



S. HRC. 113-319

NOMINATIONS OF THE 113TH CONGRESS—FIRST SESSION

HEARINGS

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

—
MAY 7 THROUGH DECEMBER 17, 2013
—

Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

**NOMINATIONS OF THE 113TH
CONGRESS—FIRST SESSION**

HEARINGS

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

—
MAY 7 THROUGH DECEMBER 17, 2013
—

Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

U.S. GOVERNMENT PRINTING OFFICE

98-305 PDF

WASHINGTON : 2014

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

**NOMINATIONS OF JAMES COSTOS, DENISE
BAUER, JOHN GIFFORD, JOHN EMERSON,
AND DAVID PEARCE**

THURSDAY, JULY 25, 2013

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

Hon. David D. Pearce, of Virginia, to be Ambassador to Greece
John B. Emerson, of California, to be Ambassador to the Federal
Republic of Germany
John Rufus Gifford, of Massachusetts, to be Ambassador to Den-
mark
Denise Campbell Bauer, of California, to be Ambassador to Bel-
gium
James Costos, of California, to be Ambassador to the Kingdom of
Spain and to serve concurrently and without additional com-
pensation as Ambassador to the Principality of Andorra

The committee met, pursuant to notice, at 2:30 p.m., in room
SD-419, Dirksen Senate Office Building, Hon. Christopher Mur-
phy, presiding.

Present: Senators Murphy, Boxer, Shaheen, Kaine, and Johnson.

**OPENING STATEMENT OF HON. CHRISTOPHER MURPHY,
U.S. SENATOR FROM CONNECTICUT**

Senator MURPHY. Good afternoon. We will call this hearing of the
Senate Foreign Relations Committee to order.

To begin with, we are going to have very brief opening state-
ments from myself and Senator Johnson. Then we will proceed
with the introduction of the witnesses, many being made by my col-
leagues and possibly at least one to join us. And then we will pro-
ceed to your opening statements, just to get you ready.

I will start to my left and go down the row, starting with Mr.
Costos for opening statements.

I am pleased to welcome all of our nominees and their friends
and families who have come here to support them today.

We are considering today the nominations of David Pearce to
serve as Ambassador to Greece, John Emerson to be Ambassador
to the Federal Republic of Germany, John Rufus Gifford to be Am-
bassador to Denmark, Denise Campbell Bauer to be Ambassador to

Belgium, and James Costos to be United States Ambassador to Spain and Andorra.

As I said at our last hearing, probably one of the most overused words in diplomatic circles these days is "pivot." While the United States clearly faces a lot of new and emerging threats and challenges from Asia, our most important, long-lasting, and unbreakable alliance is with Europe.

Almost without exception when the United States faces a crisis, we turn to Europe first. And almost without exception, Europe responds.

It does not mean we do not have our disagreements, but it is going to be your job to help strengthen and maintain this vital security relationship while expanding on our economic relationship.

All the countries of which we are discussing today are members of the European Union, amongst the first members of NATO, and from Syria to Afghanistan, from climate change to counterterrorism, the nations to which you have been nominated serve on the front line as partners to the United States.

Each of you are going to play a critical role in success of the Transatlantic Trade and Investment Partnership, which requires the agreement of the European capitals as well as the European Parliament.

You are going to represent the United States in discussions urging our friends to keep working to resolve the eurozone crisis and encourage them to keep up the momentum on necessary reforms.

And I hope that you will work with our colleagues to advance the cause of human rights, both on the European Continent and beyond.

You are also going to hear complaints from our European friends.

You are going to be charged with explaining the U.S. interests in global information gathering to prevent attacks on both the United States and European soil. And you will also hear criticism that the United States leads too often from behind on the issue of climate change.

The President has recently clearly and strongly reiterated his commitment to changing this perception, and I hope that you will be on the leading edge of a renewed effort to stand side by side with Europe in combating the disastrous increase in global temperatures.

We congratulate you all on your nominations. We look forward to this hearing and hope that the Senate will work to quickly and positively respond to your confirmations today.

We have got a full panel. So let us get busy with introductions. And well, actually first, let me recognize Senator Johnson for his opening statement and then we will do introductions.

**STATEMENT OF HON. RON JOHNSON,
U.S. SENATOR FROM WISCONSIN**

Senator JOHNSON. I will be quick. First of all, thank you, Mr. Chairman.

I certainly want to join you in congratulating the nominees for your nomination. And I also want to thank you for your willingness to serve. Thank you for your past service as well.

I also want to thank you for stopping by my office, Mr. Emerson. I am sorry that our schedule kind of conflicted.

I certainly believe America is a phenomenal force for good in the world. It is your job to represent our interests and, certainly, hopefully, convey to the countries you are going to be representing America to about our goodness.

But your job also is then to report back and represent the countries you are going to be Ambassadors to, to not only this country, but also this committee. So again, I just want to thank you for your willingness to serve and wish you the best to luck.

And with that, I will end my comments.

Senator MURPHY. Senator Feinstein, welcome, and I know you have a busy schedule and cannot stay. So we would love to have your introduction of our one of our guests first.

**STATEMENT OF HON. DIANNE FEINSTEIN,
U.S. SENATOR FROM CALIFORNIA**

Senator FEINSTEIN. Well, thank you very much, Mr. Chairman. And I am delighted to see my friend and colleague, Senator Boxer, here.

And if she were speaking, I would say just "ditto," and I hope she would say the same thing for me, because I think I can speak for her as well by saying that John Emerson is a friend of ours. He is the President's nominee to be the next Ambassador to Germany.

And a little bit about him. He is the son of a Presbyterian minister, raised in the suburbs of New York City. He attended Mamaroneck High School outside of New York before earning his bachelor's degree from Hamilton College in 1975. In 1978 he received a law degree from the University of Chicago.

Then he moved to Los Angeles to practice with the law firm Manatt Phelps & Philips, specializing in business and entertainment litigation and administrative law.

In 1982, he was appointed by the Governor to the California Law Revision Commission, where he served for 2 years. In 1984, he became a partner in Manatt Phelps. He left the firm in 1987.

He also served as deputy chief and chief of staff to the Los Angeles City Attorney, Jim Hahn. He left in 1993 to join the Clinton White House as a deputy assistant to the President. In that role, he was the economic conference coordinator for the Clinton-Gore transition of 1992, was the deputy director of the President's personnel in 1993. He was the chair of the Federal Interagency Task Force on the Northridge earthquake. That recovery was in 1994. He was the coordinator for the GATT implementing legislation in 1994, and he helped on the renewal of China's Most Favored Nation status in 1996.

He was the deputy director of intergovernmental relations for the administration, which was the outreach to governors throughout America.

He left the Clinton administration to become the President of the Capital Group, which is one of the world's largest investment management firms. In 1998, he was named to the Los Angeles Mayor's blue ribbon committee on public safety infrastructure. He joined the Pacific Council on International Policy, and he has been a member of the Council of Foreign Relations.

From 2008 to 2012, he served as a board member of the Los Angeles Mayor's Trade Advisory Council. In 2010, he was appointed by President Obama to serve on his advisory committee on trade policy and negotiations, and he remains at this time a member of that committee. He retains his membership in the California State Bar.

Now, I think both Barbara and I have known John for a long time. He is a man with amazing followup, drive, and determination.

I actually think he will be superb Ambassador to Germany. I understand he speaks the language. He is interested in the country. As you will see, he is articulate. He is verbal. He is likable. And he is sort of the total package.

So I am very happy to be here to put in a few words for him, Mr. Chairman.

Senator MURPHY. Thank you very much, Senator Feinstein. I know you have other events to attend to.

Senator FEINSTEIN. I do.

Senator MURPHY. But I thank you for being here with us.

Senator FEINSTEIN. Thank you. Thank you so much.

Senator MURPHY. And with that, I would like to recognize Senator Boxer.

Senator BOXER. Thank you.

I am not going to say ditto because—

[Laughter.]

Senator BOXER [continuing]. I want to put my remarks in the record and be clear.

But I certainly am not going to go through John's resume, because it is exhausting just to listen to it, let alone to have lived it. [Laughter.]

Senator BOXER. And I just want to say to colleagues here on both sides of the aisle, I think you have a wonderful panel before you, and we are lucky to have these folks come forward.

I do want to point out there are two other Californians on the list today sitting before us: Denise Campbell Bauer to be Ambassador to Belgium, and James Costos to be the U.S. Ambassador to Spain.

I want to say to all of you who are sitting here, congratulations.

And to my Californians, I want to say a special thank you, because I know in California, we have an optimistic can-do spirit. And I know you will bring that spirit to your very important jobs.

Well, I certainly consider myself fortunate, as Dianne does, to have known John for more than 20 years. And I, too, have seen him excel in every endeavor, including in the public and the private sector.

I also know he is a wonderful husband and a wonderful dad. And I also know that his wife is here

Kimberly, will you stand up?

She is taking pictures now. [Laughter.]

Recording the moment. Welcome.

And what I want to say to all the families who are here, thank you. I often say you are serving our country, too. You are. The whole family signs up. When one of your members goes into Diplomatic Service or into the military, it is a family deal.

And I want to say that as I look at John and I think about this assignment, I just think it is so tailor-made for you, John. Your interest in Germany, the fact that you do speak the language.

And when I look at all of your experience, I know that your private sector skills will come to play as you work to represent our Nation in working with Germany and the whole European alliance by extension, because they are really a leader in many of the economic solutions there.

You bring that private sector experience to the fore. And you will also bring your public sector experience to the fore when you have to deal with national security matters.

So in closing, let me say, I hope we are going to move these nominees quickly. We need to have our best and brightest out there on the ground. It is a world that is changing. It is a world that deals with all kinds of problems and challenges.

And I just really believe that we have a panel here that is up to the task. And just knowing John as I have for so long, I just want to say I can give you clear assurance on that one because I know and I have watched him.

Thank you very much.

Senator MURPHY. Thank you, Senator Boxer.

And now, for introduction of Mr. Gifford, Senator Kaine.

**STATEMENT OF HON. TIM KAINÉ,
U.S. SENATOR FROM VIRGINIA**

Senator KAINÉ. Thank you, Mr. Chairman, to committee colleagues and to the panel, congratulations to all of you.

There are a number of friends sitting on this panel, and it is a treat to be here today on a special day for you.

I had a chance to visit the Middle East and Afghanistan with six Senators about a month ago, Senator Cornyn led a delegation, and it was really a powerful one. And as we were in Turkey, Jordan, the UAE, Afghanistan, we spent a lot of time with some of the best and brightest in this country, people who are Ambassadors or working in embassies in those countries.

And it was really a spectacular opportunity to see the best of America at work, but also to come to understand in a little bit more dramatic way the challenges and sacrifices to do the job, hearing about people's careers and certainly they were exciting places that they had been, but the number of times they had moved and the challenges and sometimes living in some tough parts of the world, you really made me proud of folks who work in these capacities.

And you will have your challenges. But you are going to be great Ambassadors. You are joining a wonderful, wonderful collegial fraternity and sorority of American public servants.

I am happy to introduce my friend, Rufus Gifford.

Rufus is from Massachusetts. He spent most of his professional career in California.

But, John, I guess he did not call Senator Boxer and Feinstein faster than you did, so he has got a Virginian introducing him. [Laughter.]

Aside from that, that is probably to his detriment, but it is to my pleasure because Rufus is a great friend.

I had an opportunity to work very closely with Rufus during the Obama campaign in 2008, when I was chairman of the Democratic National Committee and he was the head of our finance operation. And then, again, in both the campaign in 2012 and in his work in the inaugural.

And I will just say, Mr. Chair, a couple of things about Rufus. Consummate professional. Consummate professional with always a positive attitude. Great leadership skills in all of the capacities he has had in professional life, from his time doing film and television production to his work in the political realm.

He has had to build teams. He has had to lead teams. He has had to inspire teams. He has had to set ambitious goals and then leverage the power of relationship-building to achieve them. Team-building and leveraging the relationships to achieve goals is a key part of what you'll do in this role.

He will think outside the box, not wedded to old views and ideas, but willing to be creative. A significant degree of honesty and integrity. Not afraid of a challenge. You do not take on a fundraising job if you are afraid of a challenge, and Rufus has done that and done it well.

But something that I think is really important is—and there are many friends of Rufus's in this room, and you are going to know exactly what I mean when I say this. To do the jobs that he has had to do, he has had to be a real diplomat, a real diplomat, because, I would like to say that every person he has dealt with along the way has been incredibly happy. And I know from experience that that is not always been the case. And Rufus has been able to be a great problem-solver to deal with folks whether they are happy or unhappy and make them feel listened to and make them feel included. And that is something that I value about him, and I relied on him.

And finally, Rufus is a master of hospitality. He is from Massachusetts, but I give him an honorary Southerner degree in hospitality area. And that is part of what an Ambassador does as well is making American visitors feel welcome, and then making those of the host country feel that they are also welcome as friends.

And Denmark is a great ally. Denmark has been with us in so many national security alliances, as a NATO ally. Denmark has been a key partner of ours from the very beginning in Afghanistan. It is a close security relationship. It is a close economic relationship.

When I was Governor of Virginia, Maersk, A.P. Moller-Maersk, one of the major Danish firms that has shipping operations around the world, had a huge Virginia presence. And so we have very close economic and security ties.

I am happy that we are sending somebody to be Ambassador to Denmark that the Danish will know is someone that the President cares very deeply about. And by sending somebody like Rufus to do that job, it sends a message to folks in Denmark that they are important and that the relationship is important.

And so, for that, Mr. Chair, I recommend Rufus without hesitation. He is going to make this country proud in this role.

Senator MURPHY. Thank you very much, Senator Kaine.

It gives me pleasure to introduce three other of our panelists.

First, from my left to right, let me welcome James Costos, who is our nominee to serve as Ambassador to Spain. There are going to be rare people who come before this panel who have such a deep background with regard to success both in the private sector, with the diversity of experience that Mr. Costos has had, and just a commitment to philanthropy, representing our ideals as you head off to represent us in Europe.

Mr. Costos is a respected leader with global business experience. He is currently the vice president of global licensing and retail at HBO and was previously the president and CEO of Eight Cylinder Inc., and head of promotions and consumer products at Revolution Studios.

Earlier in his career, Mr. Costos served in high-level positions at Hermes and Tod's in New York. A dedicated philanthropist, he is on the board of directors at the Humane Society of the United States and is active on human rights issues.

Mr. Costos obtained a degree in political science from the University of Massachusetts. He will be serving in a country that has hit very difficult economic times, has a strained relationship with Europe, but one that is more interdependent than ever, a country with strong national security ties to the United States.

We welcome you here today to the panel.

Let me now introduce Denise Bauer. Actually, I think I butchered your name at the beginning, because I am confusing you with one of our previous nominees, Dan Baer, and I do not think it will be the last time in Europe that Denise Bauer is confused with Dan Baer, our nominee to the OSCE.

But Denise brings to this position an overwhelming commitment to community that she has displayed throughout her life. She began her career in broadcast journalism as a producer at KCBS News in Los Angeles, and later worked for the American Red Cross in San Francisco.

She went on to become a leader in her community of Belvedere, CA, serving in an organizations such as the Belvedere Parks and Open Space Committee, the Belvedere Women's Forum, on the board of directors of the Belvedere Community Foundation, and the list just goes on and on.

More recently, Ms. Bauer found a way to pursue her long-time interest in politics and public service at a national level by joining the Obama for America team as finance chair for women, as the cochair of the Democratic National Committee's National Issues Conference, and chair of the Women's Leadership Forum.

As Denise and I got the chance to talk privately, though our relationship with Belgium, hopefully, will be rather uncomplicated over the next 4 years, your post is one of the most important in Europe, because you are at the intersection of the United States and European politics.

And as we try to negotiate this trade agreement, which could be transformational for the United States, it will be Brussels in many ways that will decide whether this agreement moves forward or does not.

And the fact that you will be sitting as the welcoming committee for U.S. diplomats and European diplomats during this challenging time makes your role even more important and critical.

And last, let me introduce and welcome David Pearce, no stranger to this committee. He has dedicated his life to serving the United States and our diplomatic interests abroad.

He is nominated to be the United States Ambassador to Greece, but he has had a highly distinguished Foreign Service career, most recently serving as the Deputy Special Representative for Afghanistan and Pakistan, and before that as our Ambassador to Algeria.

At the beginning of his time in the Foreign Service, he served as a Greece country officer, and so this is in part a full-circle journey for Ambassador Pearce.

He began his career in journalism covering the foreign desks for such publications as the Associated Press, United Press International, and Rome Daily American, and the Washington Post. He has published a book on diplomacy and the media, received numerous awards, speaks six languages.

I want to also thank your family, Mr. Ambassador, for their service as well. I know that you have your wife and children here with them today.

We know that when you commit your life to public service abroad, you do it as a family, and we welcome them here today. I know that other members have families here, and I know that you will introduce them, I hope you will, when your turn for remarks comes.

So with that, let us get to the testimony of our witnesses. Let me first introduce James Costos.

STATEMENT OF JAMES COSTOS, OF CALIFORNIA, TO BE AMBASSADOR TO THE KINGDOM OF SPAIN AND PRINCIPALITY OF ANDORRA

Mr. COSTOS. Thank you, Mr. Chairman. Thank you, Senators.

Thank you for this opportunity to speak before this distinguished committee as President Obama's nominee to serve as the United States Ambassador to Spain and Andorra.

But before I begin today, I would just like to take a moment to express my heartfelt condolences to the family and friends of the victims of last night's train crash in Santiago de Compostela in Spain.

The U.S. Embassy in Madrid is working closely with our Spanish counterparts to provide for U.S. citizens who need assistance. I know our thoughts and prayers are with all of them.

I would also like to take this most important moment to introduce the most important people in my life who are with me today as they are every day. My parents, first-generation Greek-Americans who instilled in our middle-class family the values of hard work, self-reliance, and service, exemplified by my father's tenure as a U.S. Marine who was stationed at Camp David under President Truman.

My sister, Maria, a teacher's aide, is here.

And, of course, I am so grateful and proud that my partner, Michael Smith, of 14 years is also here. I am certain he will also represent our country very well.

My passion for service and community involvement began at a very young age, and I have remained politically and philanthropically active ever since, serving on the board of the Humane Society,

working with the Human Rights Campaign, dedicating my time and resources to arts and cultural institutions, and supporting the effort to elect President Obama.

Today, it would be the greatest honor and privilege of my life to represent the values and interests of the country I love in Spain and Andorra.

As an HBO executive responsible for global marketing and licensing, my leadership must inspire and gain the respect of employees in a large company. I manage by empowerment, and I develop my team to make decisions that allow them to take ownership of their work if they succeed or if they fail.

In the end, all that we do is for the greater good of the organization and those we serve.

If confirmed, the same will be true of my tenure as Ambassador. I will work to strengthen America's relations with Spain and particularly within the NATO alliance. Spain has been critical in supporting U.S. and NATO operations and Spain's strategic military bases in Rota and Moron host four Aegis-equipped U.S. destroyers and a 500-strong special Marine task force to provide rapid response to threats against America's interests in the region.

Spain is also a serious and committed partner in Afghanistan.

If confirmed, I will continue to strengthen our relationship with Spanish defense officials and make sure the Spaniards know how much we appreciate their shared commitment to investing in democracy and freedom around the globe. And I will encourage Spain to continue with its support of shared U.S. and NATO efforts.

Above all, I will work every day to ensure the safety and security of the 170,000 U.S. citizens in Spain and millions of visiting U.S. tourists reinforcing the cooperation amongst law enforcement agencies in the United States, Spain, and Andorra.

If confirmed, I look forward to relying on my extensive business experiences to encourage more commerce between Spain and the United States. With the Transatlantic Trade and Investment Partnership negotiations well underway, I will work with Spain to move these free trade negotiations forward by meeting and listening to the concerns of government officials and the Spanish people, traveling the country to raise awareness about the economic benefits of this agreement, and using traditional and social media to engage in public diplomacy on America's behalf.

I will also focus my strict attention on intellectual property rights issues, engage with the Spanish and Latino population in the United States and the United States-Spain Council to help encourage more business opportunities and investments, and make it a priority to focus on youth entrepreneurship and engagement using technology, science, the arts, cultural, educational, and sports exchange programs.

I believe the values I was raised with, my deep commitment to social and cultural issues, and the business experience I have gained over the past several decades, have uniquely prepared me for this role to strengthen our partnership and champion America's values and interests.

I am deeply committed to the economic and foreign policies of the country we love. And if confirmed, it would be the greatest honor

to serve America in this official capacity as the Ambassador to Spain and Andorra.

I thank you for your time, and I look forward to your questions.
[The prepared statement of Mr. Costos follows:]

PREPARED STATEMENT OF JAMES COSTOS

Chairman Murphy, Ranking Member Johnson, members of the committee, thank you for the opportunity to speak before this distinguished committee as President Obama's nominee to serve as the United States Ambassador to Spain and Andorra. I would also like to thank the most important people in my life for being with me today, as they are every day.

My Mom and Dad are second-generation Greek-Americans who instilled in our middle-class family the values of hard work, self-reliance, and service, exemplified by my father's tenure as a U.S. Marine who was stationed at Camp David under President Truman.

My sister, a teacher's aide, is also here; as is my niece, who I'm proud to say is a recent graduate of nursing school. And of course, I'm so grateful that my partner, Michael, of 14 years is here, who will be a great asset to our country. He is equally committed to representing the very best of American art and culture to Spain, Europe, and visitors from all over the world.

My passion for service came from my parents, and my community involvement began at a very young age, when I volunteered with the local Chamber of Commerce in Lowell, MA, to help revitalize our city. I have remained politically and philanthropically active ever since, serving on the board of the Humane Society, working with the Human Rights Campaign, dedicating my time and resources to several arts and cultural institutions and supporting the effort to elect President Obama.

Today, it would be the greatest privilege of my life to represent the values and interests of the country I love in Spain and Andorra. Spain is an important historical ally of the United States and if confirmed, I will add to our more than 200 years of diplomatic history to further our shared interests. I believe that my experience as an HBO executive responsible for global marketing and communications should serve our country well as we tell America's story in Spain and Andorra.

A diplomatic mission, like a company, is comprised of multiple departments, all of which must be relied upon to move business forward. At HBO, my leadership had to inspire and gain the respect of employees in a large company with over 100 external business relationships in dozens of countries. I managed by empowerment, and developed my team to make decisions that allowed them to take ownership of their work if they succeeded or if they failed. In the end, all that we do is for the greater good of the organization and those we serve.

If confirmed, the same will be true of my tenure as Ambassador. I will work to strengthen U.S. relations with Spain bilaterally, multilaterally, and particularly within the NATO alliance. As you know, Spain's strategic military bases in Moron and Rota host U.S. forces on both a permanent and rotational basis and have been critical in supporting U.S. and NATO operations from Iraq to Afghanistan to Libya for more than a decade. In recognition of the strategic nature of these bases, the United States sought and was granted authorization to station four Aegis-equipped U.S. destroyers, along with their crews and families in Rota, beginning with two ships in 2014. In March of this year, Spain also authorized the temporary use of Moron to base a 500-strong Special Marine Air-Ground Task Force to provide rapid response to threats against U.S. interests in the region, especially in northern and western Africa. If confirmed, I will continue to strengthen our relationship with senior Spanish defense officials and make it a priority to visit these bases and the U.S. service men and women, and their families, protecting the United States and our allies.

Spain has been a serious and committed partner in Afghanistan for more than a decade and, as a key NATO member, has been an important contributor to the international community's peace and security agenda. I also intend to make sure the Spaniards know how valued they are and how much we appreciate their shared commitment to investing in democracy and freedom around the globe. If confirmed, I will encourage Spain to continue its support of shared U.S. and NATO efforts in training, advising, and assisting the Afghan National Security Forces in post 2014 Afghanistan as well as supporting peacekeeping operations in Africa.

Above all, I will work every day to ensure the safety and security of the 170,000 U.S. citizens in Spain and millions of tourists—reinforcing the strong cooperation among law enforcement agencies in the United States, Spain, and Andorra in combating terrorism, piracy, and drug trafficking, and working with the Government of

Spain to encourage legitimate business and tourist travel and to prevent unauthorized travel to the United States.

If confirmed, I look forward to relying on my extensive business experiences to encourage more commerce between Spain and the United States. With the Transatlantic Trade and Investment Partnership negotiations just beginning, I will work with Spain to move these free trade negotiations forward by meeting and listening to the concerns of government officials and the Spanish people, traveling the country to raise awareness about the economic benefits of this agreement, and use traditional and social media to engage in public diplomacy on America's behalf. I will also pay special attention to working with our Spanish partners to protect Intellectual Property Rights, to ensure the proper policies and legal mechanisms are in place to encourage investment and innovation, and to protect the rights of businesses that trade and invest transatlantically. I am also focused on engaging with the Spanish and Latino population in the United States to help encourage more Spanish-American exchanges, and uncover new business opportunities and investments. Additionally, I want to focus on youth engagement using technology, science, arts, cultural, educational and sports programs.

I am deeply committed to furthering the economic and foreign policies of the country we love, and it would be the greatest honor to serve the United States in this official capacity. I believe that the values I was raised with and the business experience I have gained over the past several decades have uniquely prepared me for this role. Spain is a valued partner of the United States on vital issues and we must continue engaging bilaterally and multilaterally to the benefit of both countries and the European Union. If confirmed, I will use my time as Ambassador to strengthen our partnership and champion the United States values and interests.

Senator MURPHY. Thank you, Mr. Costos.

Ms. Bauer.

**STATEMENT OF DENISE CAMPBELL BAUER, OF CALIFORNIA,
TO BE AMBASSADOR TO BELGIUM**

Ms. CAMPBELL BAUER. Thank you, Senator. Mr. Chairman and members of this distinguished committee, it is a great honor to appear before you today as President Obama's nominee to serve as the United States Ambassador to the Kingdom of Belgium.

I am deeply grateful to President Obama and Secretary Kerry for the confidence they have placed in me.

If confirmed, I will look forward to working with this committee and the Congress as I proudly dedicate myself to protecting and advancing U.S. interests in Belgium.

Belgium is a valued NATO ally, and the United States and Belgium have a long history of friendship and close cooperation. Belgians today still remember the generosity of ordinary Americans who sent food and medical aid during World War I, as well as the sacrifices made to liberate Belgium during the Battle of the Bulge 70 years ago this December.

Since then, our relationship has grown even stronger and Belgium has taken an important leadership role on the international stage. The United States has worked with Belgium on many issues of mutual interest, such as counterterrorism and countering violent extremism, expansion of trade relations, NATO missions in Afghanistan and Libya, and peacekeeping missions in the Middle East and Africa.

Belgium shares our commitment to promoting security, stability, and human rights around the world.

Belgium is also one of our most important trading partners. In 2012, the United States exported nearly 30 billion dollars' worth of goods and services to Belgium. U.S. companies have substantial investments in the Belgian economy, including in the chemical, automotive, petroleum, and pharmaceutical sectors.

The negotiations of the Transatlantic Trade and Investment Partnership present an opportunity to further expand this relationship. As President Obama said, America and Europe have done extraordinary things together before. And I believe we can forge an economic alliance as strong as our diplomatic and security alliances.

If confirmed, I will encourage Belgium to play a positive role in the trade negotiations and will work to expand American exports to Belgium and to help create more jobs and greater prosperity for the American people and Belgians alike.

In his statement before the Senate Committee, Secretary Kerry said, American foreign policy is defined by food security and energy security, humanitarian assistance, the fight against disease and the push for development, as much as it is by any single counterterrorism initiative. It is defined by leadership on life-threatening issues like climate change, or fighting to lift up millions of lives by promoting freedom and democracy.

I believe in this approach to foreign policy. If confirmed, I will embrace Secretary Kerry's diplomatic vision for furthering the interests of both the United States and Belgium, and will proudly lead an accomplished group of American interagency professionals and locally engaged staff.

As you know, this past Sunday was a historic day for Belgium. His Majesty King Philippe was sworn in as the seventh King of the Belgians.

If confirmed, it will be my privilege to work with the people of Belgium and their new king in opening this important new chapter in the long history between our nations.

In closing, if I may, I would like to take a moment to thank my family and friends for their incredible support through all life's journeys, particularly my husband, Steve, and our wonderful daughters, Katherine and Natalie. They are home in California now, but, should I be confirmed, they will join me in Belgium and will be part of a team effort. They share my commitment to serving our country and my appreciation of the vital role diplomacy plays in international peace and prosperity.

Once again, Mr. Chairman and members of this distinguished committee, thank you very much for this opportunity.

[The prepared statement of Ms. Campbell Bauer follows:]

PREPARED STATEMENT OF DENISE CAMPBELL BAUER

Mr. Chairman and members of this distinguished committee, it is a great honor to appear before you today as President Obama's nominee to serve as the United States Ambassador to the Kingdom of Belgium. I am deeply grateful to President Obama and Secretary Kerry for the confidence they have placed in me.

If confirmed, I will look forward to working with this committee and the Congress as I proudly dedicate myself to protecting and advancing U.S. interests in Belgium.

Belgium is a valued NATO ally, and the United States and Belgium have a long history of friendship and close cooperation. Belgians today still remember the generosity of ordinary Americans who sent food and medical aid during World War I, as well as the sacrifices Americans made to liberate Belgium during the Battle of the Bulge 70 years ago this December. Since then, our relationship has grown even stronger and Belgium has taken an important leadership role on the international stage. The United States has worked with Belgium on many issues of mutual interest, such as counterterrorism and countering violent extremism, expansion of trade relations, NATO missions in Afghanistan and Libya, and peacekeeping missions in

the Middle East and Africa. Belgium shares our commitment to promoting security, stability, and human rights throughout the world.

Belgium is also one of our most important trading partners. In 2012, the United States exported nearly 30 billion dollars worth of goods to Belgium. U.S. companies have substantial investments in the Belgian economy, including in the chemical, automotive, petroleum, and pharmaceutical sectors. The negotiations of the Transatlantic Trade and Investment Partnership present an opportunity to further expand this relationship. As President Obama said, "America and Europe have done extraordinary things together before. And I believe we can forge an economic alliance as strong as our diplomatic and security alliances."

If confirmed, I will encourage Belgium to play a positive role in the trade negotiations and will work to expand American exports to Belgium to help create more jobs and greater prosperity for the American people and Belgians alike.

In his statement before the Senate Committee, Secretary Kerry said, "American foreign policy is . . . defined by food security and energy security, humanitarian assistance, the fight against disease and the push for development, as much as it is by any single counterterrorism initiative. It is defined by leadership on life-threatening issues like climate change, or fighting to lift up millions of lives by promoting freedom and democracy."

I believe in this approach to foreign policy. If confirmed, I will embrace Secretary Kerry's diplomatic vision for furthering the interests of both the United States and Belgium, and will proudly lead an accomplished group of American interagency professionals and Locally Engaged Staff.

As you know, this past Sunday was a historic day for Belgium. His Majesty King Philippe was sworn in as the seventh King of the Belgians. If confirmed, it will be my privilege to work with the people of Belgium and their new king in opening this important new chapter in the long history of friendship between our nations.

In closing, if I may, I would like to take a moment to thank my family and friends for their incredible support through all life's journeys, particularly my husband Steve, and our wonderful daughters, Katherine and Natalie. They are home in California now, but, should I be confirmed, they will join me in Belgium and will be part of a team effort. They share my commitment to serving our country and my appreciation of the vital role diplomacy plays in international peace and prosperity.

Once again, Mr. Chairman and members of this distinguished committee, thank you very much for this opportunity.

I am happy to answer any questions you may have.

Senator MURPHY. Thank you, Ms. Bauer.

Ms. CAMPBELL BAUER I am happy to answer any questions.

Senator MURPHY. Thank you.

Mr. Gifford.

STATEMENT OF JOHN RUFUS GIFFORD, OF MASSACHUSETTS, TO BE AMBASSADOR TO DENMARK

Mr. GIFFORD. Mr. Chairman, Senator Johnson, and members of the committee, thank you for permitting me this opportunity to appear before you as the President's nominee for the position of United States Ambassador to the Kingdom of Denmark.

It is a tremendous honor to be asked to serve in this post, and I thank President Obama and Secretary Kerry for their confidence in me.

I am joined here today by my mom and dad. And while my partner, Dr. Stephen DeVincent, could not be here, I am honored to be joined by a number of family and friends.

Throughout my life, whether I was working in the entertainment industry, self-employed, or in politics, my success was determined by my ability to build a strong team, to set and exceed goals, and to establish new and innovative ways to accomplish the mission.

If confirmed, I hope to bring the professional skills I have built over the course of my career to the Embassy in Copenhagen. I believe that leadership means investing in each and every one of your employees. I believe in pursuing a specific set of goals that are ag-

gressive yet achievable. And, in my mind, innovation in all of its forms is vital to success.

Diplomatic relations between the United States and Denmark began in 1783 when Denmark negotiated a commercial treaty with our brand new country. Since then, the relationship between the United States and Denmark has endured and thrived because we both share common principles and ideals, value our comprehensive partnership, and are committed to leading by example throughout the world.

If confirmed, my goals for the mission are as follows: to maintain and strengthen our country's already strong relationship. The Danes make outsized contributions across the board to global peace, security, and development.

Denmark is a country of fewer than 6 million people, but it is not shy about investing its resources and manpower in efforts to promote stability around the world. As close NATO allies, we are committed to each other's security.

Danes stands shoulder to shoulder with U.S. service men and women in Afghanistan, and Denmark's support of the missions in Kosovo and Libya has also been critical. Denmark's significant contributions to peace and security also come in the form of stabilization and development assistance programs in Africa and the Middle East.

Two, trade and economic prosperity. We must not just focus on the bilateral relationship in this ever-changing world but also the multilateral relationship. The Transatlantic Trade and Investment Partnership, or TTIP, will be a significant focus of our work in the coming months. Denmark is a logical partner in this incredibly bold initiative.

But we cannot center our business relationship around TTIP alone. The United States is Denmark's third-largest trading partner. More than 250 Danish companies have subsidiaries in the United States, employing over 35,000 Americans. We must continue to build our economic partnership, focusing on emerging industries such as information technology, biotechnology, and clean energy.

And three, leading by example with innovation, technology, and sustainability. The economic partnership between our two countries is vast. Denmark is a leader in medical research and technology as well as in wind energy, smart grid technology, and energy efficiency.

I am passionate about creating new alliances between the smartest minds in science and medicine in Denmark and here at home, with the ultimate goal of making the planet safer, cleaner, and smarter.

In addition, if confirmed, I will reach out to Greenland and the Faroe Islands. We will continue to strengthen our bonds with these parts of the Kingdom of Denmark, where innovation, technology, and sustainability can extend our commercial and economic ties.

Mr. Chairman, and members of the committee, by investing in teamwork, by setting smart and strategic goals, and by pushing the edge of the envelope, we can achieve great success and ensure that this relationship between our two great countries, 230 years old, is even stronger 230 years from now.

Again, thank you for permitting me to be here before you. I am truly honored by this opportunity.

If confirmed, I will do my very best to represent the United States, and I would hope to meet with you again in the future to report on our continuing partnership with Denmark.

Thank you. And I look forward to answering whatever questions you may have.

[The prepared statement of Mr. Gifford follows:]

PREPARED STATEMENT OF JOHN RUFUS GIFFORD

Mr. Chairman, Ranking Member Johnson, and members of the committee, thank you for permitting me this opportunity to appear before you as the President's nominee to be United States Ambassador to the Kingdom of Denmark. It is a tremendous honor to be asked to serve in this post and I thank President Obama and Secretary Kerry for their confidence in me.

When I was 10 years old my parents asked me what I wanted for my birthday. Expecting the typical answer of games or toys, they were surprised to hear my answer. All I wanted was a trip, just the three of us—leaving my brothers and sisters at home—to Washington, DC. I got my wish. I remember standing wide-eyed watching the Senate in session, touring the Reagan White House and walking the grounds of the Jefferson Memorial at night. My fascination with government and politics was already well established but it was this trip when I knew I just had to be part of it.

I am joined here today by the two people who took me on this first trip, my Mom and Dad along with my partner, Dr. Stephen DeVincent, who is taking a day off from his veterinary practice to be here. My one regret today is that my paternal grandparents could not be here. Through their frequent travel to Denmark, my grandparents fell in love with Copenhagen and the country, and would often regale us as children with stories of their experiences. To me Denmark seemed too good to be true, a land of Hans Christian Andersen's fairy tales. Turning the fantasy into reality, sitting here today, I wish more than anything that they could be here with us.

I grew up in Manchester, MA, a son of a banker with an eagerness to pave his own path. After graduating from Brown University in 1996, my career has taken me to Los Angeles, Washington, DC, and Chicago. Throughout my career, whether when I was working in the entertainment industry, I was self-employed or in politics, I have prided myself on three things:

- (1) Teambuilding;
- (2) Setting and exceeding goals; and
- (3) Establishing new and more innovative ways to accomplish the mission.

If confirmed, I hope to bring the professional skills I have built over the course of my career to the Embassy in Copenhagen. I believe that leadership means investing in each and every one of your employees; it's about management and creating an atmosphere where teamwork and collaboration can thrive.

I believe in pursuing a specific set of goals that are aggressive yet achievable. The status quo is never good enough. Success is not just about maintaining the status quo, it's about promoting new ideas and thinking outside the box. In my mind, innovation in all its forms is vital to success.

Diplomatic relations between the United States and Denmark began in 1783 when Denmark negotiated a commercial treaty with our new country. Since then, the relationship between the United States and the Kingdom of Denmark has endured and thrived.

Why is that? A large part of the answer can be found in the fact that we share common principles and ideals, value our comprehensive partnership both politically and economically, and are committed to leading by example throughout the world.

If confirmed, my overall goal is to maintain and build upon that relationship. I believe that, as good as our bilateral relationship is, there will always be more to do.

My goals for the mission are as follows:

(1) To maintain and strengthen the strong relationship between the countries, focusing on our partnership to resolve and prevent conflicts abroad, stabilize regions in conflict, and foster democratic development, tolerance, and respect for human rights.

One cannot help but be impressed at the outsized contributions the Danes make across the board to global peace, security, and development. Denmark is a country

of fewer than 6 million people, but it is not shy about investing its resources and manpower in efforts to promote stability around the world. As close NATO allies, the United States and Denmark are committed to each other's security and stand together in critical crisis areas worldwide. Danish soldiers and civil servants stand shoulder to shoulder with our service men and women today in Afghanistan, and Denmark's support of the missions in Kosovo and Libya has also been critical.

Denmark's significant contributions to international peace and security also come in the form of stabilization and development assistance programs in west and east Africa as well as the Middle East. The Danes are leaders in Scandinavia and in Europe as a whole in addressing the root causes of extremism and are key partners in countering the threat of terrorism.

If confirmed, my goal will be to ensure this partnership remains and is strengthened.

(2) Trade and Economic Prosperity.

We must not just focus on the bilateral relationship in this ever-changing world but also the multilateral relationship. The Transatlantic Trade and Investment Partnership—or TTIP—will be a significant focus of our work in the coming months. President Obama called TTIP a potential “groundbreaking partnership” while creating “hundreds of thousands of jobs on both sides of the Atlantic.”

While the negotiations are between the United States and the European Union, the support of EU member states will be crucial as well. Denmark is a logical partner in this incredibly bold initiative. The English translation of “Copenhagen” is actually “Merchants’ Harbor.” Denmark is a country built upon centuries of trade. Like us, the Danes know that when we break down barriers to trade, we improve our ability to raise standards and increase prosperity around the world. I am not naive about the work ahead—it will be an “all hands on deck” endeavor. But considering the strong relationship between the United States and Denmark, we can help support an initiative that will lead the way to creating more jobs and growth on both sides of the Atlantic.

But we cannot center our business relationship on TTIP alone. The United States is Denmark's third-largest trading partner. More than 250 Danish companies have subsidiaries in the United States employing over 35,000 Americans. We must continue to build our economic partnership, focusing on emerging industries such as information technology, biotechnology, and clean energy. Secretary Kerry has called on the State Department to “double down” on economic diplomacy. That means engaging both the political and economic decisionmakers in Denmark to advance opportunities for U.S. businesses.

(3) Leading by example with innovation, technology and sustainability.

The partnership here between our two countries is vast. Denmark is a leader in medical research and technology. The Danes are also leaders in wind energy, in smart grid technology, and energy efficiency. I am passionate about furthering this relationship, creating alliances between the smartest minds in science and medicine in Denmark and the smartest minds here at home with the ultimate goal of making the planet safer, cleaner, and smarter.

In addition, if confirmed, I will also reach out to Greenland and the Faroe Islands. We will continue to strengthen our bonds with these parts of the Kingdom of Denmark, where innovation, technology, and sustainability can extend our commercial and economic ties.

Mister Chairman and members of the committee, by investing in teamwork, by setting smart and strategic goals, and by pushing the edge of the envelope, we can achieve these goals and ensure that the relationship between our two great countries—230 years old—is even stronger 230 years from now.

Again, thank you for permitting me to appear before you. I am truly honored by this opportunity. If confirmed, I will do my very best to represent the United States—and I would hope to meet with you again in the future to report on our continuing partnership with Denmark.

I look forward to answering any questions you may have.

Senator MURPHY. Thank you, Mr. Gifford.
Mr. Emerson, welcome.

**STATEMENT OF JOHN B. EMERSON, OF CALIFORNIA, TO BE
AMBASSADOR TO THE FEDERAL REPUBLIC OF GERMANY**

Mr. EMERSON. Thank you very much.
Good afternoon, everybody.

Mr. Chairman, Senator Johnson, distinguished Senators, thank you very much for the privilege of appearing before you today.

And I would also like to thank my good friends, Senators Boxer and Feinstein, for their generous and kind words on behalf of my nomination to be Ambassador to the Federal Republic of Germany.

I am also deeply grateful to President Obama and Senator Kerry for their confidence and for this honor.

And if you would permit me, I would like to introduce to the committee my wife, Kimberly Marteau Emerson. Kimberly worked at USIA during the Clinton administration and subsequently has been extremely active in promoting public diplomacy and human rights and in the cultural and civic life of our community. And I have no doubt that, if I am confirmed to serve in Germany, she will be a great asset to our country.

And our three teenage girls, Jackie, Taylor, and Hayley, are unable to be with us today, but I can guarantee you that they will be enthusiastically accompanying us.

If confirmed by the Senate, I will have the privilege of returning to Germany for the fourth time in four separate decades. Both Kimberly and I share a deep German heritage, through my paternal and her maternal grandparents.

From my youth, I have had an interest in the culture and the people of Germany, although I will admit that my decision at age 12 to begin studying the language probably had more to do with the fact that my father and grandmother would speak it when they did not want me to know what they were talking about. [Laughter.]

I first visited Germany upon graduating from college, staying with my former German history professor who had moved to Berlin and who subsequently spent many years working with this committee—Michael Haltzel.

A decade later, I was selected by the Friedrich Ebert Stiftung to be one of four Americans from the public sector to travel the country and participate in meetings with local and federal German officials. During these visits and subsequent family travel, I have been struck by the warmth of the German people, as well as the special relationship that America and Germany share.

The partnership between our two countries is one of our most important alliances, as we confront the economic and security challenges of the present day.

If confirmed, I would work with our German partners to ensure financial and economic stability in the eurozone, as a successful European market base allows for increased American business opportunities and jobs here at home. I would work to support the TTIP negotiations as appropriate, and if they are successfully concluded, would focus on promoting trade and investment with Germany.

While serving in the Clinton White House, I had the privilege of managing our efforts to secure congressional approval of the Uruguay round of the GATT, working closely with then-White House Fellow, Michael Froman. Well, I look forward to working with now-U.S. Trade Representative, Michael Froman, on TTIP-related issues.

It is critical that we incorporate economic statecraft at all levels of our diplomacy. I hope to build on my experience in business and

global investment management to engage in promoting U.S. business interests, and thereby helping to create jobs here at home.

Germany is a committed partner in combating terrorism and promoting our mutual national security. Its support of the approximately 45,000 American troops currently forward positioned on German soil remains vital to European security and our defense initiatives aboard.

As Ambassador, I would encourage Germany to continue its strong support of NATO, as Germany sends the largest number of troops to Kosovo, and, with 4,300 troops, is the third-largest contributor to Afghanistan. Germany has also indicated a willingness to lead NATO's efforts in northern Afghanistan post-2014.

Germany has deployed two Patriot surface-to-air missile batteries in response to Turkey's request for NATO ballistic missile defense support and is actively engaged in helping us to secure peace and security and nonproliferation efforts in Syria and Iran.

Germany and the United States are leaders in energy transformation, and as such, there is a great opportunity for bilateral cooperation in emerging energy and environmentally friendly technologies. And if confirmed, I would work to see where U.S. companies with expertise in energy and environmental areas might be able to engage in this exciting market.

Mr. Chairman, Senator Johnson, members of the committee, I am honored to have been nominated to serve as Ambassador to a country that is so consequential to our economic and national security interests as well as a place where I have a strong personal connection, and if given the opportunity, I pledge I will serve the American people with dignity and honor, and work to foster an even stronger alliance between these two important allies based on our common shared values.

Thank you so much for your consideration.

[The prepared statement of Mr. Emerson follows.]

PREPARED STATEMENT OF JOHN B. EMERSON

Mister Chairman, Ranking Member Johnson, and distinguished members of the Senate Foreign Relations Committee, thank you for the privilege of appearing before you today.

I would also like to thank my friends Senator Feinstein and Senator Boxer for their kind words in support of my nomination to be Ambassador to the Federal Republic of Germany. I am deeply grateful to President Obama and Secretary Kerry for this great honor, and for giving me the opportunity to work yet again as a public servant.

If you would permit me, I would like to introduce to the committee my wife, Kimberly Marteau Emerson. Kimberly worked at USIA during the Clinton administration and subsequently she has been active in promoting public diplomacy and in the civic and cultural life of our community. I know that if I am confirmed to serve in Germany, she would be a great asset to our country. Our three teenage girls, Jackie, Taylor, and Hayley, are unable to be with us today, but they would be enthusiastically accompanying us as well.

If confirmed by the Senate, I will have the privilege of returning to Germany for the fourth time in four separate decades. Both Kimberly and I share a deep German heritage, through my paternal and her maternal grandparents. From my youth, I have had an interest in the culture and the people of Germany—although I will admit that my decision at age 12 to begin studying the German language may have had more to do with the fact that my father and grandmother would speak it when they didn't want me to know what they were discussing!

I first visited Germany upon graduating from college, staying with my former German history professor who had moved to Berlin and who subsequently spent many years working for this committee—Michael Haltzel. A decade later, I was

selected by the Friedrich Ebert Stiftung to be one of four Americans from the public sector to travel the country and participate in meetings with local and federal German officials. During these visits and subsequent family travel, I have been struck by the warmth of the German people, as well as the special relationship that America and Germany share. The partnership between our two countries is one of our most important alliances, as we confront the economic and security challenges of the present day.

If confirmed, I would work with our German partners to ensure financial and economic stability in the eurozone, as a successful European market base allows for increased American business opportunities. I would work to support Transatlantic Trade and Investment Partnership (TTIP) negotiations as appropriate, and if they are successfully concluded, would focus on promoting trade and investment with Germany. While serving in the Clinton White House, I had the privilege of managing our efforts to secure congressional approval of the Uruguay Round of the GATT, working closely with then-White House Fellow, Michael Froman. I look forward to working with now-U.S. Trade Representative Froman on TTIP-related issues. It is critical that we incorporate economic statecraft at all levels of our diplomacy. I hope to build on my experience in business and global investment management to engage in promoting U.S. business interests, and thereby help create jobs here at home.

Germany is an important NATO ally and a committed partner in combating terrorism and promoting our mutual national security. Germany hosts approximately 45,000 American troops that remain vital to our shared security interests, including beyond Europe. As Ambassador, I would encourage Germany to continue its strong support of NATO. Germany leads the alliance in terms of number of troops deployed to Kosovo, and it has an important leadership role in Afghanistan, leading efforts in the north and providing 4,200 troops. Germany has also indicated willingness to continue to lead NATO efforts in northern Afghanistan post-2014. Germany has deployed two Patriot surface-to-air missile batteries in response to Turkey's request for NATO ballistic missile defense support. Germany also is actively engaged in peace and security and nonproliferation efforts Syria and Iran. It has cohosted the Friends of Syrian People working group for economic development and established, together with the UAE, a Trust Fund for Syria, to support Syrian reconstruction. It has also pledged 125 million euros for humanitarian assistance in Syria. Germany shares our commitment to prevent a nuclear-armed Iran through a dual-track approach of pressure and engagement. As a member of the P5+1, Germany is actively involved in efforts to reach a negotiated solution that addresses the international community's concerns over Iran's nuclear program.

Germany and the United States are leaders in energy transformation and as such, there is great opportunity for bilateral cooperation in emerging energy and environmentally friendly technologies. If confirmed, I would support Germany's efforts to diversify its energy routes and sources, as well as the role it has and can continue to play in broader EU efforts to promote regional energy security. Germany has made impressive progress in developing renewable energy sources including wind and solar power. If confirmed, I would also work to see where U.S. companies with expertise in energy and environmental areas might be able to engage in this exciting market.

Mister Chairman, Ranking Member Johnson, and members of the committee, I am honored to have been nominated to serve as Ambassador to a country that is so consequential to our economic and national security interests, as well as a place where I have strong personal connections. If confirmed, I would be excited to begin work during this key juncture in United States-German relations, in the approach to particularly as Germany's federal elections in September approach. If given the opportunity, I pledge that I will serve the American people with honor and dignity, and will work to foster an even stronger alliance between the United States and Germany based on our shared values.

Thank you for your consideration, and I would be happy to answer any questions you may have.

Senator MURPHY. Thank you, Mr. Emerson.
Welcome, Ambassador Pearce.

**STATEMENT OF HON. DAVID D. PEARCE, OF VIRGINIA,
TO BE AMBASSADOR TO GREECE**

Ambassador PEARCE. Thank you, Mr. Chairman, and thank you to the distinguished members of the committee.

It is a great honor to be here today as the President's nominee to be the next United States Ambassador to the Hellenic Republic.

Mr. Chairman, given the constraints on time, if you will allow me, I will present an abbreviated version of my statement and let the full one be added for the record.

First though, I very much appreciate the opportunity to introduce my wife, Leyla, who has ably represented the United States and served with me through more than three decades of Foreign Service postings in the Middle East, Europe, and North Africa. And with her are our daughter, Jenny, and our son, Joey, in the second row.

Mr. Chairman, I am grateful for the confidence and trust President Obama and Secretary Kerry have placed in me, and for the opportunity to appear before you today.

Since the founding of our Republic, the United States has looked to Greece, where the very idea of democracy was born, with special respect and affection. Relations between Greece and the United States are excellent, and we look forward to welcoming Prime Minister Samaras to the White House on August 8.

As you know, the bonds between our countries have been strengthened over the years by millions of Americans who trace their ancestry to the Hellenic Republic. The Greek-American diaspora community is always generous with its time, and if confirmed, I will look forward to working with them and seeking out their views.

Mr. Chairman, and members of the committee, Greece, as you all know, is experiencing a very critical period in its modern history as it seeks to emerge from an acute economic crisis that has now lasted 4 years. We stand in solidarity with the Greek people, who are making major but essential sacrifices to achieve the changes that are necessary to return Greece to economic prosperity.

There are still many challenges, but it is very much in the U.S. interest that these reforms succeed, given the importance of Greece to the broader eurozone financial stability.

If confirmed, I will work closely with the Greek Government to support its reform efforts, which are essential to restoring Greece's competitiveness and growth, improving market confidence, and creating a more prosperous future for its people.

I will also look for ways to expand bilateral trade and investment, and advocate for U.S. business and investors.

While much focus has justifiably been on Greece's economic situation, we need to remember it also plays a very important regional role.

In the first half of 2014, Greece assumes the presidency of the European Union. It is a longstanding NATO ally and has supported a variety of allied operations, including in Libya and Kosovo. Our strong security relationship is reflected in excellent cooperation at the Naval Support Activity base at Souda Bay, Crete.

Together, we have worked to combat transnational terrorist threats. We applaud, of course, the recent efforts by the Greek and Turkish governments to foster closer ties and build trust. We support the U.N. effort to settle the long-running Macedonian name dispute.

And of course, there is the continued division of Cyprus. We believe a mutually acceptable settlement there is in the best interest of the people of Cyprus and the region. We look forward to settlement talks resuming later this year, and we will support them in any way we can.

Mr. Chairman, these are some of the things I look forward to working on, if I am confirmed.

I first visited Greece as a classics student from Maine in the spring of 1971. Since then, I have maintained that interest, first as a journalist in Southern Europe and the Middle East, and then as a diplomat in nearby Rome, Jerusalem, Damascus, Tunis, and Algiers.

I have been in the Foreign Service for 31 years now, and if confirmed, I would bring that accumulated experience to Embassy Athens.

So, Mr. Chairman, thank you for the opportunity to appear again before you. I pledge to do my best to advance U.S. interests and our relationship with Greece, a valued friend and ally in every way possible, if confirmed. I also look forward to working with this committee, as well as your staff and your congressional colleagues, in that effort.

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

[The prepared statement of Ambassador Pearce follows:]

PREPARED STATEMENT OF HON. DAVID D. PEARCE

Thank you, Mr. Chairman, and thank you, distinguished members of the committee. It is a great honor to be here today as the President's nominee to be the next United States Ambassador to the Hellenic Republic.

I appreciate the opportunity to introduce my wife, Leyla, who has ably represented the United States, and served with me for three decades of Foreign Service postings in the Middle East, Europe, and North Africa. With Leyla are my daughter, Jenny, and our son, Joey.

Mr. Chairman, I am grateful for the confidence and trust President Obama and Secretary Kerry have placed in me, and for the opportunity to appear today before this committee.

Since the founding of our Republic, the United States has looked to Greece, where the very idea of democracy was born, with special respect and affection. Relations between Greece and the United States are excellent, and we look forward to welcoming Prime Minister Samaras to the White House on August 8. The bonds between our countries have been strengthened over the years by millions of Americans who trace their ancestry to the Hellenic Republic. The Greek-American diaspora community is always generous with its time, and if confirmed, I will look forward to working with them and seeking out their views.

Mr. Chairman, members of the committee, Greece is experiencing a critical period in its modern history as it seeks to emerge from an acute economic crisis that has now lasted 4 years. We stand in solidarity with the Greek people, who are making major but essential sacrifices to return Greece to economic prosperity. The Greek Government has made deep budget cuts to restore fiscal sustainability, but now needs to make progress on structural reforms that will revive the country's economic growth, including opening up its markets, privatizing state assets, reducing the public sector, and improving tax collection. There are still many challenges, but it is very much in the U.S. interest that these reforms succeed. If confirmed, I will work closely with the Greek Government to support its reform efforts—which are essential to restoring Greece's competitiveness and growth, improving market confidence, and creating a more prosperous future for its people. I will also look for ways to expand bilateral trade and investment and advocate for U.S. business and investors.

While Greece has justifiably been focused on its economic situation in recent years, it also plays an important role in the wider region:

- In the first half of 2014, Greece will assume the Presidency of the European Union.

- As a longstanding NATO ally, Greece has helped us meet global challenges, from supporting allied operations in Libya to stabilization efforts in Kosovo. And our strong security relationship with Greece is exemplified by our excellent cooperation at the Naval Support Activity base at Souda Bay, Crete.
- We have worked together with Greece not only to investigate and bring to justice domestic anarchists who have claimed Greek and U.S. victims, but also to combat transnational terrorist threats.
- We applaud the efforts of the Greek and Turkish Governments to foster closer ties and build trust—efforts that include a March meeting between Prime Ministers Samaras and Erdogan in Istanbul, and the resumption of Greek-Turkish Exploratory Talks on Aegean issues.
- Regrettably, the continued division of Cyprus has not yet been resolved. A mutually acceptable settlement is in the best interests of the people of Cyprus, and the region, so we look forward to settlement talks resuming later this year. The United States will work closely with the United Nations, both Cypriot communities, Greece, and Turkey to actively encourage reconciliation and reunification.
- Not least, we support the ongoing U.N. effort to settle the nearly 20-year-old name dispute between Athens and Skopje. Here too, a lasting and mutually acceptable solution is manifestly in the interest of both countries and the wider region.

Mr. Chairman, those are some of the challenges and opportunities I look forward to working on if I am confirmed. I first visited Greece as a Classics student in the spring of 1971. In the four decades since, I have maintained that interest working as a journalist in southern Europe and the Middle East, and then as a diplomat in nearby Rome, Jerusalem, Damascus, Tunis, and Algiers. I have been a Chief of Mission twice, and also an Assistant Chief of Mission, Principal Officer, and Deputy Chief of Mission. So, if confirmed, I would bring that accumulated experience to the policy, security, and management challenges that Embassy Athens faces.

Mr. Chairman, thank you again for the opportunity to appear before you. If confirmed, I pledge to do my best to advance U.S. interests, and our relationship with Greece, a valued friend and ally, in every way possible. I look forward to working with this committee, as well as your staff, and your colleagues, in that effort. I would be pleased to answer any questions you may have.

Senator MURPHY. Thank you very much, Mr. Ambassador.

Thank you to all of our nominees. We will now proceed with a round of 7-minute questions. I will just warn the panel we have a vote that is imminent, and so that may interrupt our hearing. We will figure out how to proceed with it once the vote is called.

Let me start with you, Ambassador Pearce. You know we have a saying around here that with crisis comes opportunity, and that is kind of by necessity here because we are constantly in crisis, so we can only hope that there is opportunity in crisis. But you remarked that you are going to be coming to Greece at a moment of ongoing economic crisis, but also at a time in which there is still hope that there is some resolution somewhere around the corner with respect to Cyprus and also the name dispute in Macedonia.

And so, I will ask, I guess, an open-ended question to hear a little bit more of your thoughts in terms of what role the United States can play, but ask it through this prism: Does it become harder or easier to try to solve those two problems as Greece is looking more constantly inward during this economic tumult? And what is the appropriate role for the United States to play in this new round of talks with Turkey and in a just very meddlesome name change dispute that should be resolved in the short term, we hope, with respect to Macedonia?

Ambassador PEARCE Thanks, Senator. Let us see, that is a lot to chew on.

I think that, clearly, the economic crisis in Greece is really tough. I mean, it has been going on for about 4 years now. And the econ-

omy has contracted 25 percent, and it is a lot of pain for ordinary people. That is very tough politically, of course, for any government to come to grips with.

Nevertheless, I think that the Greeks have made significant progress. They have started to close their fiscal gap. They have recapitalized their banks, and the labor costs are coming down.

But there is a lot more to do. And I think that the main chore here is going to be to work with them to help them get through this very tough period.

I think that you are right that there are opportunities. And I do think that one opportunity I can think of right off the bat is that, if Greece is successful with its reform process, it will mean a better investment climate. It will mean more business opportunities. And I think that would be good for U.S. companies and firms in the future.

So I think there is a lot to do in terms of the domestic and the economic side.

In terms of Cyprus and the name issue, well, I was on the desk 26 years ago. And, regrettably, Cyprus is still an issue. I do think though, from what I have seen as I prepared for this appointment, that there are a couple of things which are encouraging. One of them is that the quality of relations between Greece and Turkey is better now, it seems to me, than it was back when I was working on the desk before.

Another is that there is an expectation that settlement talks in Cyprus are going to resume in October. That would be great. If this dispute can finally be moved out of frozen status, and if the tragic division of the island can end, and we can reach a comprehensive settlement, and, of course, we support a bizonal, bicomunal federation, that would be enormous.

And I think it would be not just for Cyprus, but for regional stability. And that would be a really great thing. And if confirmed, I would, of course, do everything that I can do from my perch in Athens to help in that regard.

The name dispute was not there 26 years ago when I was on the desk, although it has been running for more than 20 years now, I guess. This is a very difficult issue, but we hope that the U.N. special envoy, Matt Nimetz, will be able to make some progress. We support his efforts. And we do hope that a solution can be found that can be finally mutually acceptable to both sides because that, too, would be good for regional stability and the integration of Euro-Atlantic institutions.

The U.S. role, I think, in the economic crisis, which you asked specifically about, the U.S. role I believe is to be there to engage, to monitor, to report, and to make sure that policymakers back here have the information they need in order to take the decisions that they need to.

Senator MURPHY. We have a NATO summit in 2014. There are a number of other potential issues for Macedonia to join, but, clearly, this is at the top of the list. Clearly, that is a timetable a lot of people are going to look to try to get this resolved.

Mr. Emerson, let me ask you a specific question. You are going to be showing up in Germany in the middle of an election, a hotly contested election in which Germany's relationship with America is

on the table. One of the pending issues that the SPD is raising is their allegation that Chancellor Merkel has been too close to the United States with regard to our surveillance programs and our information-gathering programs.

And you, probably, on the first day you are there, are going to be asked questions about the extent of this program and what the future of it is. I know you are not there, but can you just share with us your perspective on how the next Ambassador should manage this particular issue, given the fact that it is going to be, as it already is, an issue in the German election?

Mr. EMERSON. Well, thank you for that, Senator.

Obviously, that is a very, very important issue and something, clearly, we have given a lot of thought to. I think, first of all, we need to just step back and take a look at this in the context of the overall extraordinary relationship and partnership that the Americans and the Germans have and have had over the years.

As President Obama has said, Germany is one of our most important allies in the world. We work together on just about everything from economic engagement to national security issues. And as part of that, we share intelligence on security matters and security threats that could impact all of us.

I am obviously very well aware of the concerns that Germany has raised. And the administration, as I understand it, has engaged with Germany and our other European allies and partners with regard to those concerns.

I think as Ambassador, my principle role is going to be to listen and to engage on the ground, and to continually reassure government officials, political leaders, the German people, that the United States will continue to work hard together with Germany to combat terrorism to keep our country safe, but to do so with collective action based upon our shared respect for the rule of law.

Senator MURPHY. I can tell by that answer that you are going to be an excellent Ambassador. [Laughter.]

I am going to turn the chair over to Senator Johnson. I am going to go vote. Then we will swap out, so we can keep this hearing running.

So, Senator Johnson. And I will return.

Senator JOHNSON [presiding]. Thank you, Mr. Chairman. I am not exactly sure what you meant by that, but I think I know. [Laughter.]

So we can kind of spread out the questions, what I would like to do is just go down the panel, starting here on the left-hand side, since Senator started on the right.

And I would just like to ask each one of the future Ambassadors or the nominees what is the No. 1 diplomatic issue between the United States and the country that you are going to be representing?

Mr. COSTOS. Thank you, Senator. I appreciate the question.

As we know, Spain is in the middle of an economic crisis. At this point, unemployment is almost above 30 percent. And for youth in Spain under the age of 25, it is rapidly approaching over 50 percent.

President Rajoy has put many reforms in place and has been doing a very good job about trying to normalize that particular

issue in Spain. As a matter of fact, he has just put 22 new initiatives in place in April to help promote business and increase employment and jobs in Spain.

What I would like to do using my experience and involved with the TTIP is basically to use my international and global experience to build businesses and develop an opportunity to bring my skills to the Spanish people and grow our international businesses on both sides of the Atlantic.

So my focus will be purely on economics at this point and using TTIP as the tool to do that.

I plan on using public diplomacy to help promote that when I am in Spain. At HBO, one of my major initiatives is in charge of global communications, and I am responsible for promoting the best of what America has to offer. And I will do the same on both sides. And I hope that with my relations that I have with the business community here and working as well with the U.S. Spanish Council, I will be able to increase our relations and our business relationships, including investment in trade in Spain.

Senator JOHNSON. Thank you.

Ms. Campbell Bauer.

Ms. CAMPBELL BAUER Thank you, Senator.

I am happy to say we have an excellent relationship with Belgium. They are some of our strongest partners on many issues. So a primary focus for me will be just continuing to build on that.

We also have an excellent team in place in Brussels with whom I will be working. I really view my role in that as being additive, because they are wonderful professionals. And I hope to bring a fresh perspective, some leadership skills, and a strong network in business to that effort.

And then we will work to promote key values that we share. Also to focus on TTIP, which everyone has mentioned, and is, of course, incredibly important, but also to focus more broadly on how to expand the business relationship between the United States and Belgium.

One of the things that I consider—and I need to explore this more, of course, with your committee and also with the people in Belgium—is really focusing on tourism and expanding that as an opportunity for economic growth, but also for public diplomacy, so it will be a very efficient use of our time to focus on both those things.

And, of course, I will be focusing on security, both for U.S. citizens in Belgium and also strengthening our international partnerships to assure security throughout the world.

Senator JOHNSON. Thank you.

Ms. CAMPBELL BAUER Thank you, sir.

Senator JOHNSON. Mr. Gifford.

Mr. GIFFORD. Thank you, Senator. Thank you very much for the question. And, if you will allow me, I would like to get in two, if possible.

The first one, and at the risk of sounding redundant, is economic statecraft. Frankly, Denmark has vocally supported TTIP, and the TTIP negotiations that have just begun. They are a nation built on trade.

As I have said to some of my friends, the translation of Copenhagen, literally, is “merchant’s harbor.” They produce phenomenal products. They are an export-driven nation, and they do need to import raw materials in order to produce the products that they do have.

So TTIP is actually critically important for them. And we will be working together, over the course of the next several months, to ensure that we do get a deal there.

In addition to that, we just cannot overlook the military coordination between Denmark and the United States. They have been a stalwart ally. They have fought alongside U.S. troops in Iraq, in Afghanistan, in Libya, in Kosovo. They are currently off the Horn of Africa fighting piracy.

And the continued coordination from a military standpoint will be a significant issue for me as well.

Senator JOHNSON. Thank you.

Mr. Emerson.

Mr. EMERSON. Thanks, Senator.

I would have to agree with my cohorts here that getting the eurozone on a stable economic footing for the long term will be an absolute top priority not only for the United States, but for Germany. The U.S.-EU relationship is the largest economic relationship in the world. Germany is our fifth-largest trading partner. Germany companies employ over half a million U.S. workers.

And not only is it critical to the United States but also to Germany that we get the EU on a stable growth trajectory—I mean, I am sorry, the eurozone on a stable growth trajectory. And I know that they will be a very important ally and partner to us in that effort.

Senator JOHNSON. Thank you.

Mr. Pearce.

Ambassador PEARCE Thank you, Senator.

The economic crisis in Greece, its effort to get on the path to recovery and reform. And I would add, too, that defense cooperation is very important.

Senator JOHNSON. OK. So we all mentioned economic cooperation. That actually sets up my next question, starting left to right.

In terms of trade talks, what is going to be the most difficult issue between the United States and the country that you are going to be representing?

Mr. COSTOS. Senator, thank you for the question. In my knowledge at this point, we have not had any difficulties that we have heard from Spain at this point. I have been briefed on several different aspects of the TTIP and the Spanish relationship with the EU. And there has not been anything that particularly has come up, except for geographical issues, and there is something that we had talked about in your office at one point, related to Serrano ham and cheese from Spain.

So talking about those particular names could be a potential issue. However, nothing else at this point has actually come to my attention that could be problematic with the TTIP negotiations in Spain, sir.

Senator JOHNSON. Let us hope it stays that way.

Mr. COSTOS. Thank you very much.

Senator JOHNSON. Ms. Campbell Bauer.

Ms. CAMPBELL BAUER Thank you, Senator. I think we are going to have a good relationship with Belgium. It is a continuing dialogue and a negotiation. So Belgium stands to benefit significantly with the trade agreement through TTIP. As a gateway to Europe, it is particularly important to them, and the amount of trade we do is significant.

At this point, I think it is the beginning of a dialogue, so I will work to encourage them to cooperate and work progressively, and consult back with Washington as often as possible, should I be confirmed.

Senator JOHNSON. OK. Mr. Gifford.

Mr. GIFFORD. Thank you, Senator. Similar to my colleagues here, we have not yet seen any real stumbling blocks with the Danes. I believe that my role, if confirmed as Ambassador, would be to try to get a sense of what is going on, on the ground, and if there are issues that do arise in the coming months, to report back to this committee and the folks at USTR the issues that may be percolating. But, as of right now, we do not see any.

Senator JOHNSON. Well, it sounds pretty good so far.

Mr. Emerson.

Mr. EMERSON. Thank you, Senator.

Senator JOHNSON. Smooth sailing, this seems to be a slam-dunk.

Mr. EMERSON. I think the good news about Germany is that it has been a huge proponent of TTIP, actually, for a number of years now. And I think my challenge and our challenge will be much more in working with Germany to help work through some issues that may come up from other places in the course of the negotiations through the EU process. And I know Germany will be a strong ally in that regard.

Senator JOHNSON. OK. Great.

Mr. Pearce.

Ambassador PEARCE Senator, I am not aware of a specific issue with regard to Greece. I do know that they—or at least I understand, that they hope it will help them strengthen their exports and also their overall economic recovery effort.

Senator JOHNSON. Well, I really wish you all the success in the world, trying to really solidify those economic relationships. And with that, I will turn the hearing over to the capable hands of Senator Kaine.

Thank you.

Senator Kaine [presiding]. Thank you, Senator Johnson, and forgive us all, you see what we are doing. The bells ring and we have to go vote. So forgive me if I ask a question that was asked while I stepped out.

But just to educate myself on some of the issues that you will be wrestling with in your countries, this is a question that is really kind of directed toward Ms. Bauer and Mr. Gifford.

And, Denise, it is so good to be here with you today and see you as well.

You know, one of the issues we are always wrestling with in this country is the wonderful diversity issues that we have and how to put this Nation, the 300-plus million, together and show an example to the world and at the same time manage diverse populations.

And Belgium and Denmark have each had some interesting and challenging diversity issues. Belgium, the language differential between, I guess the Dutch language is Flemish and the French speakers, Dutch-based language Flemish and French speakers, and sort of the division of the country politically has been a consistent issue and seems to have become more challenging.

And so kind of interested in your thoughts on that and especially how the new King and the new government there may help deal with those issues.

And then, Rufus, for you, one of the issues that we in this country have read about in Denmark, is the issue of the treatment of Muslims in the country and some of the tensions there over religious issues in Denmark. And as people who are proud champions of diversity American style, I just would love some insights about both Belgium and Denmark in the way they are wrestling with their own diversity issues.

Ms. CAMPBELL BAUER Thank you, Senator. It is an honor to be before you today.

So Belgium is a strong democracy. With that comes some differences, and there is a linguistic social and economic divide that is one of the greatest challenges that they face internally in domestic policy.

Voters will have a chance to address this next year in their elections. And more recently, the new king, King Philippe, had spoken out not in broad terms, but just to note that diversity is really one of their strengths, much as in the United States. Diversity is our strength. And I think they are addressing that and working through it.

Thank you.

Senator Kaine. Thank you, Denise.

Mr. GIFFORD. Thank you, Senator, for the question very much. Embassy Copenhagen was sort of a pilot within a pilot for a new State Department program which focused on countering violent extremism.

And if she is still here, I would like to acknowledge Ambassador Fulton, who really took it upon herself to invest in this program. She is my predecessor.

Essentially, what this program is, Denmark has certainly acknowledged the fact that there are communities coming in to the country that had not historically been coming in. That has posed a range of issues.

This program, this countering violent extremism program, was a mechanism for the Embassy, for the U.S. Embassy, to go and engage these communities directly to preach what it means to be an American, to explain to the communities out there the sort of Western ideals, including things like freedom of speech, freedom of religion, et cetera, et cetera, et cetera.

I am passionate about continuing these programs, if I am confirmed, at post and look forward to even potentially taking it to the next level.

Senator Kaine. Excellent.

Mr. GIFFORD. Thank you, sir.

Senator Kaine. Thank you.

Ambassador Pearce, it is a treat to have you here. I know you call Virginia home when you are not traveling so many different places, and I appreciate your service.

I am on the Budget Committee, and we spend a lot of time on the Budget Committee wrestling with, essentially, Keynesian economics—I am not saying that with any source of pride—but Keynesian economics versus sort of austerity economics. And we often hear discussions about Greece and is it an example that we can learn from, is it an aberration that does not really offer any lessons for us.

Less on the economic side but sort of the popular feeling right now, what is happening, sort of on the economics front in Greece, and what is the current attitude both of the government and the populace around sort of austerity? And what is the path toward turning the economy around from a shrinking economy back to a growing one?

Ambassador PEARCE Thanks, that is a great question.

Well, I think the popular attitude is people are very tired of all the economic pain that they have gone through in the last few years. Unemployment is very high, something like 27 percent, I think, generally, and over 50 percent for young people.

Their people have had a tough time. The government for its part has taken some very tough measures. As I said before, it is not easy. But they have made a lot of difficult cuts.

The problem that the government has and that I think people generally see—and they are quite realistic about it, as I understand it—is that they are not done. There is more to do. There is more to do, particularly in the area of structural changes, and that is a lot of lifting.

And it is also tax administration, which is as you know is a tough thing to get a grip on.

They have got to do more in terms of their privatization effort. This is something they have discussed with the European Union.

So this is quite a difficult agenda, but my sense reading it is, although it is hard, people do understand that more is needed. And I think that the hope is that they will be able to get on a path where they are able to do the reforms that are necessary and that that will lead to a better future for the country once they get through it.

I think what gives people pause is not knowing how long it is going to take.

So I think that is the main challenge is the uncertainty. And therefore, I think that our engagement is really important. I think it is really important that Treasury Secretary Lew stopped this past weekend in Athens after the G20 and had meetings with Greek leaders. I think it is very important that the Prime Minister is coming here on August 8.

These things count for a lot, particularly when people are going through a tough period.

Senator KAINE. Thank you. Mr. Emerson, we often read here the kind of bookend phenomenon. We will read stories about Germany and Greece, as we read stories about the eurozone.

And I know you are going to do a very good job because of your background. But it kind of seems to an outside observer, and I am

not a Europeanist, I am more of a Western hemisphere person, an American, Americas person.

But it seems like the challenge for Germany is, from an economic standpoint, that they need to do what is necessary to keep the EU together, but they sort of need to do the minimum necessary to keep the eurozone together because it is politically difficult internal for the German Government to do things that are perceived by their own population as sort of bailouts of other countries.

That is for them to decide, not us. But I am kind of interested in your take now on the sort of German governmental philosophy about, over the course of the next few years, what will they be doing to maintain, improve, reform the eurozone?

Mr. EMERSON. Well, thank you, Senator. You are right, that has received a fair amount of attention in the press, and obviously, we have got an election coming on the 22nd, so it is a little hard to predict what they will be doing in the future.

I would just say this, I think the German approach is actually quite straightforward. No. 1, as largely export-driven economy, it is crucial to Germany that the rest of the eurozone, the eurozone entirely, be on a path toward stability and sustained growth.

And then No. 2, I think there is a belief that has been articulated and acted upon that economic assistance to countries that are in crisis ought to be coupled with commitment to structural reform, and that without that structural reform, a long, sustained period of economic growth would be very, very difficult to attain.

Senator Kaine. Thank you.

And, Mr. Costos, just one quick question for you. As I think about the Spanish challenges, one of the things that I have been troubled by is the youth unemployment rate. You have been in a line of work where you probably think a lot about young people and about communicating with young people, and I just am curious about that issue of the current Spanish economy, and do you have any insights about how the Spanish Government is trying to tackle that?

Mr. COSTOS. Thank you, Senator. I appreciate the question. It is a very important one.

I had mentioned while you were out of the room that youth unemployment for under the age of 25 is over 50 percent and probably more at this point in Spain. And it is a very important issue. And Spain has put together some new initiatives to help focus on youth.

And as I mentioned in my opening statement, it is one of the pillars of what I would like to accomplish, if I am confirmed, when I do get to Spain.

I know Embassy Madrid is working very closely with youth at this point, and the Spanish Government has many initiatives on the ground already to help do exchanges and help to inspire entrepreneurship with youth. And this will be one of my pillars as well, if confirmed.

Senator Kaine. Thank you.

Mr. COSTOS. Thank you, sir.

Senator Kaine. Thank you to the panel.

Thank you, Mr. Chairman.

Senator MURPHY [presiding]. Thank you, Senator Kaine.

We will have a second round that I will at least take advantage of. Let me start with Mr. Gifford.

The Danes have a very aggressive commitment to renewable energy. In fact, I think they are looking at 100 percent renewable energy by 2050. And clearly, with Greenland in their portfolio, they have a greater interest than many others in Europe in trying to see the United States help lead us out of this crisis regarding climate change.

Can you just talk a little bit about the opportunity for you as the next Ambassador to work with the Danes on what I hope is a communal commitment to the issue of climate change? And in particular, how can we learn from some of their very aggressive approaches to grow their economy based on a commitment to renewable energy?

This is a high-tech economy, an economy, that in some ways parts of the United States, want to aspire to, and they clearly have figured out a way to link leadership on the issue of renewable energy to the development of a robust, high-tech, green energy economy.

Mr. GIFFORD. Yes. Well, thank you so much for the question, Senator. And I love the question for exactly what you said. And it is a way that we can do what is right for the world while at the same time investing in things like economic statecraft and investing in trade and investing in new ideas, which is exactly the types of things that I am passionate about, if confirmed.

So the Danes have been a stalwart ally on this issue, as you know. They are leaders internationally. There is a variety of different international treaties. Denmark joined the U.S.-led clean air initiative in 2012, and Secretary Clinton launched the Green Partners for Growth with the Prime Minister of Denmark as well. So I think that there is certainly pieces that we can do from a political standpoint between the two countries in order to address the issues.

But I think what is incredibly exciting is what you said toward the end of your question, which is the economic opportunity. Denmark is the only exporter of energy in Europe. And I think, frankly, most countries around the world have a little to learn about that.

I am excited about the relationship between the smartest minds, as you say, the smartest minds in Denmark that are investing in this sort of technology and this type of research, the next generation of research, and the smartest minds here in Silicon Valley or wherever to try to forge partnerships that can actually, in the end, increase trade between the two countries as well.

And, of course, we do have to think about Greenland within this framework, because the changing Arctic certainly does open up an interesting can of worms as it relates to both the economic issues and opportunities, potentially, as well as security issues and opportunities.

So I am incredibly passionate about focusing on these issues, were I to be confirmed.

Senator MURPHY. Thank you very much, Mr. Gifford.

I sort of ask the same question to both Ms. Bauer and Mr. Costos. We are going to undergo a very difficult conversation about

the future of NATO over the course of the next several years. There is, first of all, a conversation as to whether this remains a truly values-based alliance or whether it is just going to become an operational alliance in which we get together when we all align with regard to our security interests.

And of course, we have to have a different conversation about NATO because the world has changed and the reason for its existence to a certain extent no longer exists. But part of the reason we have to have the conversation is because today the United States is picking up about 75 percent of the tab. Some of that is due to the operations in Afghanistan, but some of that is due to the fact the defense budgets of European countries are declining.

And the Belgians and the Spaniards are poster children for this issue, I think. Today, the Spaniards are spending about 0.8 percent of their GDP on defense. Belgians are talking about massive cuts to defense.

And of course, we are asking all of our allies there to be spending at least 2 percent of their GDP. I think all but two or three countries fall below that mark, so they are not in rare company. But it clearly is going to be an issue that will come to a head as we have a bigger discussion about how we reformulate NATO.

I will start with you, Mr. Costos, because we have a very strong military partnership with Spain, access to their naval bases. But this is a tough conversation we have to have with them.

And I will pose the same question to you, Ms. Bauer, about how we encourage the Belgians to not balance their budget on the backs of a military budget that we rely on for our operations in NATO.

Mr. COSTOS. Thank you, Senator. I appreciate the question.

I would like to start off by sort of talking about Spain in terms of its support already, in terms of its military presence. As you mentioned, Rota in Spain have opened up their bases to American troops. We have 500 marines in Moron and Rota has allowed us to have four Aegis destroyers who will be stationed off the coast in 2014 to protect American interests in the region.

In Afghanistan, Spain has also been supportive since 2002. They have spent roughly \$263 million in support. They committed 1,500 troops at the beginning of 2002 and have been still at this point have about 500 there that are committed until after 2014, in terms of a commitment and investment, as well as troops who will remain for reconstruction and peacekeeping.

I know, at this point, they are not living up to the 2 percent of GDP. They are at, I believe, 0.7 percent at this point. They are having very difficult economic times. That is no excuse for them not committing to and carrying the burden share of what other members of NATO are doing.

If I am confirmed, it is a very difficult conversation issue, as you said, to have, but it must be had. And I will have that conversation with our Spanish partners, at the same as thanking them for their support. We need to keep them and get them up to speed to engage at the limit that we have set, which is, as you have said, at 2 percent.

So if confirmed, I will do my best to have those conversations, and I will continue to urge Spain to contribute and share the burden with the rest of NATO.

Thank you.

Ms. CAMPBELL BAUER Thank you, Senator. That is a very important question, and I appreciate being asked.

This is something that I would intend, should I be confirmed, to continue to work on and encourage Belgians to do more.

They are contributing about 1.1 percent of GDP at this point. They are also, I think it is worth nothing, just stalwart partners for us on everything we do, including Afghanistan, Libya, Syria, Mali. They currently have 302 troops still in Afghanistan. And they host NATO as well.

So there are some other intangible things that they bring to the relationship that I think are very, very important. But it is something that I will continue to urge them to do more, as they can. It is tough economic times for everyone, and I will certainly stay in touch with this committee and work hard to encourage that.

Senator MURPHY. Thank you very much, to both of you.

Senator Kaine, any further questions?

Senator Kaine. Just one other thought for Rufus.

One of the things that interests me about Denmark, having done a little bit of economic development work there when I was a Governor, because of this Maersk connection, was that they seemed to be a little bit of an outlier in European countries on some labor policies. There are some European nations that, for example, very difficult for employees to be fired or something like that.

Denmark has kind of had a different attitude, which is it is a much more fluid labor market. But when people lose jobs, there are intensive job retraining programs for them and there may be some retraining and workforce development ideas that I found intriguing in a brief visit there, and we are clearly grappling with that here.

I think we often talk about training as if it is not a college degree, it does not count. But I think more and more, we are waking up to the notion that post-secondary educational programs do not just have to be college, that apprenticeship or other kinds of programs can be very strong.

And I think in all of these countries, I mean, Germany has really been a tremendous country, in terms of apprenticeship programs. And that may be the case in all of your countries, bringing us back some good ideas in that space, because I think we need to make a little bit of a transition from it is all about the college degree to it is all about post-secondary education or training of one kind or another. And I think many of the countries that you'll represent would have some good ideas for us there.

So I just would encourage you to bring good ideas back in that area.

And that is all that I have, Mr. Chairman.

Senator MURPHY. Well, thank you very much, Senator Kaine.

Thank you all for your testimony today. You performed ably. Our hope is to bring votes before the committee next week.

We are going to keep the record open for questions until Friday at noon. To the extent that you do get posed with additional questions, if you could act with alacrity in turning those around back to the committee, that would be much appreciated.

With that, the hearing stands adjourned.

[Whereupon, at 3:53 p.m., the hearing was adjourned.]