corruption, and trafficking which need to be more robustly addressed.

This afternoon we will also consider U.S. policies with respect to the Republic of Cyprus, a critical ally of the United States and an EU Member State that took over the rotating Presidency of the European Union this month. As I and 26 other U.S. Senators attested to in a letter to President Obama last fall, the U.S.-Cyprus friendship remains an anchor of American foreign policy in the strategically important Mediterranean region, and our relationship is based on shared traditions of freedom, democracy, and a market-based economy. In fact, one of the strongest components of our bilateral relationship is the active and vibrant Hellenic-American community in the United States, and if you will forgive me for being parochial, particularly in my home State of New Hampshire where we have the highest percentage of Hellenic Americans in the country.

The ongoing division of Cyprus has lasted for far too long, and a fair and lasting reunification agreement which benefits all Cypriots is in everyone's strategic interest. I hope the United States will continue to encourage all parties, including Turkey, to work toward a fair resolution.

We will also discuss U.S. relations with Serbia, a critically important country in the challenging region of the Western Balkans. Serbia's most recent elections have brought new leadership to the country with Tomislav Nikolic and his Serbian Progressive Party winning the Presidency and leading the new parliamentary coalition there. The new leadership has committed to continue the previous administration's path toward EU integration. I hope that

Belgrade will make progress in the ongoing dialogue with Kosovo and will be a constructive partner with the international community in Bosnia. I share the concerns of our State Department over recent comments by Serbia's new leadership denying the Srebrenica genocide, and I would urge the Nikolic administration to do more to promote reconciliation rather than divisiveness at this important time for the Western Balkans.

Today we will also consider America's relationship with the Marshall Islands, a country in the northern Pacific that has long had a unique free association agreement with the United States since it gained its independence in 1986—the Marshall Islands, obviously, not the United States. The Marshall Islands also provide a critical missile defense base for the United States in the Pacific.

And finally today we will examine U.S. policies with respect to Oman, a strategically located sultanate in the Persian Gulf. The United States has long had a constructive security partnership with Oman, and despite some important political reforms over the course of the last several decades, protests in the early part of last year highlight the importance of the United States doing more to encourage the sultanate to continue to open up its political process and give the people of Oman a voice in its government.

Now, before introducing our panel, I will turn over the chair to the ranking member, Senator Barrasso, for his statement.

**OPENING STATEMENT OF HON. JOHN BARRASSO,  
U.S. SENATOR FROM WYOMING**

Senator BARRASSO. Well, thank you very much, Madam Chairman. And I would like to associate myself with your remarks about the act of violence in Bulgaria and the senseless loss of life of Israeli citizens. So I appreciate your comments and we know it is a heartfelt and great concern.

Today the Senate Committee on Foreign Relations meets to consider five positions from different areas around the globe. Each of your nominations is important to fostering vital relationships and promoting U.S. national interests. There are real challenges ahead, and it is important that the United States continues to be a strong leader across the globe. Should you represent our Nation as a U.S. Ambassador, it is important that each of you, No. 1, provide strong stewardship of American taxpayer dollars; No. 2, demonstrate professionalism and good judgment; and No. 3, vigorously advocate for the priorities of the United States.

I look forward to hearing your goals for each of these countries and your plan for achieving them, and I join Madam Chairman in congratulating each and every one of you on your nominations. And I want to extend also a warm welcome to all of your family and friends who are here joining you today.

Thank you, Madam Chairman.

Senator SHAHEEN. Thank you, Senator Barrasso.

Today we have five distinguished nominees with wide-ranging experience and expertise. All five members of our panel are career members of the Foreign Service who have served extensively in leadership posts around the world and here in Washington. Together the panel represents over 14 decades of experience working

in the Foreign Service. And I must say none of you look old enough to—even combined—represent 14 decades. That is a very long time.

But first, going from right to left—at least my right to your left—up first we have Ambassador Marcie Ries, nominated to be the United States Ambassador to Bulgaria. Ambassador Ries is currently the Principal Deputy Assistant Secretary of State for Arms Control, Verification, and Compliance and has previously served as the United States Ambassador to Albania.

Next, we have John Koenig who is nominated to be our Ambassador to the Republic of Cyprus. Mr. Koenig most recently served as the political advisor to the Allied Joint Force Command in Naples and as the Deputy Chief of Mission in Berlin.

We also have Ambassador Michael Kirby, the nominee to be the United States Ambassador to Serbia. He is currently the Principal Deputy Assistant Secretary of State for Consular Affairs and previously served as the United States Ambassador to Moldova.

Mr. Thomas Armbruster has been nominated to be the United States Ambassador to the Marshall Islands. He is currently a diplomat in residence at City College in New York and was previously the consul general at the United States consulate in Vladivostok, Russia.

And finally today we have Greta Holtz, the nominee to be our Ambassador to Oman. Ms. Holtz is the Deputy Assistant Secretary of State for Public Diplomacy in the Bureau of Near Eastern Affairs, and prior to that, she was the director of provincial affairs at the United States Embassy in Baghdad.

Congratulations to each of you on your nominations. We thank you for taking on these important jobs and look forward to hearing from you this afternoon.

And I would just ask when you are testifying, if you would feel free to introduce any family or friends who are here with you. We understand that we ask a lot of your families when you are serving in our diplomatic core, and we want to have the opportunity to thank them as well for their service jointly with you. So I thank all of you.

I am actually going to begin this afternoon with Ms. Holtz because we are still expecting some people in the audience, and so we are going to left to right. So if you would begin with your testimony.

**STATEMENT OF GRETA CHRISTINE HOLTZ, OF MARYLAND, TO  
BE AMBASSADOR TO THE SULTANATE OF OMAN**

Ms. HOLTZ. Thank you very much, Madam Chairman and distinguished members of the committee. I thank you for the opportunity to appear before you today.

I am very honored to be President Obama's nominee to serve as Ambassador to the Sultanate of Oman. I deeply appreciate the confidence that the President and Secretary Clinton have shown in me.

If confirmed by the Senate, I will employ the full range of our diplomatic tools to help achieve our goal of a stable, secure, and democratic Middle East. I will work with our Omani partners on counterterrorism, counterproliferation, and encourage their efforts to promote transparency, accountability, and reform. With our pri-



vate sector partners, I will encourage expansion of the commercial ties between the United States and Oman, together with efforts to diversify the Omani economy through the development of entrepreneurship and the additional empowerment of women and youth. Finally, I will work with the Government of Oman to promote the growth of independent civil society and deepen the people-to-people engagement that we have between our two countries.

Thank you very much, Madam Chairman, for allowing me recognize my family. I have here today with me my husband, Paco; our two daughters, Victoria and Alexandra; and a dear friend Annie. Our son, Anthony, is in music camp in Michigan and cannot be with us today.

Senator SHAHEEN. Thank you. Can we just ask you all if you would raise your hands? Great. Thank you.

Ms. HOLTZ. Thank you very much.

I want to thank them for their endless support through accompanied and unaccompanied tours in Saudi Arabia, Yemen, Tunisia, Syria, Turkey, and Iraq. They have loved our tours together in the region and have been stoic during long separations.

The United States and Oman have shared a strong and dynamic relationship since the earliest days of our Nation's history. This bond dates back to 1790 when the Boston brig *Rambler* entered the port of Muscat. In 1833, the United States and Oman concluded a treaty of friendship and navigation.

The United States and Oman enjoy an excellent security relationship and work together to pursue shared regional strategic objectives, enhanced border security, and freedom and safety of navigation in vital shipping lanes. Operation Enduring Freedom, Operation Iraqi Freedom, and other contingency operations have benefited from Omani support and cooperation. The Omani military is well trained, pursues a focused strategy, and is regarded as one of the most professional armed forces in the region. If confirmed, I will work hard to broaden and deepen the decades-long security relationship between the United States and Oman.

From the United Nations to the Gulf Cooperation Council and the Arab League, Oman has played an active and helpful role in multilateral diplomacy. In neighboring Yemen, Oman invests significant resources in a strategy of stabilization through political engagement, development aid, and humanitarian assistance. Oman is a strong partner of the United States in countering terrorism and extremism in the Arabian Peninsula.

Since Sultan Qaboos bin Said came to power in 1970, Oman has made dramatic gains in its development, emerging as a modern state with first-class infrastructure and modern educational institutions. In the 2010 U.N. Human Development Report, Oman ranked No. 1 out of the 135 countries studied for progress in the previous 40 years in human development which focuses on education, access to quality health care, and other basic living standards.

The sultan has demonstrated his ongoing interest in partnering with the institutions of higher education around the world, including our own. In 2011, Oman established a new scholarship program through which more than 500 young Omanis have enrolled in higher education in the United States. Last October, the sultan

funded an endowed professorship of Middle East studies at the College of William and Mary.

Madam chairman, with your permission, I will end my oral testimony here and submit the rest as my written statement.

[The prepared statement of Ms. Holtz follows:]

PREPARED STATEMENT OF GRETA CHRISTINE HOLTZ

Madam Chairman and distinguished members of the committee, I thank you for the opportunity to appear before you today.

I am honored to be President Obama's nominee to serve as Ambassador to the Sultanate of Oman. I deeply appreciate the confidence that the President and Secretary Clinton have shown in me. If confirmed by the Senate, I will employ the full range of our diplomatic tools to help achieve our goal of a stable, secure, and democratic Middle East. I will work with our Omani partners on counterterrorism and counterproliferation, and will encourage their efforts to promote transparency and accountability. With our private sector partners, I will encourage expansion of the commercial ties between the United States and Oman together with efforts to diversify the Omani economy through the development of entrepreneurship, and the empowerment of women and youth. Finally, I will work with the Government of Oman to promote the growth of independent civil society, and deepen people-to-people engagement between our two countries.

I would like to pause for a moment, Madam Chairman, to recognize my husband, Paco Cosio-Marron, our children, Victoria, Alexandra, and Anthony, and my sister, Carla Holtz, who are with me here today. I thank them for their endless support through accompanied and unaccompanied tours in Saudi Arabia, Yemen, Tunisia, Syria, Turkey, and Iraq. They have loved our tours together in the region, and have been stoic during long separations.

The United States and Oman have shared a strong and dynamic relationship since the earliest days of our Nation's history. This bond dates back to 1790, when the Boston brig *Rambler* entered the port of Muscat. In 1833, the United States and Oman concluded a treaty of friendship and navigation.

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The Sultan has demonstrated his ongoing interest in partnering with institutions of higher education around the world, including our own. In 2011 Oman established a new scholarship program through which more than 500 young Omanis have enrolled in higher education in the United States. Last October, the Sultan funded an endowed professorship of Middle East Studies at the College of William and Mary.

Oman has made important strides in promoting women's rights and participation in public life. Omani women serve in elected and appointed political offices, including two Cabinet posts. In 2005 Oman was the first Arab country to appoint a woman as Ambassador to the United States, the Honorable Hunaina Al Mughairy, who remains a pillar of Washington's diplomatic community. Omani women comprise over 40 percent of university students, though female illiteracy remains a significant problem. The Government of Oman is making an effort to strengthen legislation that will enhance the resources available for women and children in health and education. The State Department's Middle East Partnership Initiative (MEPI)

has, for many years, supported training and other programming for Omani women, and if confirmed, I look forward to enhancing those efforts.

The Sultan took quick action to respond to demands by the Omani public for greater civic participation early last year. There were elections for the country's Consultative Council, a Cabinet shuffle that incorporated several members of the elected Council into leadership positions in government, and programs to address unemployment. If confirmed, I will encourage Oman, our friend and partner, to continue to respond to the hopes and aspirations of its people.

Economic and commercial ties between our two countries are growing rapidly across a variety of sectors. U.S. exports to Oman were over \$1.4 billion last year, and bilateral trade volume is up over 50 percent since January 2009, when the U.S.-Oman Free Trade Agreement came into effect. If I am confirmed, I will place a high priority on ensuring that U.S. companies have the support needed to pursue new commercial opportunities in Oman.

The important cultural connection between our two countries was demonstrated recently by the 2011-2012 inaugural season of the Royal Opera House in Muscat. Over the past year, world-renowned American artists such as Wynton Marsalis, Yo-Yo Ma and Renee Fleming shared the great American performing arts tradition with sold-out audiences in Muscat. The Kennedy Center will continue its partnership with the Opera House in the coming season, in which American artists will headline nine performances. If confirmed, I look forward to encouraging a blossoming cultural relationship.

I would also like to assure you that, if confirmed, my highest priority will be protecting the safety and security of the dedicated men and women at our mission, as well as all Americans living in, working in, and visiting Oman.

Finally, if confirmed, I also look forward to welcoming the committee's members and staff to Muscat. Madame Chairman, thank you for this opportunity to address the committee. I look forward to your questions.

Senator SHAHEEN. That would be great. Thank you.  
Mr. Armbruster.

**STATEMENT OF THOMAS HART ARMBRUSTER, OF NEW YORK,  
TO BE AMBASSADOR TO THE REPUBLIC OF THE MARSHALL  
ISLANDS**

Mr. ARMBRUSTER. Thank you very much, Madam Chairman and members of the committee. It is a pleasure to appear before you today as President Obama's nominee for the Republic of the Marshall Islands as United States Ambassador. I am thankful for their confidence and would welcome the chance to work with you, this committee, and other Members of Congress, and would be honored to advance American interests in the Pacific.

I would like to introduce my wife, Kathy, and son, Bryan, who are here with me and Kathy's mom, Kitty Chandler, and also my brother, Chris, and his daughter, Natalie. They have joined me on this career path from Hawaii to Finland, to Cuba, Russia, Mexico, Tajikistan. We have all got a lot of mileage.

The Marshall Islands is a key partner in the United States deepening commitment in the Pacific. Secretary Clinton said: "One of the most important tasks of American statecraft over the next decade will be to lock in a substantially increased investment—diplomatic, economic, strategic, and otherwise—in the Asia-Pacific region." And in just a few weeks, Assistant Secretary Campbell and Admiral Haney will travel to the Marshall Islands underscoring our commitment to the region.

The United States and the Marshall Islands have a close and special relationship. The Marshall Islands, as you said, Madam Chairman, became part of the U.N. Trust Territory of the Pacific Islands under the administration of the United States after World War II, and in 1986, the Compact of Free Association came into

force and the RMI, Republic of the Marshall Islands, became an independent state. Accordingly, citizens of the RMI can live, study, and work in the United States without a visa. The compact obliges our two countries to consult on foreign policy, and I am happy to say that the RMI has an excellent voting affinity with the United States in the United Nations, sharing our positions on many contentious issues, including human rights and Israel.

Under the compact, the United States is committed to defending the Marshall Islands. The RMI has no military of its own, and Marshallese citizens serve in the U.S. Armed Forces, volunteering at a higher rate than citizens from any individual State. And Jefferson Bobo was the first Marshallese cadet to graduate from the U.S. Coast Guard Academy in May 2011.

As mentioned, Senator, the Marshall Islands hosts the U.S. Army's Ronald Reagan Ballistic Missile Defense Test Site on Kwajalein Atoll, known as USAKA. The base is the country's second-largest employer. And I met with General Formica and his talented and dedicated team at the Space and Missile Defense Command in Huntsville. I know what an important job they have. The test site plays a significant role in the U.S. missile defense research, development, and testing network. It is used to monitor foreign launches, provides deep-space tracking, and is an ideal near-equator launch site for satellites. If confirmed, I will work to maintain the strong relationship between USAKA and the Marshall Islands Government and promote USAKA's beneficial role for affiliated Marshallese communities.

The United States and the Marshall Islands have a developing economic relationship. To help achieve the goal of self-sufficiency, the United States will provide the Government of the RMI over \$60 million a year in assistance through 2023. The majority of our assistance goes toward health, education, environment, and a jointly managed trust fund will serve as a source of income after that grant assistance expires in 2023.

Despite our aid, Marshallese citizens struggle with health issues, unemployment, and social problems. More has to be done to prepare young Marshallese for today's global economy. I believe education is the key. If confirmed, I intend to do everything I can to ensure that our programs are effective and will lead the country team in a whole-of-government approach.

If confirmed, I will draw on my experience from postings throughout the world to work cooperatively with Marshallese officials and society. We have a lot of interagency departments in the Marshall Islands, and I will be happy to work with them to coordinate that effort.

The Marshallese are great Pacific navigators, and I am sure we can chart a course together. I would like to continue the great work Ambassador Martha Campbell is doing with her staff of 39 officers, local staff, and guards.

Thank you, Madam Chairman, for your consideration, and I welcome questions later.

[The prepared statement of Mr. Armbruster follows:]

## PREPARED STATEMENT THOMAS HART ARMBRUSTER

Madam Chairman, Ranking Member Barrasso, members of the committee, it is an honor to appear before you today as President Obama's nominee to be the U.S. Ambassador to the Republic of the Marshall Islands (RMI). I am thankful to President Obama and Secretary Clinton for the confidence shown in me by this nomination. If confirmed, I would welcome the chance to work with you, this committee, and other Members of Congress to advance American interests in the Pacific.

I would like to introduce my wife, Kathy, and son, Bryan, who along with our daughter, Kalia, have traveled every step of my career path from Hawaii to Finland to Cuba, Russia, Mexico, Tajikistan, and New York serving the United States in the Foreign Service.

The Marshall Islands is a key partner in the United States deepening commitment to the Pacific. Secretary Clinton said: "One of the most important tasks of American statecraft over the next decade will be to lock in a substantially increased investment—diplomatic, economic, strategic, and otherwise—in the Asia-Pacific region."

The United States and the Marshall Islands have a close and special relationship dating back to the end of the Second World War, when the Marshall Islands became part of the U.N. Trust Territory of the Pacific Islands under the administration of the United States. In 1986, the Marshall Islands and the United States signed the Compact of Free Association and the RMI became an independent state. This Compact, which was amended in 2004 to extend economic assistance for an additional 20 years, provides the framework for much of our bilateral relationship. Under the Compact, citizens of the RMI can live, study, and work in the United States without a visa. The Compact obliges the two countries to consult on matters of foreign policy, and the RMI Government has an excellent voting affinity with the United States in the United Nations, sharing our positions on many contentious issues, including on human rights and Israel.

Mutual security of our nations is an underlying element of the special relationship between the United States and the Republic of Marshall Islands. Under the Compact the United States has committed to defend the Marshall Islands as if it were part of our own territory, and the RMI has no military of its own. Marshallese citizens serve in our Armed Forces, volunteering at a higher rate than citizens from any individual state. Jefferson Bobo was the first Marshallese cadet to graduate from the Coast Guard Academy in May 2011. He will do his part to defend global peace and security, in peacekeeping missions, in U.S.-led combat operations, and in patrolling the world's waterways. If confirmed, I will work closely with the host government and the Marshallese people to ensure such mutual benefits of our close relationship are widely recognized.

The United States also enjoys complete access to Marshallese ports, airports, and airspace, a vital asset for our defense and security needs. The Marshall Islands hosts the U.S. Army's Ronald Reagan Ballistic Missile Defense Test Site on Kwajalein (known as USAKA). The base is the country's second-largest employer, second only to government services. I met with General Formica and his talented and dedicated team at the Space and Missile Defense Command Headquarters in Huntsville and know how important their work is. The test site plays a significant role in the U.S. missile defense research, development, and testing network. It is used to monitor foreign launches and provide deep-space tracking and is an ideal near-equator launch site for satellites. Under the Amended Compact, the United States has access to Kwajalein through 2066 with the option to extend until 2086. Continued access is important, but as important is a good relationship with the Marshallese. If confirmed, I will work to maintain the strong relationship between USAKA and the Marshall Islands Government and to promote USAKA's beneficial role for affiliated Marshallese communities.

The United States and the Marshall Islands also have an important economic relationship. To help achieve the Compact goal of economic self-sufficiency, the United States will provide the Government of the RMI over \$60 million a year in economic assistance through FY 2023. The majority of this assistance is provided as grants directed toward six sectors: health, education, infrastructure to support health and education, public sector capacity-building, private sector development and the environment. In addition, U.S. federal agencies operate more than 20 different government programs in the Marshall Islands. Another very important aspect of the Compact is a jointly managed Trust Fund that will serve as a source of income for the Marshall Islands after annual grant assistance expires in 2023. If confirmed, I will promote economic development and strongly advocate that the Marshallese work vigorously toward economic self-sufficiency, which is one of the primary goals of the Compact, as Amended.

Maintaining a solid partnership requires work on both sides. Education is a priority sector under the Amended Compact, but more has to be done to prepare young Marshallese for today's global economy. Despite our aid every year, Marshallese citizens are struggling with health issues, unemployment, and social problems. It is in our interest to help the Marshall Islands become more self-reliant and retain their talented and ambitious citizens to foster development and economic growth at home. As I mentioned, many U.S. Government agencies are working to advance those goals. If confirmed, I intend to do everything I can to ensure that our programs are effective in achieving their objectives and will ensure that the interagency is also working harmoniously in a "whole of government approach."

If confirmed, I will draw on my experiences from postings throughout the world to work cooperatively with Marshallese officials and society. For example, joint efforts like the Border Liaison Mechanism that I cochaired with my Mexican counterpart were effective in coordinating policy. In Moscow, as nuclear affairs officer, I coordinated with a range of U.S. agencies to safeguard Russia's nuclear materials. And in negotiating an emergency response agreement with Russia, I forged a close relationship with the Russian negotiator to have that agreement signed and in force to the benefit of both countries.

If confirmed, I will work closely with colleagues in other Pacific countries to advance U.S. interests regionally. In that spirit I led a counternarcotics team from Tajikistan to Kabul and a business delegation to Konduz, Afghanistan, to strengthen regional ties to the benefit of the United States in Central Asia. Furthering citizen services, I currently serve as an auxiliary police officer with the New York Police Department in Manhattan and I have assisted Americans in prison in Cuba, Mexico, and Russia.

If confirmed, my interagency experience will be a critical asset in the RMI, where so many domestic federal agencies—such as the U.S. Postal Service, the Federal Aviation Administration, and the National Weather Service—operate side by side with foreign affairs and defense colleagues. If confirmed, I will work closely with these agencies, and particularly with the Department of the Interior, which has primary responsibility for implementing the Compact's economic provisions, to ensure that assistance efforts are appropriately coordinated and implemented with transparency and accountability.

Working in several embassies around the world, I know how critical local staff is to our success. Our mission in the Marshall Islands depends, not just on the written text of the Compact of Free Association, but also on creating a bilateral relationship based on partnership and mutual respect between Marshallese and the American people. The Marshallese are great Pacific navigators and I'm sure we can chart a course together. If confirmed, I will work hard to ensure that my staff has the resources and support it needs to meet our mission in the Marshall Islands. I would like to continue the great work Ambassador Martha Campbell is doing with her staff of 39 officers, local staff, and guards.

Senator SHAHEEN. Thank you.  
Ambassador Kirby.

**STATEMENT OF HON. MICHAEL DAVID KIRBY, OF VIRGINIA,  
TO BE AMBASSADOR TO THE REPUBLIC OF SERBIA**

Ambassador KIRBY. Thank you, Madam Chairman. It is a privilege to appear before you today as President Obama's nominee to serve as United States Ambassador to the Republic of Serbia. I am honored by the confidence placed in me by the President and Secretary Clinton. If confirmed, I look forward to working with this committee and the Congress in advancing United States interests in Serbia.

I am pleased to have my wife, Sara Powelson Kirby, here with me today. Foreign Service families are unsung heroes and true diplomats themselves. My wife and daughters, Katherine and Elizabeth, neither of whom could be here with me today, have been living, working, and going to school overseas for most of their lives, serving as examples of American values to their friends and colleagues.

I would also like to note the presence of my mother, Dolores Kirby. She has been a great help to my siblings and to me. She also contributed greatly to the career of my father who was in the Foreign Service for 30 years.

I had the privilege of serving for the past 4 years as the Principal Deputy Assistant Secretary in the Bureau of Consular Affairs of the State Department. Prior to this, as U.S. Ambassador to Moldova, I worked with my team to manage a range of issues, including the frozen conflict in Transnistria, improving the climate for multiparty democracy, furthering U.S. business interests, and trying to reduce corruption. I believe these experiences have prepared me well to serve as chief of mission in Serbia.

The Serbia-United States relationship is 130 years old. In fact, we marked the anniversary on July 5. Our cooperation, friendship, and close commercial ties are anchored by a vibrant Serbian diaspora community here in the United States. While our ties were strained in the 1990s, for the past 12 years, we have worked with successive Serbian governments to overcome recent challenges and to build a new, strong partnership with a country that we see as critical to regional stability.

Over the past 4 years, the United States has worked closely with the outgoing government to help Serbia realize its goal of attaining candidate status in the European Union. We now look forward to helping Serbia meet the standards the European Union has set out in order to obtain a start date for accession negotiations. Serbia has made significant progress by undertaking democratic reforms and strengthening institutions to solidify the rule of law. In addition, the military services have undergone fundamental restructuring with the goal of building a modern, civilian-directed force that can play a positive, stabilizing role in the region. Serbia joined NATO's Partnership for Peace with our support, and its military has established a robust cooperation with ours. Its partnership with the Ohio National Guard serves as a model for the region. Together, the United States and Serbia have made significant strides in recent years to repair and rejuvenate our relationship, and if confirmed, I look forward to working with President Nikolic and the new government, once constituted, to build on this strong foundation and continue to deepen our partnership.

While much progress has been made in Serbia, Kosovo remains a significant challenge to our bilateral engagement. We have made clear that on the matter of Kosovo, we can agree to disagree on Kosovo's status as an independent state. We understand that for now Serbia will not recognize the Republic of Kosovo. However, we have also made clear that Serbia must begin to come to terms with today's realities and move toward normalizing its relationship with Kosovo. As the European Union stated in its council decisions in December 2011 and subsequently confirmed, Serbia's path into the EU passes through normalization of its relationship with Kosovo. This is in Serbia's interest, as it is the only way to ensure the Kosovo issue does not continue to interfere with Serbia's relations with its neighbors, the EU, or the United States.

If confirmed, I will also seek to bring resolution to two important challenges to our bilateral relationship. The murderers of the three Bytyqi brothers, New York residents who were executed by Serbian

Ministry of Interior personnel in 1999, have never been prosecuted. The U.S. Government cannot accept that the murderers of three of its citizens go unpunished. Likewise, those who authorized the attacks on the United States and other Western embassies in February 2008 have never been arrested. While we welcome the recent indictments of 12 of the perpetrators who participated in the attack on our Embassy in Belgrade, we also expect Serbia to thoroughly complete its investigation and ensure that all who were involved are brought to justice regardless of their rank or position.

This is a challenging agenda but it is also achievable. If confirmed, I am committed to working to make this vision: a Serbia at peace with all of its neighbors, firmly set on a path of European integration.

Thank you once again for granting me the opportunity to appear before this committee today, and I look forward to your questions.

[The prepared statement of Ambassador Kirby follows:]

PREPARED STATEMENT OF MICHAEL D. KIRBY

Madam Chairman, Ranking Member Barrasso, and members of the Senate Foreign Relations Committee, it is a privilege to appear before you today as President Obama's nominee to serve as the United States Ambassador to the Republic of Serbia. I am honored by the confidence placed in me by both President Obama and Secretary Clinton. If confirmed, I look forward to working with this committee and the Congress in advancing U.S. interests in Serbia.

I am pleased to have my wife, Sara Powelson Kirby, here with me today. Foreign Service families are unsung heroes and true diplomats themselves: my wife and daughters, Katherine and Elizabeth—neither of whom could be with me today—have been living, working, and going to school overseas for most of their lives, serving as examples of American values to their friends and colleagues. I would also like to note the presence of my mother, Dolores Kirby. She has been a great help to my siblings and me. She also contributed greatly to my father's more than 30-year Foreign Service career.

I have had the privilege of serving for the past 4 years as the Principal Deputy Assistant Secretary in the Consular Affairs Bureau of the State Department. Prior to this, as U.S. Ambassador to Moldova, I worked with my team to manage a range of issues, including the frozen conflict in Transnistria, improving the climate for multiparty democracy, furthering U.S. business interests, and trying to reduce corruption. I believe these experiences have prepared me well to serve as Chief of Mission in Serbia.

The Serbia-United States relationship is 130 years old—in fact, we marked its anniversary on July 5. Our cooperation, friendship, and close commercial ties are anchored by a vibrant Serbian diaspora community here in the United States. While our ties were strained in the 1990s, for the past 12 years we have worked with successive Serbian governments to overcome challenges and build a new, strong partnership with a country that we see as critical to regional stability.

Over the past 4 years, the United States has worked closely with the outgoing government to help Serbia realize its goal of attaining candidate status in the European Union. We now look forward to helping Serbia meet the standards the European Union has set out in order to obtain a start date for accession negotiations, the next step in the process leading to EU membership. Serbia has made significant progress by undertaking democratic reforms and strengthening institutions to solidify the rule of law. In addition, the military services have undergone fundamental restructuring with the goal of building a modern, civilian-directed force that can play a positive, stabilizing role in the region. Serbia joined NATO's Partnership for Peace with our support, and its military has established a robust cooperation with ours. Its partnership with the Ohio National Guard serves as a model for the region and has helped to encourage civilian partnerships between Serbia and the State of Ohio. I take great pride in the Ohio roots of my parents—both native Clevelanders—and will seek to deepen the Ohio-Serbia bonds. Together, the United States and Serbia have made significant strides in recent years to rejuvenate our relationship, and if confirmed I look forward to working with President Nikolic and the new government, once constituted, to build on this strong foundation and continue to deepen our partnership.



Our economic ties also continue to grow. An economically prosperous Serbia can serve as an engine for the region. Like many countries around the world, Serbia is suffering from the consequences of the global recession. But Serbia has enormous economic potential, including a well-educated and talented workforce, which make it a potentially attractive source for foreign direct investment by U.S. as well as European companies. Over the past several years, with assistance from the EU and the United States, Serbia has undertaken real economic reforms designed to demonstrate its commitment to long-term economic growth and harmonization with EU norms. There is still much work left to be done, however, to streamline the process of doing business, reduce bureaucratic impediments, and combat the corrosive consequences of corruption. The United States has worked closely with the Serbian Government to aid this effort, particularly in supporting the implementation of the government's anticorruption strategy and action plan. If confirmed, I look forward to continuing this work.

While much progress has been made in Serbia, Kosovo remains a significant challenge to our bilateral engagement. When Vice President Biden visited Belgrade in May 2009, he emphasized that the United States wanted to move beyond the re-reminders of the past and looked toward the future, to a fully European-integrated Serbia partnering with us in the pursuit of common interests in the region. We understand that, for now, Serbia will not recognize the Republic of Kosovo. However, we have also made clear that Serbia must begin to come to terms with today's realities and move toward normalizing its relations with Kosovo. As long as there is instability in the region, Serbia and all the other countries of the region are held back from realizing their full potential. As the European Union stated in its Council decisions in December 2011 and subsequently confirmed, Serbia's path into the EU passes through normalization of its relationship with Kosovo. This is in Serbia's interest, as it is the only way to ensure the Kosovo issue does not continue to interfere with Serbia's relations with its neighbors, the EU, or the United States. And it is in the interest of Kosovo Serbs, as it will improve the daily lives of citizens, irrespective of ethnicity, on both sides of the border. Serbia needs to understand that Kosovo's status and border are decided and that partition is off the table. At the same time, we have assured Serbia that the United States, in partnership with the EU, will remain vigilant in working with the Kosovo Government to ensure that the far-reaching rights of Kosovo Serbs are fully protected under Kosovo's Constitution and laws.

If confirmed, I will also seek to bring to resolution two important challenges to our bilateral relationship. The murderers of the three Bytyqi brothers, New York residents who were executed by Serbian Ministry of Interior personnel in 1999, have never been prosecuted. The U.S. Government cannot accept that the murderers of three of its citizens go unpunished. Likewise, those who authorized the attacks on the U.S. and other Western embassies in February 2008 have never been brought to justice. While we welcome the recent indictments of 12 of the perpetrators who participated in the attack on our Embassy in Belgrade, we also expect Serbia to complete a thorough investigation and ensure that all who were involved are brought to justice, regardless of their rank or position.

This is a challenging agenda, but it is also achievable. If confirmed, I am committed to working to make this vision a reality: a Serbia at peace with all of its neighbors, firmly set on a path of European integration.

Senator SHAHEEN. Thank you.  
Mr. Koenig.

**STATEMENT OF JOHN M. KOENIG, OF WASHINGTON, TO BE  
AMBASSADOR TO THE REPUBLIC OF CYPRUS**

Mr. KOENIG. Madam Chair, thank you very much. Members of the committee, thank you for giving me the opportunity to be with you here today. It is a great honor to appear before you. It is also my great honor to be nominated by President Obama to serve as the next Ambassador of the United States to the Republic of Cyprus. If confirmed, I look forward to working with the committee and Congress to advance the interests of the United States in Cyprus.

I would like to introduce my wife, Natalie, who has joined me here today, along with my sons, Theodore and Alexander, and my

Cyprus desk officer, Lindsay Coffey from the State Department. I would also like to mention my friends, Bob and Ellen Cory and Will Embrey, who have attended this hearing today.

My wife and sons have been living, working, and going to school overseas for much of their lives. We look forward to serving our Nation overseas once again. Both of my sons started school in Cyprus and they, like Natalie and me, have fond memories of the island and its people.

I believe the 28 years I have spent in the Foreign Service have helped prepare me for this important assignment. I served previously in Cyprus, an experience which I believe will enhance my effectiveness as chief of mission, if I am confirmed.

In addition, my two tours in Greece deepened my understanding of regional issues. From my time spent working at the U.S. mission to NATO and as political advisor to the Allied Joint Forces Command in Naples, I understand the importance of NATO in maintaining peace and stability throughout Europe and beyond.

If I am confirmed, my top priority will be to support efforts to reunite Cyprus into a bizonal, bicomunal federation. The long-standing division of the island must come to an end through a just and lasting settlement. Since 2008, the leaders of the Greek Cypriot and Turkish Cypriot communities have made important progress in the Cypriot-led negotiations under the auspices of the U.N. Good Offices Mission coordinated by Special Advisor Alexander Downer. However, much more must be done to end the de facto division of the island. Although this is a Cypriot-led process, the United States will remain actively engaged. The reasons are clear. The status quo is unacceptable. It threatens effective NATO-EU cooperation and affects regional stability and also remains an obstacle to Turkey's EU accession process, which the United States and this administration have long supported.

If confirmed, I look forward to continuing to build our bilateral relationship with the Republic of Cyprus and strengthening cooperation in our many areas of common interest. I am pleased to see increased investment by U.S. companies in Cyprus especially in the energy sector. Our countries have also been working together to safeguard Cypriot cultural heritage, prevent pillaging, and stop the illegal trafficking and sale of antiquities. In addition, Cyprus has been a generous host for an increasing number of U.S. Navy ship visits, which has driven growing cooperation in antiterrorism and port security.

The Republic of Cyprus is facing a number of challenges: assuming the rotating Presidency of the European Union, responding to the European financial crisis, and managing newly discovered natural gas resources. Although Cyprus has the third-smallest economy in the EU, its financial sector is heavily exposed to Greek debt. If confirmed, I will work closely with the Government of Cyprus to explore ways the United States can assist Cyprus as it seeks to meet these challenges. We must also work together to address serious issues such as possible terrorist threats and trafficking in persons.

The administration recognizes the Republic of Cyprus' right to develop its Exclusive Economic Zone. We believe that its oil and gas resources, like all of its resources, should be equitably shared

between both communities in the context of an overall settlement. The discovery of natural gas underscores the urgent need for a settlement, but it need not hinder the talks.

I also look forward to engaging the Turkish Cypriot community. If confirmed, I will be accredited to one government, that of the Republic of Cyprus. That said, we need to maintain a constructive relationship with the Turkish Cypriot community. I am pleased that they share our goal of peaceful reunification of the island. We must continue to work with them to help prepare for reunification by strengthening civil society and reducing economic disparities across the island.

Madam Chair, members of the committee, if I am confirmed, my foremost priority will be promoting United States interests in Cyprus while working to advance a comprehensive settlement. The United States stands only to gain from a reunited Cyprus that is peaceful, prosperous, and fully benefits from EU membership.

Thank you for this opportunity to appear before you. I would be pleased to answer any questions you may have later.

[The prepared statement of Mr. Koenig follows:]

PREPARED STATEMENT OF JOHN M. KOENIG

Madam Chairman and members of the committee, thank you for giving me the opportunity to be with you here today. It is a great honor to appear before you. It is also my great honor to be nominated by President Obama to serve as the next Ambassador of the United States to the Republic of Cyprus. If confirmed, I look forward to working with the Committee and Congress to advance the interests of the United States in Cyprus.

If you will permit me, I would like to introduce my wife, Natalie, who has joined me here today, along with my sons, Theodore and Alexander, and Cyprus desk officer, Lindsay Coffey. My wife and sons have been living, working, and going to school overseas for much of their lives. We look forward to serving our Nation overseas once again. Both of my sons started school in Cyprus, and, like Natalie and me, have fond memories of the island and its people.

I believe that the 28 years I have spent in the Foreign Service have helped prepare me for this important assignment. I served previously in Cyprus, an experience which I believe will enhance my effectiveness as Chief of Mission, if I am confirmed. In addition, my two tours in Greece deepened my understanding of regional issues. From my time spent working at the U.S. Mission to NATO and as political advisor to the Allied Joint Forces Command in Naples, I understand the importance of NATO in maintaining peace and stability throughout Europe and beyond.

If I am confirmed, my top priority will be to support efforts to reunite Cyprus into a bizonal, bicomunal federation. The longstanding division must come to an end through a just and lasting settlement. Since 2008, the leaders of the Greek Cypriot and Turkish Cypriot communities have made important progress in the Cypriot-led negotiations under the auspices of the U.N. Good Offices Mission and coordinated by Special Advisor Alexander Downer. However, much more must be done to end the de facto division of the island. Although this is a Cypriot-led process, we will remain actively engaged. The reasons are clear. The status quo is unacceptable. It threatens effective NATO-EU cooperation and affects regional stability, and also remains an obstacle to Turkey's EU accession process, which the United States and this administration have long supported.

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I also look forward to engaging the Turkish Cypriot community. If confirmed, I will be accredited to one government, that of the Republic of Cyprus. That said, we need to maintain a constructive relationship with the Turkish Cypriot community. I am pleased that they share our goal of peaceful reunification of the island. We must continue to work with them to help prepare for reunification by strengthening civil society and reducing economic disparities across the island.

Madam Chairman and members of the committee, if I am confirmed, my foremost priority will be promoting U.S. interests in Cyprus while working to advance a comprehensive settlement. The United States stands only to gain from a reunited Cyprus that is peaceful, prosperous, and fully benefits from EU membership.

Senator SHAHEEN. Thank you.  
Ambassador Ries.

**STATEMENT OF HON. MARCIE B. RIES, OF THE DISTRICT OF COLUMBIA, TO BE AMBASSADOR TO THE REPUBLIC OF BULGARIA**

Ambassador RIES. Madam Chairman, Ranking Member Barasso, members of the committee, it is an honor to appear before you today as President Obama's nominee to serve as the United States Ambassador to the Republic of Bulgaria. I am grateful for the confidence placed in me by the President and by Secretary Clinton.

The United States and Bulgaria share a very strong partnership and friendship both between our governments and our peoples. If confirmed, I will work with Congress and this committee to further strengthen the relationship and to advance United States interests in Bulgaria.

I am delighted and proud that my husband, Charlie, who was a fellow officer in the Foreign Service for more than 30 years, as well as my son, Alexander Ries, and his friend, Susan Ziff, are here with me today. My mother, Mona Berman, who is a continuing inspiration to all of us, plans to accompany me to Bulgaria if I am confirmed. Although unable to attend this hearing, I would also like to mention my daughter, Meredith, who was along on postings in Ankara, Brussels, and London. While it was an honor and a privilege for us together to represent our country abroad, I am especially grateful for my family's encouragement, even when I was posted without them in Kosovo and Albania, and for their unwavering support when my husband and I were assigned together in Baghdad.

This summer marks the 109th anniversary of diplomatic relations between Bulgaria and the United States. This is worth noting because our relationship with Bulgaria, a member of NATO and the European Union, exemplifies the sort of transatlantic cooperation that has been the cornerstone of our common security. Bulgaria has generously contributed to NATO and EU missions, notably in Afghanistan. If confirmed, I will apply my prior experience, especially as Principal Deputy Assistant Secretary for the Bureau

of European and Eurasian Affairs, to further enhance our security cooperation with Bulgaria.

I learned during my time as chief of mission in Pristina and Ambassador to Albania that ensuring the rule of law is both fundamental and a long-term endeavor. Bulgaria has made progress in rule of law, including taking important steps to pursue judicial reform, combat corruption, and fight organized crime. Bulgaria's new asset forfeiture legislation is a positive example of such progress. However, much more needs to be done, and if confirmed, I will do my best to support Bulgarian efforts to move forward via robust law enforcement cooperation and engagement with the Bulgarian Government and civil society.

The Roma population in Bulgaria, as elsewhere in Europe, has not fully benefited from Bulgaria's progress. The Bulgarian Government has launched a new integration strategy and worked with civil society to develop an action plan. If confirmed, I will work hard with the Bulgarian Government and the Roma communities to support and encourage effective implementation.

Bulgaria has taken noteworthy steps toward diversifying and securing the country's energy supplies while protecting the local environment. If confirmed, I will make working with the Bulgarian Government, business, and civil society toward achievement of this goal a high priority.

Bilateral trade with Bulgaria jumped from US\$429 million in 2010 to \$672 million in 2011. This includes a 33-percent increase in U.S. exports directly supporting American jobs.

In conclusion, Bulgaria is a country with great potential for economic advancement, a proud history going back to ancient times, and warm feelings toward the United States. If I am confirmed, I will work with Congress and this committee to expand and develop the strong partnership we have with Bulgaria, building on the fine work of outgoing Ambassador, James Warlick, and our country team at U.S. Embassy Sofia. As Ambassador, my highest priorities will be to advance U.S. interests in Bulgaria, including working together to counter organized crime and corruption, promoting economic growth and prosperity in both our countries, and strengthening security cooperation both bilaterally and within the NATO alliance.

Madam Chairman, and members of the committee, thank you for this opportunity to appear before you. I would be pleased to answer any questions that you may have.

[The prepared statement of Ambassador Ries follows:]

PREPARED STATEMENT OF MARCIE B. RIES

Madam Chairman, Ranking Member Barrasso, and members of the committee, it is an honor to appear before you today as President Obama's nominee to serve as the United States Ambassador to the Republic of Bulgaria. I am grateful for the confidence placed in me by the President and by Secretary Clinton. The United States and Bulgaria share a very strong partnership and friendship, both between our governments and our peoples. If confirmed, I will work with Congress and this committee to further strengthen the relationship and to advance U.S. interests in Bulgaria.

If you will permit me, I would like to introduce my family members who are here with me today. I am delighted and proud that my husband, Charlie, who was a fellow officer in the Foreign Service for more than 30 years, as well as my son, Alexander Ries, and my mother, Mona Berman, are with me today. Although unable to attend this hearing, I would like to mention my daughter, Meredith, who was also

along through postings in Ankara, Brussels, and London. While it was an honor and a privilege for us to represent our country abroad, I am especially grateful for my family's encouragement even when I was posted without them in Kosovo and Albania, and for their unswerving support when my husband and I were assigned together to Baghdad in 2007 and 2008.

This summer marks the 109th anniversary of diplomatic relations between Bulgaria and the United States. This is worth noting because our relationship with Bulgaria, a member of NATO and the European Union, exemplifies the sort of transatlantic cooperation that has been the cornerstone of our common security, freedom, and prosperity. Bulgaria has generously contributed to NATO and EU missions, including in Afghanistan, Kosovo, Bosnia, Libya, Georgia, and off the coast of Somalia. If confirmed, I will apply my prior experience in NATO and EU matters, especially as Principal Deputy Assistant Secretary for the Bureau of European and Eurasian Affairs, to further enhance our cooperation with Bulgaria. I will also encourage Bulgaria's efforts to develop a military that is modern, deployable, and fully interoperable with its European and American partners.

Our relationship with Bulgaria is based upon much more than security cooperation. Bulgaria's experience transitioning from authoritarian rule to democracy and persevering through many challenges is commendable and provides positive lessons for others making democratic transitions. Today, Bulgaria plays a constructive role in promoting stability in the Western Balkans and supporting emerging democracies in the Middle East and North Africa, including by sharing these lessons.

I learned during my time as Chief of Mission in Pristina and Ambassador to Albania that ensuring the rule of law is both fundamental and a long-term endeavor. Bulgaria has made progress in rule of law, including taking important steps to pursue judicial reform, combat corruption, and fight organized crime. Bulgaria's new asset forfeiture legislation is a positive example of such progress. However, more needs to be done, and if confirmed I will do my best to support Bulgarian efforts to move forward via robust law enforcement cooperation, the Open Government Partnership, and engagement with the Bulgarian Government and civil society.

The Roma population in Bulgaria, as elsewhere in Europe, has not fully benefited from Bulgaria's progress. The Bulgarian Government has launched a new integration strategy, worked with civil society to develop an action plan, and is organizing a resource framework. If confirmed, I will work with the Bulgarian Government and the Roma communities to support and encourage effective implementation.

Bulgaria has taken noteworthy steps toward diversifying and securing the country's energy supplies while protecting the local environment. If confirmed, I will make working with the Bulgarian Government, business and civil society toward achievement of this goal a high priority.

Bilateral trade with Bulgaria jumped from 429 million U.S. dollars in 2010 to 672 million in 2011. This includes a 33-percent increase in U.S. exports, directly supporting American jobs. Though Bulgaria is a small market of 7.3 million consumers, there are considerable commercial opportunities due to an educated work force and a strong work ethic, membership in the European Union, and approximately 7 billion euro in EU funds to be spent in the coming years on infrastructure development and modernizing the country's institutions.

In conclusion, Bulgaria is a country with great potential for economic advancement, a proud history going back to ancient times, and warm feelings toward the United States. If I am confirmed, I will work with Congress and this committee to expand and develop the strong partnership we have with Bulgaria, building on the fine work of outgoing Ambassador James Warlick and our country team at U.S. Embassy Sofia. As Ambassador, my highest priorities will be to advance United States interests in Bulgaria, including working together to counter organized crime and corruption, promoting economic growth and prosperity in both our countries, and strengthening security cooperation both bilaterally and within the NATO alliance.

Senator SHAHEEN. Thank you all very much for your testimony.

Ambassador RIES, I would like to give you an opportunity to comment on the crime that was perpetrated against innocent Israeli victims today in Bulgaria. I know that reports are still coming in. So it is difficult to get the facts, but I do want to ask you if you would like to comment.

Ambassador RIES. Thank you very much, Madam Chairman.

Of course, I do not want to get ahead of the people who are on the ground in Bulgaria and who have direct access to the informa-

tion, but I certainly do want to add my voice to all those who would condemn such attacks on innocent people in the very strongest possible terms. And certainly all of our thoughts and prayers are with the family and friends of the victims, as well as with the people of Israel and the people of Bulgaria.

I am certain that our Embassy in Baghdad will offer to assist their counterparts in any way possible, as I would do in the same circumstances.

Thank you very much.

Senator SHAHEEN. Thank you.

As I indicated in my statement and I am sure you are aware, this is one in a series of troubling attacks. Well, in January there was a package found on a bus carrying Israeli tourists from Turkey to Bulgaria. I wonder, are you confident that the Bulgarian local police will work closely with us and with Israel in trying to get to the bottom of these attacks and that they have the technical expertise to be able to engage in this kind of investigation?

Ambassador RIES. Madam Chairwoman, yes. I do believe that we will certainly work very closely with the Bulgarians to attempt to get to the bottom of this matter. We enjoy very strong law enforcement cooperation with the Bulgarians on a continuing basis. That includes training and all kinds of exchanges and work together, and I am sure that that will be helpful as we work together to get to the bottom of this.

Senator SHAHEEN. Thank you.

Mr. Koenig, in your testimony, you mentioned the new natural gas find off the coast of Cyprus, and as I understand it, the President of Cyprus has committed to sharing this resource with all Cypriots, including the Turkish Cypriot community. And as you point out, this is another critical reason for the Greek and Turkish communities on Cyprus to come together to find a just resolution to the divisions in Cyprus.

Unfortunately, Turkey has called on the major international oil and gas companies to withdraw their bids to seek a license for development of those gas deposits in Cyprus saying it will not allow exploration to go ahead and threatening to ban those companies from Turkish energy projects.

Can you tell us whether you agree that the discovery of natural gas within Cypriot waters could, with some leadership, help to bring a resolution to the division in Cyprus? And can you put the Turkish response in context for us? Are you concerned that Turkey's response will contribute to a further deterioration of relations between Turkey and Cyprus? And finally, how can the United States and our EU counterparts work to help as this situation unfolds?

Mr. KOENIG. Thank you, Madam Chair.

This is, indeed, a very important discovery and a very important new factor in the region, the presence of these resources in the off-shore area in the eastern Mediterranean.

We believe that the existence of this new resource, these new riches in that region should spur the parties to think of new ways of cooperation, and we very much appreciate President Christofias' statements that he is interested in sharing this resource with all the people of Cyprus with both communities. We see that as impor-

tant to realize in the context of an overall settlement of the Cyprus issue.

With regard to our position on the EEZ and Cyprus' right to exploit resources in the EEZ, we have been very clear, and I think that has helped a great deal in responding to the actions of others, including Turkey. Cyprus is exploiting these resources in a manner that is cooperative with Israel. We recognize Cyprus' right to delimit the EEZ and to enter into such bilateral arrangements. So the clarity that we have expressed on this, I think, has been unmistakable.

The administration is very pleased to see that American companies are engaged in the exploration and development of these resources and other energy opportunities in Cyprus. I believe the administration is committed to supporting these companies in their work, as we do with other companies interested in such situations, and if I am confirmed, I will certainly support those efforts very energetically.

Senator SHAHEEN. Well, so can you elaborate a little more on Turkey's reaction and what additional response might be needed either to reassure the companies who would like to bid on these projects or Cyprus that we are serious about engaging on this issue and helping to make sure that the development can occur in the waters around Cyprus?

Mr. KOENIG. Yes, Madam Chairman. The United States has engaged with—first, let me say that the United States does not believe that any country in the region or any party involved in the situation on Cyprus should do anything to heighten tensions or to create new problems. The situation on Cyprus is already difficult enough. So we have been engaging with Turkey and with others on this very consistently and hope that our message is understood.

Senator SHAHEEN. Thank you.

Senator Barrasso.

Senator BARRASSO. Thank you, Madam Chairman.

If I could start, Ms. Holtz. I wanted to visit with you a little bit about Iran sanctions and wondering if Oman is complying with United States sanctions, international sanctions against Iran. If not, how would you address the issue with the Government of Oman, and what is Oman's current relationship and economic ties and trade endeavors with Iran?

Ms. HOLTZ. Thank you very much, Senator, for that question.

Oman is a regional player. It is a member of the Gulf Cooperation Council, Arab League, and as a regional player, it shares our concerns about Iran's destabilizing activities, including their acquisition or attempt to acquire nuclear weapons capability. They are compliant and supportive of the international sanctions on Iran. They are deeply concerned, as are we, about the tensions and instability in the region. So they have been a very effective partner for the United States in addressing those issues.

Oman does have a unique relationship with Iran given its geographic proximity and its policy of having good relations with its neighbors. But as we see the tensions in the region increasing, it has been very beneficial for the United States to have a partner like Oman who is able to de-escalate some of the tensions that are out there because of Iran. So if I am confirmed, I will continue to



work very hard to partner with our Omani ally on Iran's destabilizing role in the region.

Senator BARRASSO. Because I had some concern. I understood there was an agreement signed between Oman and Iran and they had some joint military operations together last year. Is my understanding correct?

Ms. HOLTZ. Yes, they did sign an agreement and I believe they held one exercise.

Senator BARRASSO. OK, thank you.

Mr. Armbruster, in terms of United States priorities in the Marshall Islands, you mentioned Secretary Clinton and some of the comments that she had made. So I just wonder what the top three United States priorities are with respect to the Marshall Islands and what initiatives you might have to implement them.

Mr. ARMBRUSTER. Thank you, Senator.

And now with Secretary Clinton breaking travel records, maybe she will visit the Marshall Islands.

The top three priorities, I would think—the first would be our strategic relationship. The Marshall Islands is a good friend of ours in the United Nations, and in terms of our Pacific strategy, I know that the Defense Department is talking about rebalancing and looking at the Pacific as a very important part of their overall global strategy. So the USAKA base and the strategic part I think would be the first priority.

Second would be education. The Marshallese are not able to compete globally and the education system needs work frankly. Many Marshallese migrate to the United States, and if they are coming to the United States, I think they have to be better prepared to work here and contribute, as I know that they can.

And the third priority, Senator, I think would be something that I know you are interested in and that is health. They have some challenges: dengue, Hansen's disease, TB, and so on. But I have received good news that we are working on telemedicine to try to take care of some of their health challenges in the Marshall Islands, and that would be something that, if confirmed, I would work very closely with my colleagues on.

Senator BARRASSO. Thank you.

Ambassador Kirby, recent reports indicate that Serbia's new President is seeking to clarify some of the agreements previously signed by the previous government with Kosovo. Do you believe that Serbia is going to go back on any of the agreements signed between Serbia and Kosovo, and what steps are you going to take to ensure the new government remains committed to negotiations from a previous administration?

Ambassador KIRBY. Thank you, Senator.

If confirmed, I would—the agreements that were reached were never fully implemented in any case. We will have a dialogue because Serbia is committed. The new President has said that he is committed to getting Serbia into the EU. That path leads through a more normalized relationship with Kosovo. So I think, working with our European partners, we would stress that the United States is firmly committed to Kosovo with its borders, and I think that that would give us a lot of leverage.

Senator BARRASSO. Ambassador Ries, during Secretary Clinton's trip to Bulgaria in February, she stressed the importance of energy security and energy independence for the country of Bulgaria. Can you talk a little bit about why energy independence is so important for Bulgaria and for the broader European energy sector?

Ambassador RIES. Thank you for the question, Senator.

We believe that energy diversity both of sources and routes for supply is very important for Bulgaria, as it is for all of the countries in the region. Bulgaria has had some discussions with other countries in the region about interconnectors. We are encouraging them to pursue those discussions with respect to sources of supply. We are encouraging them to pursue sources such as from the Caspian area and to look at unconventional sources of gas.

Senator BARRASSO. I believe Bulgaria currently has a moratorium on shale gas exploration and production. Do you believe that they should maybe lift that moratorium as a way to diversify their energy supply?

Ambassador RIES. You are correct, Senator. They do have a moratorium on shale gas exploration, and they have appointed a parliamentary committee to examine the question. Eventually they will need to make a decision, which should be based on economic factors, environmental factors, and research and scientific matters. It will be their sovereign decision, but we are encouraging them to take all those things into account.

Senator BARRASSO. Thank you.

Mr. Koenig, when you think about Cyprus and the two distinct solutions that are often mentioned as ways to resolve the dispute, either reunification or complete partition, does the administration back either of these options? And if not, what solution does the administration support?

Mr. KOENIG. Senator Barrasso, the administration strongly supports the efforts to reunify the island as a bizonal, bicomunal federation, and we are very, very supportive of the effort that is Cypriot-led and is being coordinated by the U.N. Secretary General's Good Offices Mission.

Senator BARRASSO. Thank you.

My time has expired, Madam Chairman. Thank you very much.

Senator SHAHEEN. Thank you.

Senator Menendez.

Senator MENENDEZ. Thank you, Madam Chairlady.

Congratulations to all of you on your nominations.

First, I want to say my thoughts and prayers are with those Israeli citizens who died today in Bulgaria and those who are injured.

And I want to ask you, Ambassador Ries, even though I know these are unfolding events, so I do not expect you to have information. But on the broader question of Bulgaria, do you view them as a cooperative security ally of the United States vis-a-vis Iran?

Ambassador RIES. Senator, I think that Bulgaria is a very good and effective security partner for us. In addition, I mentioned earlier that they are deployed in Afghanistan. They are also in Kosovo, in Bosnia. They mustered a frigate on short notice for the situation in Libya and Georgia and off the coast of Somalia. They voted with us on the Iraq war. I do not have any specific information to speak

to the question that you asked, but I must say that as a security partner, the Bulgarians really are very effective.

Senator MENENDEZ. We have a wide range of interests as it relates to Iran. As the author of the sanctions on the Central Bank of Iran, I am concerned that some countries are not cooperating with us in that regard. I am also concerned, within the context of today's attack, how seriously the Bulgarians take to the whole question of our efforts to ensure that Iran does not achieve nuclear weapons. Are they in concert with us, do you believe?

Ambassador RIES. Senator, I cannot speak for the Bulgarians myself, but—

Senator MENENDEZ. I am asking for your observation of them, not for their official view.

Ambassador RIES. Yes, sir. I think that would be consistent with the positions that they have taken on many of these subjects and their willingness to stand with us in all of these other conflicts which they have done in the past.

Senator MENENDEZ. We look forward to your being able to follow up on this and I will be looking forward to having a conversation with you when you are on the ground.

Ambassador RIES. Yes, sir. I would look forward to that.

Senator MENENDEZ. Mr. Koenig, I am very interested in Cyprus. I have spent a good part of my time both on the House International Relations Committee and on this committee addressing this issue. Thirty-eight years after the occupation and invasion, it is beyond the mindset of anyone to believe that we would still be in this set of circumstances today. And so this assignment in my mind is incredibly important to the national interests of the United States. Cyprus has been a good ally of the United States in critical times when we have needed them, including providing refuge for our citizens at different times. And so I want to get a sense from you of your positions on a number of issues. I listened to your responses earlier. Let me go through a series of questions.

No. 1, I assume that you believe that the solution to the Cyprus issue must be based on a Cypriot-run, Cypriot-determined basis and that our goal, as with the Cypriots, is to have a single sovereignty with an international personality, a single citizenship with independence and territorial integrity safeguarded and comprising all of those elements that are relevant in Security Council resolutions. Is that the view that you would take with you to Cyprus if you are confirmed?

Mr. KOENIG. Yes, sir, that is. These are the principles behind the bizonal, bicomunal federation as well.

Senator MENENDEZ. Now, how do you view the two new conditions laid out by Turkish Cypriot leader Eroglu 2 weeks ago that talks can only resume if there is an introduction of a deadline for negotiations and the lifting of embargos placed on Turkish Cyprus?

Mr. KOENIG. Sir, we do not see any reason why talks cannot resume immediately. We do not want to set artificial deadlines or anything like that. We think it is important that the parties work toward a solution as soon as possible but that there is no need to impose artificial deadlines on these talks. And these other issues regarding Turkish Cypriot contacts with the outside world—these

are subjects that can also be discussed in the framework of these discussions that we would like to see resumed as soon as they can.

Senator MENENDEZ. So I look at that view, and then I look at the continuing colonization, I will call it, of northern Cyprus. I am sure that you are aware that in 1974 the demographic composition of Cyprus was estimated to be about 506,000 Greek Cypriots and about 118,000 Turkish Cypriots. Today the demographic composition of the Republic of Cyprus is estimated to be 672,000 Greek Cypriots, 89,000 Turkish Cypriots, and 200,000 to 500,000 Turkish citizens transferred by Turkey to live permanently in Cyprus.

Do you feel that Turkey's efforts to colonize the north constitutes a violation of article 49 of the Fourth Geneva Convention which states, "the occupying power shall not deport or transfer parts of its civilian population into the territory it occupies"?

Mr. KOENIG. This is clearly a very, very important issue, sir, and it is one of the tragic consequences of the division of the island and the events of 1974 which all of us lament so greatly.

The administration sees the best way to resolve this issue is to actually achieve a settlement based on a bizonal, bicomunal federation which would deal with the question of who really belongs on the Island of Cyprus, who has an entitlement to citizenship, who—

Senator MENENDEZ. I still see tens of thousands of people who were never there, who have no history with the Island of Cyprus and I see them from Anotoli and elsewhere, and there is no family background, no roots, no hereditary background here. And all we have is an enormous transfer of people. How do we expect there ever to be a solution?

It seems to me that part of what we should be saying is that there should be a ceasing of the colonization of northern Cyprus because, if not, at the rate that we are going, it will almost make it impossible for us to work with the real Cypriots in my mind, Turkish Cypriots and Greek Cypriots, who I think if we left to their own devices, would find a solution. But if you are going to get hundreds of thousands of people transferred and at the rate we are going, that is where we are headed, then how do we achieve our goals here?

Mr. KOENIG. I recognize that this is a very sensitive issue, a very big challenge. I would be very interested in knowing more about your views. If confirmed, I would like to get out to the island and maybe we could discuss this further and we could look at ways that we can be helpful.

Senator MENENDEZ. With the chair's indulgence, let me ask you. Are you aware that the Turkish leadership in the north has rejected the Council of Europe's request to conduct an islandwide census to accurately determine the current demographic composition of the island's population?

Mr. KOENIG. Yes, I am aware of that, Senator.

Senator MENENDEZ. So you are aware that they have rejected that.

Now, I can only assume that one would reject a census because the very essence of my question is the concern that is being driven here. Are you aware of recent press reports in the news which illustrate that thousands of remaining Turkish Cypriots have been

demonstrating against Turkey, some of them actually carrying banners that read "Ankara, get your hands off of our shores." Are you aware of those press reports?

Mr. KOENIG. Yes, sir, I am aware of those press reports.

Senator MENENDEZ. You said earlier that while you will only be credentialed to one country and that is the Republic of Cyprus, the only one that is internationally recognized and the only one that we recognize as the United States, you also said that it is important to have meetings with the Turkish community in the north. Will you focus those meetings also with Turkish Cypriot groups?

Mr. KOENIG. Yes, of course, sir. All of our efforts—all of these contacts are focused on our effort to support—on the administration's effort to support reconciliation and reunification of the island.

Senator MENENDEZ. Also, if I may, Madam Chair, I have concerns that for some time while you are the Ambassador, there is going to be a host of people who are there with different interests. I hope that when you become the Ambassador, you will come to your own independent conclusions. In my many visits, I have often found that there is somewhat of a historical bias here in which there is an inbred view versus looking at the view from where we are today, all of the pertinent factors considered. So I hope when you become the Ambassador, presuming that you get confirmed, that you will commit to the committee to go there with an independent view. Of course, you will have a staff to talk to, but I want to hear from you that you are going to approach the many issues that we have in Cyprus with a fresh, independent view, and while you may listen to the views of existing staff at the Embassy, you are going to come to your own independent judgment as to what is the set of circumstances that bedevils us after 38 years. Is that something that we can get you to commit to the committee?

Mr. KOENIG. Yes, Senator. Of course, I will go there with an open mind, and I will do my best to reach sound judgments based on everything that I learn there. And I also look forward to staying in touch with you and others on the committee to help me understand the Cyprus situation.

Senator MENENDEZ. And my very last question is will you commit to the committee that, if confirmed, you will engage with the Cypriot diaspora here in the United States prior to your departing to Cyprus to get some of their perspectives. They are very much engaged with their original homeland. They are U.S. citizens who have every right to express a point of view. Is that something that we would expect of you?

Mr. KOENIG. Absolutely, sir. If confirmed, I would be very eager to do that to understand the points of view of people who are deeply committed to this issue and have in many cases felt the pain of the situation on the island.

Senator MENENDEZ. Thank you, Madam Chair.

Senator SHAHEEN. Thank you, Senator Menendez.

Ambassador Kirby, last year I had the opportunity to travel to Serbia to represent the U.S. Senate at the OSCE Parliamentary Assembly, and during that trip, I went for a day to Bosnia and, while I was there, participated in a very moving ceremony on the 16th anniversary of the Srebrenica massacre which commemorated

the nearly 8,000 Bosniac men and boys who were killed in that awful event.

And I have been very troubled to see some of the statements from Serbia's new President claiming that these acts were not genocide. In fact, as you know, the International Criminal Tribunal for the former Yugoslavia has confirmed with some of its verdicts that the events of Srebrenica were genocide. I think it is important that that not be denied.

And so I wonder if you could give us your perspective on how you think we should interpret these recent statements from President Nikolic and where Serbia might be on the efforts to continue the reconciliation with Bosnia and the impact on the stability there in Bosnia.

Ambassador KIRBY. Thank you, Madam Chairman.

President Nikolic's comment both on Srebrenica and, frankly, also on Vukovic were unhelpful, and that was, of course, of concern to the administration. I would note that his statements subsequently, particularly related to his inauguration, were much more helpful. He has said useful things in terms of wanting to cooperate in the region. I think he got off on the wrong foot by saying things that were troubling in the region and troubling here and inconsistent with the international community's view.

But I think we can work with him. I think that we will have conversations certainly, if confirmed. I will share your concerns, note that you were there. But we have to move forward. Serbia plays a very important role in the region and long-term stability in the region rests also through a good dialogue with the President and the future government.

Senator SHAHEEN. And can you talk about how those comments were viewed in the Republic of Srbsca and Bosnia and whether we should be concerned about potential mischief there as the result of the change in administration in Serbia?

Ambassador KIRBY. Of course, I was here at the time.

Senator SHAHEEN. Right.

Ambassador KIRBY. And certainly, if I am confirmed, I will get a better view of that.

There are a variety of opinions in Serbia, as there are in many places, but I would note that the recent election results supported parties that were committed to a European trajectory, committed to joining the EU, and I think with that commitment comes an understanding that they have to deal with and go beyond what happened in the past in the breakup of the former Yugoslavia. So I think that they were unfortunate but I think we can work with the government. We will. We have to move forward and he has said some positive things since then that we should also balance with that.

Senator SHAHEEN. You talked about the importance of making progress on Kosovo in terms of the EU admission. Are there other challenges that face Serbia that will be important as it works to be welcomed into the EU?

Ambassador KIRBY. Well, I think the first challenge they have right now is very difficult economic conditions. They have unemployment of over 25 percent and they have youth unemployment that is in some cases double that. They have some poor regions in

the country that have to come forward and prosper more economically. So that for the new government is going to be a very important step.

Clearly there are issues of corruption, not just in Serbia but in the region, and they will have to deal with that and to make more effective government. The corruption impedes good governance. And so those, I think, are a couple of the items that I think are most important that have to come along with EU membership, and EU membership and that kind of stuff can help it along, help it forward.

Senator SHAHEEN. And is there a reason to be hopeful about the potential to address some of the economic challenges facing Serbia?

Ambassador KIRBY. Well, first, I am optimist. I think we have to be. There is a number of countries that are going through difficult times in Europe. Serbia had launched itself on an export-driven growth that has not done so well in the last year as there have been problems in the region between Greece, Spain, Italy, and other countries in the EU. But I think that the idea of using private industry and private development to spur the economy is the right idea. So I think there is some optimism there, but I think it is related also to—some of their troubles are related not just domestically but to the international situation.

Senator SHAHEEN. Well, as you point out, Serbia is very important in the region. I have been a friend of Serbia since I arrived here. I have shared the interest and seen it succeed and will continue to do everything that I can as chair of this subcommittee to support those efforts.

As we are talking about the financial challenges facing Europe, Mr. Koenig, I know that you are watching Cyprus very closely because it became the fifth country in the eurozone to apply for financial support. Can you assess for us their current economic situation? You talked about the relationship with Greece and the amount of Greek holdings in Cyprus that have affected their economic situation, but can you elaborate a little bit on that?

Mr. KOENIG. Yes, thank you, Madam Chair.

The Cypriot financial sector grew very, very rapidly during the last decade, and one of the places where large Cypriot banks were heavily exposed was in Greece so that the consequences of the serious problems, things like the so-called haircut and so forth in the Greek economy have been felt very, very strongly in Cyprus. And this has created big problems on the balance sheets of two of the largest three Cypriot banks.

This is one of the reasons why Cyprus did become the fifth country to seek a eurozone bailout arrangement. Those discussions between Cyprus and the troika, the EC, the European Central Bank, and the IMF, are still underway, but those are the reasons why there is such an acute situation in Cyprus. They also need to undertake reforms, and that would be part of an EU bailout package.

Senator SHAHEEN. So should we be comfortable that Cyprus is moving forward to take those steps to address the recommendations from the EU, or are there going to be obstacles in trying to get that done?

Mr. KOENIG. We should encourage them I think—and I will do that if confirmed—to take these tough decisions about reform, but

the current discussions are the right framework in which to sort out the requirements in order to take advantage of the European support funds.

Senator SHAHEEN. Thank you.

Ms. Holtz, you mentioned in your testimony the role of women in Oman. I wonder if you could talk about what is currently going on in terms of women's participation in Omani politics and government. Has there been progress? Should we be pleased about what is happening there or should we be concerned?

Ms. HOLTZ. Thank you very much, Madam Chairman. I appreciate your asking this question because I think it highlights the importance that the U.S. Congress and the American people place on women's empowerment for our allies and friends and throughout the world.

I believe that the sultan, since he took over in the 1970s, has opened his society and has really advocated for an equal role for women. They have the right to vote. They run for the Majles, the Parliament equivalent. The Omani Ambassador to the United States is a woman. Forty percent of the college students in Oman today are women. Oman is a traditional society. So there are areas for improvement, but they have equal treatment under the law.

So I think that, if I am confirmed, of course, I will advocate for greater participation, work with the Government of Oman on its reform goals, work closely with the NGO partners that we have in Oman, the civil society advocates who also advocate for a greater role for women. We have the Middle East Partnership Initiative office in Oman which for many years has done work to empower women, education of women.

So I think the trajectory is very good. The intention is there. The sultan of Oman gave an interview this February wherein he said that men and women are like the two wings of a bird, and without one wing, the bird cannot fly. So I think that shows his intention. But, you know, additional progress can be made, absolutely.

Senator SHAHEEN. And you said that women are equal under the law. Do we see that, in fact, in things like ability to inherit ownership of property, rights to divorce, and being able to have children in divorce that are able to stay with the mother?

Ms. HOLTZ. So thank you very much for the question.

I am not an expert yet on Omani law. They have many different types of law. They have civil law. They have sharia law I am not yet familiar with what part of that law would apply to women. If I am confirmed, I will, of course, welcome further engagement from you on these issues and advocate for equal rights under all parts of the law.

Senator SHAHEEN. Thank you.

Mr. Armbruster, as you know, the United States has provided the Marshall Islands with compensation for damages stemming from nuclear weapons testing in the 1940s and 1950s. Can you tell us what the current status is with respect to compensation for those affected by radiation as a result of the tests that were done there and also, if you could, speak to the ongoing effort to address monitoring of citizens who have been exposed?

Mr. ARMBRUSTER. Yes. Thank you, Madam Chair, for that question.



The United States has provided full and final compensation for the Pacific Island nuclear series of tests that took place in the 1940s and 1950s, some 67 nuclear explosions. The Marshallese asked for a review of that compensation package asking that we look at changed circumstances, and the State Department did review the claims and determined that the circumstances had not changed. So in terms of the compensation, that package has been paid.

However, we do, through the compact of free association, have ongoing payments and assistance to the Marshall Islands in a range of programs. The last nuclear test took place some 50 years ago. So there are survivors who are monitored and whose health is screened very thoroughly by the Department of Energy. So it is a legacy and a problem that we review with the survivors, and I think it is something that I know Ambassador Campbell has taken part in the commemorations of the anniversary of those tests. But as far as the compensation package itself, that has been settled, Senator.

Senator SHAHEEN. And are there issues that have occurred in the next generation of people who were exposed?

Mr. ARMBRUSTER. Senator, I am not aware of issues that I could speak to authoritatively about issues, but I know that it is a very small population, some 60,000 people. And the health issues that are most prominent now are often lifestyle issues, obesity, as I mentioned TB, dengue, those types of challenges, but that is a question that I will become more fully informed on.

Senator SHAHEEN. Well, I know that the Marshall Islands is already experiencing the effects of climate change and that it is having an impact on rising sea levels, contamination of water, damage to homes and crops. Are we taking steps to help the Marshall Islands citizens cope with these effects of global warming, and are there any actions that you have heard that you think we should be taking that we are not?

Mr. ARMBRUSTER. Thank you, Senator.

I know that it is a very strong concern of the Marshallese. They took part in the recent Rio summit. So they have reached out to many partners, including the United States, in having a look at this issue. We are fortunate to have in the State Department the Office of Oceans, Environment, and Science, and we have very strong experts who can work with the Marshallese on these questions. Whether the programs in place right now are considered sufficient by the Marshallese, I do not know, but I know that that would be one of the top issues that we would be working on.

Senator SHAHEEN. Thank you.

Mr. ARMBRUSTER. Thank you.

Senator SHAHEEN. Ambassador Ries, Senator Barrasso raised the question about energy for Bulgaria, and in March Bulgaria canceled a project to build two Russian nuclear reactors in the country. Can you elaborate on the reasons for the cancellation of this project and both the impact that it might have had on Bulgaria's relationship with Russia, as well as the energy requirements and where the source of that energy is going to come from in the future?

Ambassador RIES. Senator, the Bulgarians did decide this year not to continue the project of building the Belene nuclear power

plant. They came to this decision after some consideration and I am sure a thorough examination of the economic factors involved in going ahead with it. As I mentioned, we have been encouraging very strongly energy diversity in Bulgaria which would include further development of their nuclear capacity. They do have another nuclear plant at Kosloduy, and I imagine that they will be using that one as well.

Senator SHAHEEN. Thank you.

You talked about the rule of law challenges facing the country. The EU has suspended funding to Bulgaria due to some of the ongoing corruption concerns in the country. Can you explain what those suspensions were for and whether we should expect to see further suspensions from the EU or whether Bulgaria is moving to address some of those issues of corruption that have been raised?

Ambassador RIES. Bulgaria has, with the EU, a cooperation and verification mechanism through which Bulgaria has an ongoing dialogue with the EU about rule of law issues. As it happens, the EU has just issued a report on 5 years of Bulgaria's performance under this mechanism. It just came out today, and I have not yet seen the complete report. It discusses a number of areas of concern.

I must say that the Bulgarian Government itself has identified rule-of-law matters as of concern to them and certainly of civil society. And one of the good things that has happened as a result of this is that there is a robust public discussion of rule-of-law matters.

I cannot speak to penalties that have been assessed. I do not have any specific information on that. I would be glad to look into it. But certainly having this relationship with the EU, this dialogue has had several positive effects. One is, as I mentioned, that there is a broad discussion in the society of these matters, and certainly any improvements that accrue as a result of this mechanism will be all to the good.

Senator SHAHEEN. Thank you.

In response to Senator Barrasso, I think you talked about some of the military cooperation between Bulgaria and the United States, and I do want to acknowledge, before we close our discussions, the contribution that Bulgaria has made to the NATO efforts in Afghanistan. I know that has been very important to the United States and we very much appreciate that, and I hope you will share that, when you are confirmed and you get to Bulgaria, with the people of the country.

Ambassador RIES. Yes, ma'am, I certainly will.

Senator SHAHEEN. I just have one final question for you, Ms. Holtz, before closing the hearing, and that is with respect to regional cooperation in the gulf because at a GCC leadership meeting in May, Saudi Arabia proposed a plan to strengthen the political unity of the GCC members and that move would indirectly give the Saudis greater control over the GCC. Can you let us know what the Omani position was with regard to the Saudis' plan, and do they support that? Are they signed on or do they have some concerns about it?

Ms. HOLTZ. Thank you, Madam Chairman. A very good question.

Oman has occasionally taken a somewhat independent role and voice in the GCC deliberations and decisions, and I believe in this

case that they are still debating the issue but have concerns about the relative weight that the other gulf countries apply within the GCC rule. So we are in a constant dialogue with all the GCC partners about the security architecture and beefing up the regional capacity to deal with issues as a political union, as a security union. So, yes, you are correct that Oman has occasionally been somewhat independent in that body. They support the strategic goals of the GCC, of course: regional stability, resolution of conflict, de-escalation of tensions, and all those things.

Senator SHAHEEN. And does our State Department think that the Saudis should have greater control over the GCC?

Ms. HOLTZ. I do not think we have taken a position on that at all. I think we want to enhance the ability of the GCC to address the issues regionally, but I do not think that we have indicated that any one particular GCC member should be dominant over the rest.

Senator SHAHEEN. Thank you.

Well, thank you all very much for your testimony this afternoon, for your willingness to take on these new challenges.

And I will just announce that the record for this hearing will be open until close of business tomorrow. So there may be other questions that come in during that time.

Again, thank you all. Thank you to your families.

And the hearing is now ended.

[Whereupon, at 4: p.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF GRETA C. HOLTZ TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* The U.S.-Oman Free Trade Agreement entered into force in January 2009. In a review of the potential effects of an FTA with Oman, the U.S. Trade Representative indicated that the FTA would likely have negligible impact on U.S. employment.

- Since its implementation in 2009, how has the FTA changed the nature and level of trade between Oman and the United States?
- What categories of trade have seen the greatest growth, and how have the U.S. and Omani economies been affected by the FTA?

*Answer.* Bilateral trade volume has grown by over 50 percent since the FTA was implemented, from \$2.2 billion in 2008 to \$3.6 billion in 2011. U.S. exports to Oman were up 56 percent in the first quarter of 2012, measured year on year. U.S. firms are involved in large-scale cooperative construction projects, such as Oman's new international airport. The FTA has enabled U.S. firms to export high-quality products at very competitive prices. U.S. chemical exports increased 196 percent from 2008 to 2011 while U.S. agricultural exports increased 176 percent in the same time period. Embassy Muscat is facilitating joint ventures in health care, port development, and marine research. If I am confirmed, continuing to promote American businesses in Oman will be one of my priorities. In addition, I will work with the Omani Government on full implementation of the agreement.

*Question.* The Sultan of Oman has been leading his government through a series of political reforms for many years, including a parliamentary election in 2011.

- How much progress has the Omani Government made in securing political and civil rights for its citizens and ensuring that Omani leaders are accountable to their citizens?
- How can the United States continue to facilitate the gradual reforms already underway?

*Answer.* In 2010, a United Nations Development Program report ranked Oman No. 1 globally in human development over the previous 40 years. In addition, Sultan

Qaboos has addressed Omani citizens' requests for a more active role in government by appointing seven members of the Majlis al-Shura, or Consultative Council, to the Cabinet in 2011. Immediately following the 2011 Council elections, he granted the Council new fact-finding and regulatory powers. The Sultan has raised the level of government accountability by replacing several ministers and enhancing the State auditing institution's power of review, as well as increasing the authority of elected representatives to call ministers to account for performance. Increased women's participation in government is also an encouraging sign.

If confirmed, I will work with the Omani Government to actively expand and strengthen civil society and political participation, judicial reform, media independence, and progress on gender issues.

RESPONSES OF THOMAS H. ARMBRUSTER TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question #1.* Please provide a copy of the minutes of the meetings of the Joint Economic Management and Accountability Committee for calendar 2009, 2010, and 2011.

Answer. Thank you for your question. The documents you requested are maintained by the Department of Interior. I refer you to them for this request.

*Question #2.* Please describe the nature of the U.S. Department of the Interior and the U.S. Department of State relationship in the Marshall Islands. In what area(s) does the Interior Department take the lead in matters involving the U.S. Government and the Marshall Islands?

Answer. The U.S. Department of the Interior and the U.S. Department of State enjoy a unique and productive relationship in the Marshall Islands. This inter-agency cooperation is critical to continuing progress in our engagement with the Marshall Islands. As Chief of Mission, the Ambassador oversees the overall bilateral relationship with the Marshall Islands, and is responsible for all executive branch employees while in the Marshall Islands. Under the terms of the Compact as Amended, the Department of the Interior is responsible for administering most financial assistance provisions under the Compact. The Ambassador confers frequently with the Department of the Interior's Grant Management Specialist working in the Embassy as well as other Interior officials in Hawaii and Washington, DC, on issues related to oversight of Compact assistance as well as policy issues such as the financial impact of Compact State migrants on U.S. jurisdictions. The Director of Insular Affairs at the Department of the Interior chairs meetings of the Joint Economic Management and Financial Accountability Committee and the Trust Fund Committee for the people of the Republic of the Marshall Islands.

*Question #3.* Please provide a list of U.S. Government civilian positions, by Departments/other entities, in the Marshall Islands.

Answer. The U.S. Embassy employs 39 individuals, including four direct hire U.S. State Department employees, one direct hire representative from the Department of the Interior, and one Personal Services Contract employee of the U.S. Agency for International Development. The remaining 33 are local-hire Embassy employees, 17 of which are the guard force. The Department of Energy employs 22 local hire employees in the RMI at its office in Majuro, 2 employees in Kwajalein, and 13 local workers in Rongelap, Utrik, Bikini, and Enewetak (including full-time, part-time and casual field workers). Marshallese citizens staff the whole body counting facilities in Majuro, Rongelap, and Enewetak. The National Oceanographic and Atmospheric Administration (NOAA) funds one position to manage the regional NOAA weather station in Majuro. The U.S. Department of Agriculture has one local hire position in the RMI to manage the agency's housing loan program.

On Kwajalein, the U.S. Army Installation on Kwajalein Atoll is led by 14 uniformed members of the U.S. military and 39 Army civilians. The remaining workers on the installation include 778 U.S. contractors and 873 local Marshallese workers.

*Question #4.* U.S. grant assistance to the Marshall Islands under the Compact targets the areas of education, health, infrastructure, public sector capacity-building, private sector development, and the environment.

- What mechanisms are in place in each sector to provide transparency and accountability in the use of U.S. funds?

Answer. The Department of the Interior employs one full-time grant oversight officer, working out of the U.S. Embassy in Majuro, to ensure that Compact funds are properly managed and reported. In addition, the Department of the Interior's

Office of Insular Affairs in Honolulu sends representatives to Majuro every quarter to review accounting reports and ensure all funds are properly administered.

Articles V, VI, and VII of the Agreement Concerning Procedures for the Implementation of United States Economic Assistance provided in the Compact, as amended, of Free Association Between the Government of the United States of America and the Government of the Republic of the Marshall Islands (the Fiscal Procedures Agreement) stipulate the mechanisms that are in place in each sector of the Compact, as amended, to provide transparency and accountability in the use of U.S. funds.

Requirements under Article V include the submission by the Government of the Republic of the Marshall Islands (GRMI) of a Medium-Term Budget and Investment Framework (MTBIF) and amended every 3 years; the submission of an annual proposal for the division of the annual economic assistance among sectors; and annual U.S./RMI Budget consultations in July of each year prior to the Annual JEMFAC Meeting in August of each year.

Article VI stipulates the Standards for Financial Managements Systems, Quarterly Financial Reporting Requirements, Annual Financial Reporting Requirements, Accounting Basis, Period of Availability of Grant Funds, and Procurement Regulations.

Article VIII requires that the GRMI conduct a yearly financial and compliance audit, within the meaning of the Single Audit Act, as amended (31 U.S.C. 7501 et seq.). More detailed information can be found in the attached sections of Articles V, VI, and VIII of the Compact's Fiscal Procedures Agreement.

*Question #5.* During the last 3 years what have been the areas of greatest progress in anticorruption efforts in the Marshall Islands pertaining to the flow of U.S. funds, and other areas as well?

Answer: Although more work remains to be done, the Republic of the Marshall Islands (RMI) have worked to improve capacity and accountability for the flow of U.S. and other bilateral funds. In 2011, the RMI identified \$539,888 in fraudulent transactions involving U.S. federal grants, and the RMI Office of the Attorney General continues to prosecute the individuals involved. These prosecutions—the first in RMI history related to misuse of foreign donor assistance—send an important message that the country is committed to improving accountability. In 2012, the RMI also increased the staffing of the Office of the Auditor General and has begun conducting performance audits and other regular audits of public accounts.

*Question #6.* During the last 3 years, what are the other major aid donor countries with which United States officials have had direct discussions to coordinate and to promote sustainable development in the Marshall Islands? Please provide a comparison, by country, of aid provided to the Marshall Islands.

Answer: The United States, through our Embassy in Majuro, routinely consults with the other largest bilateral donors—Taiwan and Japan—resident in the Marshall Islands and Australia, resident in the Federated States of Micronesia, as well as with multilateral organizations such as the Asian Development Bank and the United Nations Development Program. The United States has also, on occasion, met with and discussed donor issues with other nonresident diplomatic representatives visiting the Republic of the Marshall Islands (RMI), such as New Zealand, the European Union, France, and Sweden. Embassy officials have information suggesting the RMI also receives donor assistance from Israel and the United Arab Emirates, but we have not had the opportunity to meet with their representatives, who are not resident in Majuro. In December 2011, the RMI hosted a Development Partner Meeting for bilateral and multilateral donors.

The RMI does not currently have an office to coordinate donor assistance or provide a breakdown of assistance received by country. A recent recommendation from the Pacific Islands Forum during a 2012 visit was the creation of an aid management unit with a mandate to monitor aid flows and develop and implement a development assistance policy to better coordinate international donor assistance.

*Followup to Question #1.* Does the State Department not have a copy of the minutes of the meetings referenced even though the Department is represented on the JEMFAC?

Answer: The Department of the Interior holds the final, official copies of the minutes of JEMFAC meetings. The Department of State is on the board of the committee, and we collaborate closely with the Department of the Interior in oversight of RMI funding. The Ambassador attends JEMFAC meetings as an observer.

As a result of Senator Lugar's request and followup question, the Department of State consulted with the Department of the Interior about releasing copies of the meeting minutes requested. The Department of the Interior has no objection to re-

leasing the documents through the Department of State to Senator Lugar, and the minutes of the meetings have been attached.

[EDITOR'S NOTE.—The JEMFAC meetings documents mentioned above were too voluminous to include in the printed hearing therefore they will be maintained in the permanent record of the committee.]

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RESPONSES OF MARCIE B. RIES TO QUESTIONS SUBMITTED  
BY SENATOR BENJAMIN L. CARDEN

*Question.* The situation of the Roma may present the most serious human rights issues in Bulgaria.

- First and foremost, are you prepared to speak out and speak out publicly in the event of significant intraethnic violence of the kind that erupted before the local elections last fall?

*Answer.* In reaction to the protests, the administration strongly encouraged efforts by the Bulgarian Government authorities to ensure respect for the rule of law and the protection of all citizens. If confirmed, I will continue to vigorously advocate for respect for the rule of law, and in the event of significant incidents of interethnic violence, to condemn them publicly.

*Question.* Bulgaria, like a number of other countries, has failed to adequately ensure that all of its Romani citizens have proper identity documents. Separately, Bulgaria has also failed to adequately regularize the legal status of significant amounts of housing in which Roma live. It now appears that these two problems are spiraling together to create yet a third: a new law requires people to own property or have a tenancy agreement in order to get identity documents, and without identity documents, they can't vote. I don't have any indication that the disenfranchisement of Roma was an intended consequence, but it is a terrible result.

- Will you engage with Bulgarian authorities on all three of these issues: identity documents, regularizing housing, and voting rights for Roma?

*Answer.* As Secretary Clinton told young Roma leaders when she met with them in Sofia on February 5, protecting and promoting the human rights of Roma everywhere has long been a personal commitment of hers and remains a priority for the Obama administration. If confirmed, I will advocate for nondiscrimination and equal protection of all citizens, including the Roma, and will encourage strong, effective Romani civil society capable of advancing and defending its own interests.

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RESPONSES OF MICHAEL D. KIRBY TO QUESTIONS SUBMITTED  
BY SENATOR BENJAMIN L. CARDEN

*Question.* I want to thank the State Department for keeping the unresolved case of the Bytyqi brother murders on the bilateral agenda.

- What steps will you take as Ambassador to ensure justice in this case?
- There are other unresolved cases from the late Milosevic era as well; do you believe the Interior Ministry should be targeted for reform that would remove the holdovers from the 1990s and deny them their current protection from prosecution for past crimes?

*Answer.* The ongoing failure of Serbian authorities to investigate adequately, and hold accountable those responsible for the murder of the Bytyqi brothers continues to pose a challenge to the deepening of our bilateral relationship. Secretary Clinton, Deputy Secretary Burns, and other senior officials have urged Serbian authorities to bring those responsible to justice, including most recently Assistant Secretary Philip Gordon during his July 8–9 visit to Belgrade.

The failure of the Serbian Government to prosecute not only those who ordered and carried out the Bytyqi killings, but also those who permitted the attack on our Embassy in Belgrade in 2008 and those responsible for such crimes as the murder of Slavko Curuvija in 1999—who was shot and killed not long after he testified before the Helsinki Commission in 1998—is deeply troubling. The United States will continue to advocate strongly for justice in these cases. These failures point to continuing weaknesses in the rule of law in Serbia, a critical criterion for Serbia's advancement in the EU accession process.

The United States expects the Serbian authorities to take necessary steps to investigate properly these cases, to continue undertaking necessary reforms within the Interior Ministry to break down this "wall of silence," and to ensure that those

complicit in Milosevic-era crimes are brought to justice. If confirmed, I will make it a priority to seek justice in these cases.

*Question.* What can we be doing now to ensure that Serbia will not abuse its chairmanship of the OSCE in 2015 to advance its own national agenda in the Western Balkans? Given the longstanding OSCE focus on Roma, will we use the upcoming 2015 chairmanship as a mechanism to press Serbia to respect the rights of Roma, especially as authorities address the housing disputes which recently have increased tensions and led to violence?

*Answer.* Each OSCE Chairman-in-Office is expected to uphold the values, principles, and institutions of the OSCE during its chairmanship. The United States will expect no less from Serbia. The 2014 Chairman-in-Office, Switzerland, is working closely with Serbia to establish continuity across their two chairmanships. We expect that their proposed program of work will focus on the core issues facing the organization, including how to ensure and enhance our collective efforts to meet the OSCE's commitments in an era of tight budgets. In addition, during Serbia's chairmanship, Switzerland will appoint a Swiss envoy on Balkan issues to avoid any perceptions of a conflict of interest, given Serbia's vested interests in the region, in particular in Kosovo and Bosnia and Herzegovina, which currently host the OSCE's two largest field missions.

Chairing the OSCE is Serbia's opportunity to demonstrate it is ready to take a position of leadership in world affairs. This also means leading by example. Living up to its OSCE commitments will show all concerned that Serbia is ready for its chairmanship, and if confirmed I will engage at all levels of the Government of Serbia to assist them in this endeavor.

The United States will expect Serbia to live up to its commitments in the human dimension, including those that concern minority populations such as Roma. This administration remains committed, a fact reinforced by Secretary Clinton's announcement that the United States will be an observer in the Decade of Roma Inclusion, to continuing to champion the human rights of members of the Roma minority and reminding Serbia and other OSCE participating states of their commitments to protect and promote the inclusion of Roma.

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RESPONSE OF GRETA C. HOLTZ TO QUESTION SUBMITTED  
BY SENATOR ROBERT P. CASEY, JR.

*Question.* Oman is one of our closest allies in the Persian Gulf, and also maintains a friendly relationship with Iran.

- How does Oman balance relations with the United States and Iran?
- How does Oman support U.S. and international policy on Iran, including compliance with sanctions?
- If confirmed, how will you work with Oman on Iran?

*Answer.* The Sultanate of Oman is one of our oldest and most dependable friends in the Arab world. Oman values its close relationship with the United States and has expressed its appreciation for U.S. cooperation on a range of issues. With a long-standing policy of maintaining open avenues of communication and working relations with all of its neighbors, Oman has also served as a helpful interlocutor between the United States and Iran in the past. The Omanis have conveyed to Iran the possible consequences of its behavior. We work with Omani officials on issues related to Iran. The Omanis share our concern about a nuclear Iran and have cooperated with the United States on U.S. and international sanctions.

The Government of Oman has made it clear that it is in Oman's national interest to maintain peace and security in the region. This includes keeping the region free of a nuclear-armed Iran and other Iranian provocations. Oman also shares the interest of the United States and the international community in maintaining the free flow of commerce and freedom of navigation in the Strait of Hormuz, which falls within Omani territorial waters, as well as other international waterways. As a member of the Gulf Cooperation Council (GCC) and the Arab League, Oman has been supportive of initiatives such as the U.S.-GCC Strategic Cooperation Forum, which promotes regional collaboration on issues of strategic importance to the region, such as the threat posed by Iran.

If confirmed, I will employ the full range of our diplomatic tools to deepen our engagement and enhance cooperation with Oman in order to achieve our national security objectives of regional stability and resolution of regional conflicts.

RESPONSE OF JOHN M. KOENIG TO QUESTION SUBMITTED  
BY SENATOR ROBERT P. CASEY, JR.

*Question.* Negotiations between the Greek and Turkish Cypriot communities have stalled, and some have suggested the hope for a settlement is low. Prospects for a settlement have suffered as a result of Turkey's objections to the Republic of Cyprus's plans for energy exploration and threats to boycott EU activities involving Cyprus as rotating EU president. Concerns have also been raised about non-Cypriot Turkish citizens who have settled on the island in the past 20 years, changing the island's demographics. This group has become a key issue in the negotiations.

- What is your assessment of these concerns?
- What is the future of reunification negotiations, and if confirmed how would you work with the Cypriots to encourage a negotiated settlement between the two communities?

*Answer.* If confirmed, I will support the United Nations' efforts to work for a negotiated settlement that addresses the human rights of all concerned in a balanced manner. I will also exert all possible efforts to support the process, which is the only practical way to resolve the many critical issues between the communities.

A comprehensive settlement plan will need to address issues of citizenship and residency on the island. The administration believes that a settlement plan dealing with these and other questions needs to be worked out between the communities, with United Nations support, and needs to be acceptable to majorities in both of the island's communities. The Cypriot-owned and Cypriot-led process provides the best way forward to achieve a just and lasting settlement. Greek Cypriot and Turkish Cypriot leaders must demonstrate courage and ingenuity to achieve convergences on the difficult issues before them. The United States urges both sides to engage constructively and find ways to bridge differences.