

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

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**HEARINGS**

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE**

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

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MARCH 16 THROUGH DECEMBER 8, 2011  
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Printed for the use of the Committee on Foreign Relations



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S. HRG. 112-399

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COMMITTEE ON FOREIGN RELATIONS  
112TH CONGRESS—FIRST SESSION

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ROBERT MENENDEZ, New Jersey	BOB CORKER, Tennessee
BENJAMIN L. CARDIN, Maryland	JAMES E. RISCH, Idaho
ROBERT P. CASEY, JR., Pennsylvania	MARCO RUBIO, Florida
JIM WEBB, Virginia	JAMES M. INHOFE, Oklahoma
JEANNE SHAHEEN, New Hampshire	JIM DEMINT, South Carolina
CHRISTOPHER A. COONS, Delaware	JOHNNY ISAKSON, Georgia
RICHARD J. DURBIN, Illinois	JOHN BARRASSO, Wyoming
TOM UDALL, New Mexico	MIKE LEE, Utah

\*FRANK G. LOWENSTEIN, *Staff Director*

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

\*Note: WILLIAM C. DANVERS (assumed *Staff Director* position as of October 3, 2011)

## NOMINATION

WEDNESDAY, SEPTEMBER 7, 2011

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

Hon. Wendy R. Sherman, of Maryland, to be Under Secretary of State for Political Affairs

The committee met, pursuant to notice, at 10:03 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Benjamin L. Cardin presiding.

Present: Senators Cardin, Menendez, Casey, Shaheen, Coons, Udall, Lugar, Risch, DeMint, Barrasso, and Lee.

### OPENING STATEMENT OF HON. BENJAMIN L. CARDIN, U.S. SENATOR FROM MARYLAND

Senator CARDIN. The Senate Foreign Relations Committee will come to order. Good morning, everyone. We are gathered today in regards to the nomination of the Honorable Wendy R. Sherman of Maryland to serve as Under Secretary of State for Political Affairs.

First, I want to thank Senator Kerry for allowing me to chair this hearing. Senator Kerry has a statement for the record and without objection that will be made part of the record.

[The prepared statement of Senator Kerry follows:]

#### PREPARED STATEMENT OF HON. JOHN F. KERRY

I am pleased that this morning the Senate Foreign Relations Committee is welcoming Ambassador Wendy Sherman, an exceptional public servant whom the President has nominated to be Under Secretary of State for Political Affairs.

Ambassador Sherman brings a tremendous depth of foreign policy and political experience to this position. She served as Assistant Secretary of State for Legislative Affairs, as well as Counselor to the Secretary of State, during the Clinton administration. She is also familiar with Capitol Hill, having served as chief of staff to Senator Barbara Mikulski. There is no doubt in my mind that, if confirmed, she will do a tremendous job in this critical diplomatic post.

We need diplomats of her caliber to guide us through the challenges we face today. In the past months alone, we have all been captivated by the incredible wave of change sweeping the Middle East. We have been inspired by the people in Tunisia and Egypt who demanded freedom and dignity and an end to repression and corruption. And we have been moved by the courageous uprising in Libya that has led to the downfall of Moammar Qaddafi.

But we have also watched with increasing horror as the Syrian Government uses violence and brutality against its own people. And we need to beware of the downward spiral taking place in Yemen, and the dangerous implications for the region if the government in Sanaa were to leave a power vacuum in its wake. Clearly, it

is a time of great possibility, but also of great danger, in a region that is vital to U.S. interests.

Amid these challenges in the Middle East, we still have to manage our involvement in many other regions. This spring, for example, the committee held a series of hearings on how to approach our engagement in Afghanistan and Pakistan. We will spend \$120 billion in Afghanistan this fiscal year alone. We must be sure that scarce resources are being used effectively and constructively, and we must also be aware that large expenditures can constrain our ability to act elsewhere.

As the world has seen in the past several weeks, our budgetary constraints are forcing increasingly painful tradeoffs. We cannot afford to be the world's first responder whenever a crisis arises—we need strong multilateral partners who can help us shoulder this burden. At the same time, I take very seriously the notion that no other country in the world has our resources, capabilities, or expertise to save lives, mitigate disasters, and prevent catastrophes. We have managed to accumulate tremendous wealth, power, and influence—and with that comes equivalent responsibility. When we fail to act, the world all too often is silent as well. Even as we work to address the budget crisis facing our country we must not shortchange our ability to conduct foreign policy—the money we spend abroad is not a gift to foreign nations. It is an investment in our national security.

And, make no mistake: going forward, we will face an incredibly wide range of foreign policy challenges, including the growing economic and political potency of China, India, and Brazil, as well as that of a host of emerging powers, like South Africa, Indonesia, and Turkey. More than ever, our national security interests are closely interconnected with our economic interests.

What this time demands from our leading diplomats is not only remarkable commitment and skill, but remarkable versatility. And I am very gratified that the President has nominated someone with all of those talents to such an important position.

Ambassador Sherman, we thank you for your continued dedication to public service and to helping lead the Department of State through such a decisive period in our foreign policy. I look forward to your testimony.

Senator CARDIN. I would also announce that the record will remain open until close of business today in regards to this hearing.

This is a unique pleasure for me, to be able to chair a hearing for Ambassador Sherman. Senator Mikulski and I are very proud of Ambassador Sherman and her incredible history of public service to our country. We're very proud of her and we're proud that she hails from Maryland, and we thank her for being willing to step forward for this very important assignment that President Obama has asked her to fulfill.

I also want to acknowledge her husband, Bruce Stokes, who's in attendance, as well as her daughter, Sarah Sherman Stokes, and her husband, Chris Richards. This is a family sacrifice, public service. I think we all understand that. And although we appreciate very much Ambassador Sherman's willingness to serve, we know that it involves a very understanding family. So we thank you all for being willing to share your wife, your mother, with us in public service and with your Nation.

Ambassador Sherman brings a wealth of foreign policy and political experience to what is a critical position at State, particularly at this pivotal time in world events. We continue to find ourselves in the midst of a singular time period in history. It's hard to recall another era characterized by so much turmoil, but also by such great possibilities.

Many have been captivated first and foremost by the wave of change sweeping the Middle East. We have been inspired by the people of Tunisia and Egypt, who have demanded freedom and dignity, an end to repression and corruption. We have been moved by the courageous uprising in Libya. But we've also watched with in-

creasing disgust the Syrian Government's indiscriminate use of violence and brutality against its own people.

Of course, there are foreign policy challenges in all parts of the world. We are still actively engaged in Afghanistan, Iraq, and Pakistan. All these present challenges for the United States and for the position that Ambassador Sherman has been nominated to. We also have significant economic and political challenges stemming from China, India, and Brazil, as well as from a host of emerging powers.

As we experienced firsthand this summer, our budget constraints are forcing increasingly painful tradeoffs. We cannot afford to be the world's first responders whenever a crisis arises. We need strong multilateral partners who can help us shoulder this burden.

At the same time, my colleagues and I take very seriously the notion that no other country in the world has the resources, the capabilities, and the expertise to stabilize, mitigate disasters, and prevent catastrophes as the United States. We have managed to accumulate tremendous wealth, power, and influence, and with this comes a high moral responsibility.

Today I have the pleasure of welcoming Ambassador Sherman. She'll be formally introduced by my colleague Senator Mikulski, but I just really want to point out to the committee the incredible record that Ambassador Sherman brings to this nomination. She attended Smith College, graduating with honors from Boston University. Sherman earned a master's degree in social work from the University of Maryland, launching her on a career path of public service at the community, State, national, and international levels, including a stint right here on Capitol Hill, having served as chief of staff for the senior Senator from Maryland, Senator Mikulski.

I remember very well her as chief of staff and the way that she not only managed Senator Mikulski's Senate office, but the way that she worked with all of us to make sure that we were all well informed.

Her responsibilities in senior positions at the State Department beginning in the early 1990s, combined with her considerable experience in the private sector, have prepared her well to assume the tasks associated with the Under Secretary of State for Political Affairs, the position to which she has been nominated. I would note that Ms. Sherman will be the first woman to serve in this position once she is confirmed.

Ms. Sherman's past policy experience will be especially helpful as she assists the Secretary and Deputy Secretary to formulate a foreign policy at this critical time in relationship to our allies and adversaries alike.

With that, let me turn to Senator Lugar.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,  
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Thank you very much, Mr. Chairman. I join you in welcoming Ms. Sherman. I appreciate her experience and her willingness to rejoin public service at a very challenging moment for United States foreign policy.

Soon after taking office, Secretary of State Clinton initiated the first-ever Quadrennial Diplomacy and Development Review, the

QDDR, modeled after a long-standing Pentagon strategic assessment process. What emerged last December, after 18 months, was largely a blueprint for improving coordination of America's existing foreign policy and foreign aid operations, and an agenda for future reforms.

But that exercise did not prioritize policy goals, nor did it take account of the rapidly changing domestic budget environment. For many months Congress and the President have been involved in deliberations on the budget that are focused on reducing massive Federal deficits in the short run and constructing a long-term strategy for dealing with a national debt that is approaching \$15 trillion.

This governmentwide budget focus will continue this fall, with the Joint Select Committee on Deficit Reduction holding its first meetings this week. If the Super Committee process does not produce a viable budget reduction plan, agencies and programs will face automatic sequestrations.

In this context, the State Department must be planning how to perform its important national security, economic, consular, and diplomatic missions in a declining resource environment. This planning should proceed far more rapidly than the QDDR, in part because at its heart, it is not just a management exercise, it is a policy imperative.

Even apart from budget dynamics, I remain concerned that our national security policy is being driven without sufficient planning or strategic design. The expansion of the Afghanistan mission and the intervention in Libya, in particular, have occurred with limited reference to strategic goals or vital interests. As I noted in our hearing series on Afghanistan several months ago, it is difficult to see how the current level of United States expenditures in that country can be squared with a rational allocation of national security resources.

Undoubtedly, global emergencies will occur that require an American response. The State Department has often been adept at moving existing funds around to address urgent contingencies. We also have seen recent efforts to trim civilian projects in Afghanistan or elongate their timeframe to reduce the rate of spending. But if resources for national security contingencies decline, as most observers expect, U.S. policy will require a much more defined set of priorities and the strategic discipline to stick to them.

The State Department and the White House should be working with Congress to articulate a set of priorities to be funded that are based on vital national security interests. Within the State Department, the impetus for such planning must come from the highest levels. I will be interested to hear the nominee's views of United States national security priorities, the State Department's response to intensifying budget limitations, and the prospects for improving strategic planning at the State Department and throughout our government.

We welcome Ms. Sherman and I thank the chair and look forward to our discussion.

Senator CARDIN. I thank you very much, Senator Lugar.

It's now my privilege to introduce my colleague in the U.S. Senate, Senator Barbara Mikulski.



**STATEMENT OF HON. BARBARA MIKULSKI,  
U.S. SENATOR FROM MARYLAND**

Senator MIKULSKI. Good morning, Senator Cardin, Senator Lugar, Senator DeMint. It is with a great deal of pride and enthusiasm I come before you today to unabashedly lend my support for Wendy Sherman to be the Under Secretary of State for Political Affairs. I believe that Secretary Clinton has chosen wisely because Ambassador Sherman brings to this post an exceptional background and a great deal of skill. She has unique abilities that she wants to put to work in the public service for our country.

As you stated, Senator Cardin, I've known Wendy Sherman for 25 years. I've known her as a friend, a chief of staff, and she continues to be a close adviser. I do know Wendy Sherman and therefore that's why I'm so clear that this would be an outstanding nomination and hope the committee confirms her.

She brings competence, intelligence, and integrity. Wendy will be an invaluable member of our foreign policy team, advancing the global interests of our country, a safer country, a stronger economy. She is a strategic thinker, a seasoned diplomat, and an experienced manager and negotiator, and knowledgeable of the world and the issues that the United States faces.

She understands and respects the important role of Congress in foreign policy. As Assistant Secretary of State for Legislation under President Clinton and then-Secretary Warren Christopher, she knew how to listen to us, made sure our voices were heard at the State Department, and was truly bipartisan in her approach and in her work.

She played a role, working with Secretary Albright, on every major foreign policy issue. She managed very special assignments at the request of the Secretary, including negotiations on non-proliferation. She also has extensive experience in the private sector. That doesn't usually happen at the State Department. They usually come from academia, a good place to come from, from Congress—some might say an even better place to come from—and then the private sector, which we cannot have a safer country and a stronger economy unless we know how it all works together.

Ambassador Sherman in her role, having left government, has worked with iconic American companies to expand and compete in the global economy, to make sure we had a presence over there while we kept jobs here. It is her unique ability to understand the world, but understand the people of the United States of America that she serves, and also the constitutional requirement that the executive branch must consult with Congress on important affairs of state.

She has an incredible background and one that might be unique, as I've outlined. Senator Cardin talked about how she went to Smith, was an honors graduate from Boston, and then we both went to the University of Maryland School of Social Work. I was a couple of yearbooks away from Ambassador Sherman, but we did go to that outstanding school, where we learned community development and social strategy.

What we learned there was to accomplish a goal you have to organize based on a felt need, around a goal, a noble idea, and build the support to do it. She will work at her job to build support, both

within our own country and within the world, to advance our vital interests.

One of the important things I think also about Ambassador Sherman is her incredible commitment to public service. It is in her DNA. She comes from a wonderful family. Senator Cardin, you and I know her parents very well, Mel and Mimi Sherman, who were prominent in the Baltimore business community, in the real estate community, and they were known for their high principles of integrity, their commitment to social justice, and they knew that you could do well while doing good.

It is there that they had—and I know that Ambassador Sherman learned first about foreign affairs trick or treating for UNICEF to help the little kids of the world, and now she's going to be a big kid on the block helping the little children of the world.

Her husband Bruce is a distinguished journalist and international economist. Her daughter Sarah is a recent law school graduate, again committed to public service and her husband, Dr. Chris Richards.

So I think the committee would do well to take the executive branch's nomination and to move her forward. I look forward to working with you should the committee decide to vote to advance this on the agenda.

Thank you for your kind attention and I know you want to hear from Ambassador Sherman.

Senator CARDIN. Well, Senator Mikulski, let me thank you for your comments. I join you in presenting to the committee, Ambassador Sherman, strongly support her confirmation, and just want to underscore the personal aspects that you did. I've known the Sherman family all my life and I've known Wendy all my life, and they're an incredible public family in that they have given back so much to our community, and we're very proud of your record and very proud of your willingness to step forward for this important assignment.

Ambassador Sherman.

**STATEMENT OF HON. WENDY R. SHERMAN, OF MARYLAND,  
NOMINATED TO BE UNDER SECRETARY OF STATE FOR  
POLITICAL AFFAIRS**

Ambassador SHERMAN. Good morning, Senator Cardin, chairman for today, and Senator Lugar, whom I've had the distinguished honor to work with for many, many years, and to all of the members of the committee, Senator DeMint, Senator Udall, and others who may join.

I'm very honored to be here. I want to begin by thanking President Obama and Secretary Clinton for their confidence and, with your support, for the opportunity once again to serve our country.

Senator Mikulski and Senator Cardin, I am so very grateful for your friendship, your support, your wonderful words, and for your leadership and service to all of us who are Marylanders and to all Americans. I'm very humbled by your introductions this morning.

If I may, thanks as well to my husband, Bruce, and all of my family—I'm so delighted that my daughter, Sarah, and her husband, Chris, can be here today—to all of my family, as Senator Cardin said, who are willing once again to have the phone ring in

the middle of the night and to welcome me home after yet another trip abroad.

None of us can contemplate these responsibilities without a mighty support system of family, friends, and colleagues, several of whom are with me here today.

This is the third time I have come before this panel seeking confirmation. In 1993 the chairman was Senator Claiborne Pell, who always carried a copy of the United Nations Charter in his pocket, proudly pulling it out and reminding us all how we must all work for peace and prosperity. My own parents, in fact, were at the founding meeting of the U.N. in 1945 in San Francisco. My father, an Active-Duty Marine, stateside after being wounded at Guadalcanal, helped to organize veterans to advocate in support of the world body. He was determined to do all that he could to save future generations from the trauma that his own generation had experienced.

In 1997 when I appeared before the committee for the second time, the chair was Senator Jesse Helms. It will not surprise you to learn that he and I did not always agree. But I never doubted his love for our country, and he never doubted mine, either privately or publicly. Those who knew him know that he was a true gentleman. When I had surgery, he called me at home. And when we failed to see eye to eye on an issue, there was never any questioning of sincerity or motives.

Today, under the leadership of Chairman Kerry and Ranking Member Lugar, the committee is at the forefront of debate about America's position in a world of constant change. But what has not changed is the professional and dedicated manner in which the committee conducts the Nation's business.

I am grateful for your courtesy and look forward, if confirmed, to working with you in the future, just as I have worked with many of you in prior years.

I'm also humbled by the knowledge that the job of Under Secretary for Political Affairs has been filled in the past by people for whom I have enormous respect, including most recently Ambassador Bill Burns, an outstanding member of the Foreign Service who continues his service as Deputy Secretary.

If I had to write a job description for the position, it would begin and end with a willingness to take on whatever assignments are deemed necessary by the Secretary of State. If confirmed, I will bring to this new assignment years of experience as a staff member on Capitol Hill, as Assistant Secretary and counselor at the Department of State, and as the President's Special Adviser on North Korea. In recent years I have gained valuable additional experience in the private sector. This background has enabled me to develop skills as a negotiator, strategist, troubleshooter, and problem solver.

I think you will find also that I'm a good listener. As chief of staff of then-Congresswoman Mikulski and later as Assistant Secretary of State for Legislative Affairs, I had a good deal of practice. Listening is important, not only in meeting with foreign officials, but in consulting with you, the representatives of the American people, and our citizens.

My old boss and current business partner, Secretary Albright, used to say there is nothing foreign about foreign policy. What the State Department does and what this committee does is intimately related to the health of our economy, the demands made on our military, the safety of our people, and the future of our children. It is vital that we communicate these connections to the public.

Mr. Chairman, I expect during the course of this hearing that we will cover many of the specific countries and controversies that presently concern us across the globe. Rather than try to address those in this brief opening statement, I thought I would summarize very quickly the attributes of American foreign policy that I intend to stress if confirmed to the position of Under Secretary of State.

The first is persistence. I think we make a mistake when we look for quick answers to hard problems. It's always tempting to seek instant gratification, but that is generally, unfortunately, not how the world works. We owe it to ourselves, to the public we serve, and to our allies to persevere in our strategies, maintain our commitments, and finish the jobs we begin.

Second, we need to take advantage of the full range of foreign policy tools. These extend from the simple art of persuasion to the persuasive impact of military force, and include in between a variety of carrots and sticks. When possible, we should act with others. When necessary, we should not hesitate to act alone. Our military must be strong, versatile, and ready, but the same is true of our civilian resources.

Third, American foreign policy must reflect a blend of idealism and realism. A decisionmaker has no choice but to begin with the world as it is, but our decisions would have no purpose if not to shape the world as we would like it to be. We cannot claim to represent the American people if we do not explore every opportunity to support freedom, prosperity, and justice.

In pursuing our interests and our values, we must also reach out in the broadest possible way to governments, opinion leaders, young people, women and girls, the private sector, and civil society in all its dimensions. We must also take advantage of the opportunities presented by the information technologies and networking capabilities of the 21st century.

Finally, in all that we do we must keep in mind on whose behalf we serve and in whose interests we labor. The Department of State, like this committee, exists not to represent the world to the United States, but to enhance American influence across the globe. We may disagree on occasion about how best to do that, but there should be no confusion about the nature of our purpose.

Certainly no one understands better than Secretary Clinton and this committee's members the importance of investing our dollars very wisely, of tying our diplomatic initiatives to the best interests of our country, of making sure that our policies reflect and uphold American values. At the same time, as an optimist I see a convergence, a growing convergence, between our interests and those of other peaceloving and law-abiding countries. The art of diplomacy is to mobilize others to coordinate with us in pursuit of shared goals, whether we have in mind the further degradation of al-Qaeda, a halt to nuclear proliferation, or the strengthening of stability and democracy in every corner of the world.

In closing, I want to once again thank the President and Secretary of State for their support, to say how very much I look forward, if confirmed, to working closely with the members of the committee and your colleagues in Congress, and to express my gratitude for the opportunity, with your blessing, to devote my full energies to serving the country we all love.

I thank you again for your hospitality and would be pleased to respond to your questions. Thank you.

[The prepared statement of Ambassador Sherman follows:]

PREPARED STATEMENT OF AMBASSADOR WENDY R. SHERMAN

Good morning, Senator Cardin, Senator Lugar and members of the committee, I am honored to be here and want to begin by thanking President Obama and Secretary Clinton for their confidence, and with your support, for the opportunity once again, to serve our country.

Senator Mikulski and Senator Cardin, I am very grateful for your friendship, your support, and for your leadership and service to all of us who are Marylanders—and Americans. I am humbled by your introductions this morning.

And, if I may, thanks as well to my husband, Bruce, and all of my family who are willing once again to have the phone ring in the middle of the night and to welcome me home after yet another trip abroad. None of us can contemplate these responsibilities without a mighty support system of family, friends, and colleagues.

This is the third time I have come before this panel seeking confirmation.

In 1993, the chairman was Senator Claiborne Pell, who always carried a copy of the United Nations Charter in his pocket, proudly pulling it out and reminding us how we all must work together for peace and prosperity.

My own parents, in fact, were at the founding meeting of the U.N. in 1945 in San Francisco. My father, an Active-Duty Marine, stateside after being wounded at Guadalcanal, helped to organize veterans to advocate in support of the world body; he was determined to do all he could to save future generations from the trauma that his own generation had experienced.

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I am grateful for your courtesy and look forward, if confirmed, to working with you in the future just as I have worked with many of you in prior years.

I am humbled by the knowledge that the job of Under Secretary of State for Political Affairs has been filled in the past by people for whom I have enormous respect, including most recently Ambassador Bill Burns, an outstanding member of the Foreign Service, who continues his service as Deputy Secretary.

If I had to write a job description for the position it would begin and end with a willingness to take on whatever assignments are deemed necessary by the Secretary of State.

If confirmed, I will bring to this new assignment years of experience as a staff member on Capitol Hill, as Assistant Secretary and Counselor at the Department of State, and as the President's special advisor on North Korea. In recent years, I have gained valuable additional experience in the private sector.

This background has enabled me to develop skills as a negotiator, strategist, trouble-shooter and problem-solver. I think you will also find that I am a good listener. As Chief of Staff to then-Congresswoman Mikulski, and later as Assistant Secretary of State for Legislative Affairs, I had a good deal of practice. Listening is important not only in meetings with foreign officials; but in consulting with you—the representatives of the American people and with our citizens.

My old boss, Secretary Albright, used to say that there is nothing foreign about foreign policy. What the State Department does, and what this committee does, is intimately related to the health of our economy, the demands made on our military,

the safety of our people, and the future of our children. It is vital that we communicate these connections to the public.

Mr. Chair, I expect, during the course of this hearing, that we will cover many of the specific countries and controversies that presently concern us across the globe. Rather than try to address those in this opening statement, I thought I would summarize very quickly the attributes of American foreign policy that I intend to stress if confirmed to the position of Under Secretary of State.

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Second, we need to take advantage of the full range of foreign policy tools. These extend from the simple art of persuasion to the persuasive impact of military force and include in between a variety of carrots and sticks. When possible, we should act with others; when necessary, we should not hesitate to act alone. Our military must remain strong, versatile, and ready, but the same is true of our civilian resources.

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At the same time, I see a growing convergence between our interests and those of other peace-loving and law-abiding countries. The art of diplomacy is to mobilize others to coordinate with us in pursuit of shared goals—whether we have in mind the further degradation of al-Qaeda, a halt to nuclear proliferation, or the strengthening of stability and democracy in every corner of the world.

In closing, I want once again to thank the President and Secretary of State for their support, to say how much I look forward, if confirmed, to working closely with the members of the committee and your colleagues in Congress, and to express my gratitude for the opportunity—with your blessing—to devote my full energies to serving the country we all love.

I thank you again for your hospitality and would be pleased to respond to your questions.

Senator CARDIN. Once again, thank you for your appearance here and your testimony.

I want to start off with a point that I raised in my opening statement, and Senator Lugar also did, and that is the fiscal realities that we're finding ourselves in. The United States has a security budget that includes not only the Department of Defense, but our civilian efforts of diplomacy within the State Department. We spend more than any other nation in the world by far in regards to our defense issues. On the diplomacy civilian side, we spend a lot of money, but as a relative part of our budget it's relatively small.

The Obama administration has made the point over and over again that we have a national security budget, that we need to be able to use all resources, whether they're military or civilian or diplomacy, in regards to our national security interests.

I would ask you to share with us how you would go about making priority recommendations to the administration. There are a lot of demands out there. We're still involved, obviously, in Afghanistan and Iraq. Pakistan is a huge challenge for the United States and could become an expensive operation for us, already is an expensive operation for us. In addition, there are opportunities, new opportunities in Egypt. We have Libya that is emerging.

So how will you go about—will you share to us the standards you will use in trying to make priority judgments. You know we are faced with the possibility of across-the-board cuts if the Congress is unable to reduce the deficit further, which could obviously bring in tough decisionmaking challenges to the Department of State.

Ambassador SHERMAN. Thank you very much, Senator Cardin. This is a very tough question that we're beginning the hearing with, and I know that for every member you've just come back from recess and talking with your constituents and being back in communities. And American families are worried about everything from the floods in their neighborhoods to, quite importantly, whether they or loved ones are going to have a job to be able to support their families and have the kind of future that we all hope for our children.

So when we think about foreign policy priorities, I'm sure you hear from many constituents, why are we spending a single dollar abroad? We need every dollar we have in our budget, particularly as we need to deal with our deficit, and we need to create opportunities for jobs for people at home. We need every dollar at home.

At the same time, I know that the American people are well aware that on Sunday we will memorialize 10 years since 9/11 and the tremendous threat of terror that came across an ocean we thought would never reach our homeland, and the terrible cost in lives, in the way we go about our civil society, in the ways we face our future.

So I think Americans understand that in order to have the economic future we want we are inexorably connected to the world. We are connected to the world's economy. We are connected to events that take place in the world that are going to have an impact on what happens to us here at home.

So we have to find the right balance. Most Americans believe that we spend 40 percent of our budget on foreign policy. When we ask them how much we should spend, they say 20 percent. As I think all the members of this committee know, we spend less than 1 percent of the Federal budget on foreign policy priorities.

Even with that 1 percent, as you say quite rightly, we are going to have to be very thoughtful about what we do. President Obama, Secretary Clinton, have really I think led the way, as Secretary Clinton and Secretary Gates did, in putting forward a national security budget, at looking holistically at all of the tools—our military tools, our civilian tools, our diplomatic tools, and the tools of our private sector—in trying to advance American vital national security interests around the world.

So I think we're going to have to be very smart about how we move forward. I think President Obama is looking quite carefully. As we know, we're winding down the war in Iraq. That will be quite crucial. He has a glide path for moving troops out of Afghani-

stan, which will have an enormous budget savings between now and 2014, when that will be accomplished.

We are looking at the new challenges that we have, both in terms not of what we alone can do, but what we can do with others. The efforts in Libya were not led so much by the United States, though we played an invaluable role in what the Libyan people themselves have done, but it has been led by NATO, so that the burden is shared.

So I think we are going to have to look at all of the stakeholders, all of the resources we have. I think the building of public-private partnerships will be quite crucial. But I think Secretary Clinton and Secretary Gates and now Secretary Clinton and Secretary Panetta will lead the way in marshalling the resources we have in the best way we have, with I think the fundamental premise, what is in America's vital national security interest, and that has to set the priorities for where we will head.

Senator CARDIN. You were a major player in the Clinton administration as it developed policies toward North Korea. Could you share with us what lessons you believe were learned by that experience that could be helpful as we continue to develop a strategy as it relates to a country that presents serious challenges to the United States?

Ambassador SHERMAN. Thank you, Senator. I think that during the time that I worked on that very, very tough problem for President Clinton and Secretary Albright, it began really in 1998 when North Korea launched a Taepodong missile that overflew Japan, and it failed, but it raised great concerns, not only in the Clinton administration, but up here on Capitol Hill. There was a suspect underground site and we didn't quite know what was going on there.

So, with bipartisan support from the United States Congress, the former Secretary of Defense William Perry was designated to be a North Korea policy coordinator and to do a review, which went on for 11 months, and at the same time undertake some new diplomacy. I was the person inside government who worked with Secretary Perry and then replaced him as North Korea policy coordinator.

I think we learned what every administration since has learned. Working with North Korea is very frustrating, exceedingly difficult. They are elusive. They do not keep their commitments. They are often hostile. They are oppressive to their people; and that solving this problem is very, very tough, takes enormous persistence; and that there are no good choices.

We were able to get a significant dialogue started, make some small progress, but those gains turned out to be elusive. President Bush tried some new efforts, including the development of the six-party talks, continuing what was called the TCOG, which was a trilateral coordinating mechanism with South Korea and Japan, which was very important. He started a policy of interdiction of possible and suspect efforts on the high seas, which I think was an important tool.

Secretary Obama—Secretary Clinton and President Obama have continued with the six-party talks and continued really with the two-prong approach that Secretary Perry first put on the table.



That was that North Korea had a choice. It could eliminate in an irreversible fashion its nuclear weapons program and its long-range missile program, improve its human rights record, and give its people a future and join the international community and see some normalization of relations, or they could continue their isolation as a weak and failed state and get the wrath of the international community visited upon them.

So far, North Korea has pretty much chosen the second path. The Obama administration, Secretary Clinton, have worked with the U.N. and with allies around the world to place additional very serious sanctions on North Korea. They're probably among, if not the most, sanctioned country in the world.

It has created some pressure on North Korea. They have recently had talks with South Korea. They have had some talks with the United States, but Secretary Clinton has been quite clear and I think quite wisely has said that it makes no sense to have talks just for the sake of talks, that North Korea must keep its commitments that it made in 2005 to really move forward to the denuclearization of the Korean Peninsula; and if they show that in fact they want to proceed in that way then talks may have some serious purpose.

But I'm quite clear this is one tough, difficult, thorny problem. We learned some things, but we are in a new environment, in many ways a much tougher environment, and the choices the President and the Secretary have to make are probably even tougher than the ones that we made in the late 1990s.

Senator CARDIN. Thank you.

Senator LUGAR.

Senator LUGAR. Thank you, Mr. Chairman.

Ms. Sherman, following up on the chairman's earlier question, I would simply note that the Appropriations Subcommittee on Foreign Operations of the House of Representatives recently passed a budget for the State Department for fiscal year 2012 in the amount of \$39 billion. This figure is \$8.6 billion, or some 18 percent, below the fiscal year 2011 enacted level and 22 percent below what the administration requested for the funding level for 2012.

I raise this because I just want to get some insight as to how you perceive your role as Under Secretary for Political Affairs. You would obviously serve as a close adviser to the Secretary of State—but would it be your responsibility to rearrange the deck? The \$39 billion may not be the final figure. It may go up or down. In the event that the Committee of 12 does not reach a decision regarding deficit reduction, the State Department has been included along with the Defense Department to shoulder 50 percent of the \$1.2 trillion in mandated automatic spending cuts. Already there's discussion about what the State Department and the Defense Department would lose relative to one another should these cuts occur.

So I'm trying to define in my own mind's eye, as well as for those who are witnessing our hearing, what is your job? Is it your role to prioritize who is going to do what in an environment where resources are limited? Or do you simply advise somebody else who makes these decisions?

Ambassador SHERMAN. Well, thank you for that question, Senator. Many years ago, then-Chairman Howell Rodgers, a Repub-

lican in the House, put in the State authorization bill language to create a second Deputy Secretary of State for Resources and Management, and this committee and the Senate were quite wise to recently confirm Deputy Secretary Tom Nides to that position.

Secretary Clinton is the first Secretary of State to fill that role, because she understood, I think, the point, at least one of the points you're trying to make, Senator. And that is dealing with the budget priorities of the State Department is complex, it's difficult, it's a competitive environment, it's a challenging environment. So Secretary Nides has the principal responsibility of working with the Secretary of State to work with OMB and the White House in establishing those budget priorities and working in the whole of government approach to a national security budget.

The role of the Under Secretary of State for Political Affairs is a more political and diplomatic role, of course offering as part of the Secretary's team advice and thoughts and recommendations and helping to illuminate the many priorities that are in front of the United States as it tries to extend its interests around the world. So I will certainly do all that the Secretary asks me to do to support that effort.

I think the Secretary has already made clear that if the House bill were to move forward to the President's desk, she would personally recommend a veto of that bill, not only on the basis of the deep cuts to the bill, but many of the provisions that are within that bill.

I certainly understand the House's actions in these difficult times, but I remain hopeful, as I know the Secretary and the President does, that we can all work together to find something that will help truly meet the vital interests of the United States.

Senator LUGAR. Well, thank you very much for clarifying the work of Secretary Nides and the role of the Under Secretary of State for Political Affairs. Given that role, it is relevant to mention that the General Assembly of the United Nations will be meeting very soon. It's anticipated that we're going to have a real problem with the Palestinian Authority suggesting that a Palestinian state be recognized at the U.N.

What are we going to do about that? What is the program of the administration as it approaches the U.N. and this ongoing problem, which has been perceived a long way down the trail, but now is pretty close at hand?

Ambassador SHERMAN. Senator, the administration has been very clear that all of us hope for a two-state solution in Middle East peace, a viable Palestine and a secure Israel with clear borders. We do not believe that a U.N. resolution will get us to that place, and the Secretary of State and the President are doing everything they can to make it clear to the world that we think that this is not a positive step forward should a resolution come to pass.

My understanding from the briefings I've had at the State Department is there has been a very broad and very vigorous demarche of virtually every capital in the world, that this is high on the agenda for every meeting the Secretary has with every world leader. Today I understand that both Special Envoy David Hale and Ambassador Dennis Ross are in the region having conversa-

tions with all parties to see if there is not a better way forward to resolve this issue.

But there is no question that the President, the Secretary of State, and, if confirmed, I will do everything possible to see that this does not move forward.

Senator LUGAR. Now, the United States will oppose Palestinian Authority President Abbas in his motion, but specifically what can we do? If the General Assembly has a majority vote, what is our next step?

Ambassador SHERMAN. I think the next step, Senator, to the best of my understanding is the discussions that are going on in the region as we speak to see if there is not a more viable path forward. I think my understanding is that the Palestinian Authority has not yet decided exactly what it will put forward. So I think there are ongoing discussions and I think it's incumbent upon everyone in the administration to do everything we possibly can to see if there is any possibility that this not proceed.

Senator LUGAR. Thank you very much.

Thank you, Mr. Chairman.

Senator CARDIN. Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Ms. Sherman, thank you very much for your long service to our country. I appreciate it and look forward to your role at the State Department.

There are many questions I would like to ask you, but two that I'll pursue in my 6 minutes. One is Libya. I welcome the political change in Libya, to bring about the aspirations of the Libyan people, and am certainly proud to have been the sponsor of the Senate no-fly resolution in the early stages of this challenge. So I'm very much in support of an opportunity for the Libyan people to start anew and for the successor government to embrace democratic reforms and rehabilitate Libya's reputation in the world community.

At the same time, I have, as you may know, for some time followed the case of the Pan Am 103 bombing, which claimed 189 American lives, including 34 from my home State of New Jersey, and I have never believed that Mr. Megrahi alone was the beginning and the end of the mastermind of Pan Am 103's bombing. I think people generally believe that that is not true. We still do not know who ordered the bombing, who collected the intelligence to carry out the plan, who made the bomb, and who in addition to Megrahi bears responsibility for this heinous attack.

So it is my hope that the follow-on Libyan Government will be responsive. Certainly when Mr. Jabril met with me, he made certain direct commitments about the TNC's engagement.

But I am somewhat dismayed by the news reports that I have seen coming from the TNC since, whether they relate to Mr. Megrahi or other pursuits of information that would give us the wherewithal to understand who was involved in this bombing. So to that end, I'll introduce later today the Pan Am 103 Accountability Act, which would require the President to consider the cooperation of the TNC and any successor government in Libya when making decisions about U.S. assistance, and would limit the distribution of Libyan frozen assets until the President could certify

that the new Libyan authorities are fully cooperating with the U.S. investigation and requests for information.

What inquiries to your knowledge, since I'm sure you've been briefed in preparation of this hearing, has the State Department, our government, made with the TNC in respect to gaining first access to Megrahi to determine what his state is, and also what inquiries has our government made with the TNC in reference to cooperation in getting access to both individuals and documents in pursuit of finding out all of those who were responsible for this bombing?

Ambassador SHERMAN. Senator, when I was counselor of the Department of State I had the privilege, the sad privilege, of meeting with the families of Pan Am 103 as the Scottish court was getting under way. I heard firsthand what I know you have heard many times, which is the horrible grief of the families of the victims of Pan Am 103 and their sense that justice had not been served, and I know those feelings continue today. It was a very tough and very painful meeting. So I do understand quite directly what those families have gone through, or have heard at least.

Secretary Clinton understands as well and she has said from the start that the administration does not believe that al-Megrahi should have been returned to Libya in the first place. In the last few days, when she has been in Paris in meetings with the TNC and the leaders of the TNC, she has had direct conversations on this subject, both on her concerns that al-Megrahi be brought to justice and that, further, that all that needs to be done to seek justice for these families is a priority for the TNC.

She and the administration certainly understand that the TNC has much on its plate at the moment, including the security and governance of their country. But she wanted to be clear that this was a very important issue for the United States of America.

Senator MENENDEZ. And what response did she get?

Ambassador SHERMAN. The response was that this was very much understood by the TNC, knew how important this was for the United States, and that they would continue their conversation and dialogue.

I am not aware, in part because I have not been briefed, Senator, more recently, whether any specific commitments were made other than to continue the dialogue and pursue that justice, which is an important commitment that justice indeed be pursued.

Senator MENENDEZ. This is what my concern is. I appreciate continuing the dialogue, but this is a transitional government for which the United States has played a major role, from establishing and being the advocate for a no-fly zone, getting NATO to be engaged, and providing considerable assets, to unlocking frozen assets for humanitarian purposes.

I am concerned that dialogue, while desirable, will not lead to the conclusions that we want. So I would hate to give all the leverage away before we have more than a dialogue, before we have a commitment. So I am looking for the Department to pursue a commitment. I'm looking to find whether the Department has had the opportunity to get access to its former foreign and external security minister, Moussa Koussa.

I would hate to see us release all of the assets while in the midst of a dialogue. So I just want to press that point, and I will continue to press that point. I've made this point with the Secretary as well.

Ambassador SHERMAN. I certainly understand. I do believe, Senator, that there is an absolute commitment to justice. I take your point about the specificity of that commitment to justice and I'm sure that the Secretary will continue to pursue this, because it is a very high priority for her.

Senator MENENDEZ. Finally in the time that I have left, the issue of a U.N. vote on the Palestinian Authority's request has been raised. Is it the Department's position that a resolution recognizing a Palestinian state could stall the peace talks for the foreseeable future? And what message has the Department—I heard about the demarches, which I applaud, and certainly Secretary Rice has done an extraordinary job in her advocacy. But what has our government said to Abbas about the impact that this vote will have on United States-Palestinian relations?

Ambassador SHERMAN. The administration has been very clear that this resolution is not positive for the peace process, that leaders should hear what the United States Congress and other leaders are saying about what impact might result, that that is a serious, serious reality for the future of the region and for the Palestinian people.

Indeed, today, as I mentioned, both David Hale and Dennis Ross are in the region having those very direct discussions.

Senator MENENDEZ. Thank you.

Thank you, Mr. Chairman.

Senator CARDIN. Thank you, Senator Menendez.

Senator DeMint.

Senator DEMINT. Thank you, Senator Cardin.

Thank you, Ambassador Sherman. I appreciate you being here and I very much appreciate your many years of service and sacrifice, as well as the sacrifice I know your family's been a part of. So my questions are not at all directed at character, integrity, or your commitment to our country. We very much appreciate it.

But I do want to ask you about what I see as two different philosophies in our foreign policy, not just this administration, but maybe across the board. There's one philosophy that the United States needs to deal very firmly, with strength and a lot of verification with other countries in the world. And I think there's another philosophy that perhaps through friendliness, even appeasement and trust, that we can accomplish much more. Certainly that approach with friends and allies is the preferred approach.

But behind closed doors over the years, as I've talked to some of our allies, I think there's a perception the United States maybe uses more carrots than sticks and there's maybe a degree of naivete in our State Department, that our friendliness and willingness to trust is seen in many parts of the world as weakness rather than a genuine desire to work with others.

As I look at your work with North Korea, it does suggest to me perhaps a willingness to work with countries that we know cannot be trusted, almost maybe as a peer, and dealing with them in a way that suggests that friendliness and appeasement and trust might be more your philosophy. I liked a lot of what you said in

your opening statement, but I am concerned as we approach other countries—China, Russia, Iran, Syria, the Palestinians—that these countries respect power and that clarity of purpose is very important for us.

I'd just like to hear you discuss maybe how you see the world in that respect and, moving forward, how do you see the role of the United States in dealing with other countries?

Ambassador SHERMAN. Thank you, Senator. I think it's a very important question, and I think that my own philosophy probably, in the way you've set up the question—I might not set it up quite that way—is on the side of strength and verification. Where I think we may see it slightly differently, Senator, is that I don't believe engagement is the antithesis of strength and verification. I believe that engaging with leaders is a way to test them, to see if in fact the commitments they've made they're going to keep.

In the case of North Korea, we engaged with North Korea to see if they would not only make commitments, but if they would keep them in a verifiable and irreversible way. They did not. We did not conclude the agreement with North Korea. Sanctions not only remained on North Korea, but have increased over the years.

We know during the Bush administration that there was difference of opinion about how they would proceed on North Korea. In the Obama administration there has been great clarity: A two-pronged approach, but, as Secretary Clinton has been very clear, we will not talk for the sake of talks. North Korea has to demonstrate that it is going to keep the commitments it made in 2005, and the talks make no sense until they show in a verifiable way that they have kept those commitments.

So I believe absolutely in clarity, in strength, the importance of sticks as well as carrots, of putting all the pieces on the table. The reason—it was interesting, when Secretary of Defense was asked to be the North Korea policy coordinator, the suggestion came actually initially from a Republican staff member working for then-chairman of the Appropriations Committee, Mr. McConnell. The reason was because in 1993 when North Korea threatened to leave the Nuclear Nonproliferation Treaty and we thought that we might be a moment at military power and military force, Secretary Perry did not hesitate to begin to flow troops out of Japan if in fact we had to take military action. So we knew that the person who was leading that effort the North Koreans knew was a tower of strength and purpose and clarity and toughness.

Senator DEMINT. Thank you for that answer.

Another question related to philosophy, because I think a lot of us are grappling with this now as we look at situations around the world, and some of the other questions have suggested this. It appears, particularly with our financial situation in our own country, the sense that perhaps we're spread too thin—does America as we look at our foreign policy need to be the city on the hill, be the model for the world, be the example, or the other philosophy, which I think various administrations and Congresses have pursued for years, is promoting our ideas, sometimes forcing our ideas, in other parts of the world, transplanting democracy and our way, which seems theoretically a good idea, but as we look at our track record

of success there is some question if perhaps we should begin to look at things a different way.

Are you—as you think of our role in the world, which side of that equation would you be on?

Ambassador SHERMAN. Senator, I think that what we must be is who we are. I think the advance of our vital national security interests, which include the values that we hold dear, is very important, but I absolutely believe that we cannot impose those values on other countries. We show by who we are what people might aspire to be.

The people who fomented change in Egypt, in Libya and Yemen, throughout many parts of the world back during the fall of the Soviet Union, did not do so to live under another dictatorship. They did so to have prosperity and freedom, to be able to build a future for their families, just like all of us want to do.

So I think the United States is at its best when we live our values and live our interests, try to influence others to meet our national security priorities, but not do so in a way that tries to impose upon other people what we believe, because, quite frankly, as I think you're implying in your question, that is often a costly enterprise and often an enterprise that does not have the results that we desire.

So I think we have to be very thoughtful and very careful about how we do it.

Senator DEMINT. Thank you, Madam Ambassador.

And thanks for the little extra time, Senator Cardin.

Senator CARDIN. Certainly.

Senator Casey.

Senator CASEY. Thanks very much.

Ambassador Sherman, great to see you again and thank you for your willingness to serve again. I want to thank you and your family as well for this commitment. Senator DeMint mentioned that and it bears repeating, because I know you don't serve alone. Your family serves with you in more ways than one.

I also want to thank you for a long commitment to public service in a whole variety of positions, starting with those in the State of Maryland and other places where you were an advocate for children, and now in your work that has worldwide impact at a time of real tension and danger for our country.

I wanted to ask you about two issues. One is in relation to a trip that I just took during the month of August, and then second about something very specific as it relates to a constituent of mine. First of all with regard to both Afghanistan and Pakistan, I was just in both countries, 3 days in Pakistan, 2 days in Afghanistan, in August with Senator Whitehouse, Senator Bennett, and Senator Blumenthal. The main purpose of our trip—and we were, I think appropriately, a nagging broken record—was to push first and foremost the Pakistanis to help us on the question of calcium ammonium nitrate, the so-called fertilizer that comes in from Pakistan in amounts that allows the bad guys to be able to construct IEDs that are killing so many of our troops and, if not killing them, grievously and irreparably wounding them.

Here's what we got from them. We got a presentation, as the State Department knows and others know, of a strategic approach

to this, to be able to track it better, to be able to regulate it and interdict it. Then in addition to the strategy, an implementation plan of the strategy. So they're two for two. But what we haven't seen yet is the implementation itself and the real hard work at various levels of their government to be able to just help us protect our troops and also to protect their own people. One of the reasons I think the Pakistani leadership is willing to engage in this is because their own people are being adversely impacted, thousands of people being impacted, by IEDs.

I'd ask you two questions: No. 1, your assessment of that commitment that they've made to me personally and to the other Senators and to our government—and I know Secretary Clinton has worked very hard on this, insisting that they make this commitment. Second, not just your assessment of the commitment, but what will happen if they don't fulfill that commitment in terms of our relationship with them, which I know is a very tense relationship to begin with?

Ambassador SHERMAN. Thank you, Senator. First, your travel with the other Senators to Afghanistan and Pakistan is tremendously important. I know that Members of Congress often get a lot of grief for traveling abroad, even to places as not wonderful as Afghanistan and Pakistan. But I cannot begin to tell you, as someone who travels the world quite a bit in my business life and before when I was in public service, when Members of Congress, when U.S. Senators, travel to these areas and work on these very crucial issues, it makes a phenomenal difference, because it not only echoes what an administration might be able to say, but it is a point of leverage to really try to get action.

So I thank you tremendously for having made that very difficult trip. I also want to thank you for your leadership on this very crucial issue. Calcium ammonium nitrate, which is the precursor for production of IEDs, is a very crucial problem, and you have led on encouraging and pushing Pakistan to move in the direction it needs to to stop the production and the transit and to work with Afghanistan to do so.

I'm very glad to hear that you heard what I heard in briefings, which was that the Pakistanis are taking this quite seriously, have a strategic approach, an approach with Afghanistan as well, to control the borders and to stop this from coming across, and have an implementation plan as well. This in part arose out of one of the working groups that we have with Pakistan that's a very successful working group, working on these kind of very tough issues.

This is a priority for the administration because, as you point out, IEDs are a horrible, horrible reality for the members of our military who risk their lives for us every day. So it is a high priority for us. I understand the Department intends to stay on this, to make sure that that implementation plan is successful, to continue to let the Pakistanis know what a high priority this is.

This is doable, and a lot of things we are trying to do are even tougher than this, and we should be able to get this done.

Senator CASEY. I appreciate that. And I know in the limited time I have I wanted to ask you about one other issue, and some of this we can do by way of followup. The hikers. Of course, two now just



receiving an 8-year sentence, which is an abomination. It's a mockery of justice. But they're faced now with a long prison term.

One of them, of course, is a Pennsylvanian, Josh Fattal, whose family has been remarkable. His mom and his brother have been just remarkable, remarkably effective at making his case and reminding all of us of this.

Can you give me a sense of where you see this case and what the State Department can do to keep pushing to make sure that we get them out of the prison?

Ambassador SHERMAN. Senator, I know that the Secretary believes that we must take every opportunity we can to push this, to work with the Swiss Protecting Authority, which represents us in Iran, to try to get consular access to them, to push for their release. The administration quite agrees with you that this is an abomination, that these hikers do not belong in prison, do not belong having this sentence, ought to be released immediately. And I know that the Secretary is absolutely committed to using every opportunity she can in the Department to do everything that it possibly can, and if confirmed I will do everything I possibly can, using every relationship we have with Iran through third countries, if not directly, to get their release.

Senator CASEY. Thank you very much.

Senator CARDIN. Senator Risch.

Senator RISCH. Thank you, Senator Cardin.

Ambassador, thank you so much for coming today. I have one issue I wanted to focus on just a little bit, and that is one of the real successes in the Middle East, and of course there aren't many, but one that is there and has existed for 30 years is the peace between Egypt and Israel, and particularly the line on the Sinai that separated the two countries and has been successfully maintained, even in light of the fact that there is almost daily disputes there over the last 30 years.

So those of us who—I've been there. I've seen what's happened. Those of us who've watched that over the years are concerned after the change in Egypt with the potential for what could happen there. It appears that some of our fears have been founded.

We all know that the Sinai is not nearly what it was during the last administration in Egypt. Can you give me your thoughts on that and what you think the Multilateral Force can do to restabilize that line and restabilize the Sinai?

Ambassador SHERMAN. Thank you very much, Senator. This is a very important issue. It is our understanding, my understanding from the briefings I've had, that the transitional government in Egypt has reaffirmed its commitment to the Camp David Accords, that they are in dialogue with Israel to not only ensure that there is a transition that maintains a strong and positive relationship between Egypt and Israel, but that the issues on the Sinai are addressed, that the Multilateral Force does get back to the posture that it had, where there are not an increased number of incidents. As you said, there have been incidents over a number of years from time to time, but that there has certainly been an increase of late, that is of great concern. Assistant Secretary Jeff Feltman very much has his eye on this issue, and I know that our new Ambassador, Ambassador Anne Patterson, whom this committee and the

Senate very wisely confirmed and is now in place, very much has this on her agenda.

Senator RISCHE. I appreciate that. Are you personally convinced that the new administration in Egypt will do what's necessary on their side in the Sinai to try to get control again of what I think any observer would say is the growing lawlessness on the Sinai itself?

Ambassador SHERMAN. Senator, I have not met directly with the leaders in the new transitional government, but my understanding from briefings is that the State Department believes that there is a commitment to maintaining and strengthening the historical relationships here. But it is clearly something that has to be front and center as we go forward in our diplomacy and our discussions with the Egyptians and as they develop their governance structure in the weeks and months ahead.

So, although today I believe the State Department has confidence, it's not something that anyone should take their eye off of. Indeed, we need to continue our vigilance to support that in fact things head in that direction.

Senator RISCHE. Thank you, Ambassador. I think we all share that view.

Thank you, Mr. Chairman.

Senator CARDIN. Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Ambassador Sherman, I want to echo my colleagues in expressing my appreciation for your past work within the State Department and for your willingness to consider taking on such a difficult post at such a dangerous and critical time in our foreign relations. So thank you very much. I hope we can move quickly to consider your nomination on the floor and I look forward to voting for you.

Like Senator Casey, I had the opportunity over August with Senator Levin and Senator Merkley to travel to Afghanistan and Pakistan. One of the things that we heard in our meetings with the civilian leadership in Pakistan was a commitment to try and improve relations with India. The news this morning, we heard not just about bombing in Quetta of the Pakistanis, but also about a bomb in a courthouse in New Delhi, and reports suggest that it was an al Qaeda-linked group in Pakistan and Bangladesh that's claiming credit for the attack in India.

I wonder if you can—obviously, part of the effort is to try and discourage those efforts, to improve relations between the two countries. I wonder if you can talk about what more we might be able to do to try and encourage that effort to keep the two countries talking and to continue to work on improving relations.

Ambassador SHERMAN. Thank you, as I said to Senator Casey, for your travel to Afghanistan and Pakistan. It's always hard for members to do this travel, but very crucial in world affairs.

I think that the administration is heartened by the fact that there have now been three very significant meetings between India and Pakistan, commerce secretaries, foreign ministers, cricket diplomacy, and that in fact there are followup meetings with home and interior secretaries coming up; and that that kind of dialogue between the two countries is absolutely essential.

The United States has always supported that dialogue. The pace and scope and character of it is up to, of course, India and Pakistan and we can't prescribe for them exactly how to proceed. But it is crucial to both of their security, to the future of their countries, that that take place.

In addition, it's my understanding that Prime Minister Singh is in Bangladesh today, taking on even more of what Secretary Clinton spoke about in her recent trip to India, and that is seeing India as really a central player in South and Central Asia, taking on more and more of a leadership role in the region. I think that's important, not only for India, but for all of us in terms of the security of the region.

So I think your conversations to encourage better relations is very important. It is something that the administration has done. In my sort of life over the past few years both in the private sector—I've been to India and Pakistan both as a businesswoman and as part of track 2 dialogues, and I know that there is a desire in both countries to move forward, as difficult as their domestic politics sometimes make that.

Senator SHAHEEN. Thank you.

Another report today suggests that we are moving toward a drawdown of our troops in Iraq, possibly down to as few as 3,000 to 4,000, who would be there to continue training security forces in Iraq. I know that plans have always been to significantly draw down our American troops there, but there have been some reports that the Iraqis might consider asking us to leave a larger contingent than the 3,000 there.

Again, I appreciate that this has been a contentious issue in Iraq. But to what extent is the Iraqi political situation making planning difficult for the drawdown, and do we have any indication that the Iraqis are going to ask us to stay beyond the end of this year?

Ambassador SHERMAN. Senator, my understanding is that the Iraqis have said they might have some interest in some ongoing presence, particularly, as you note, in the area of training, continued training of their military. It is also my understanding that the administration has taken no decision in this regard, even though I read the same report you did in this morning's paper, that the Defense Department is considering 3,000 or 4,000 military to remain as trainers past the point of departure. I am sure that the administration will have, continue to have, extensive consultations and conversation with Congress before a final decision is made. It's my understanding as of this morning no final decision has been made.

Senator SHAHEEN. Another corollary of that is concern about the State Department operation that will continue in Iraq once our troops are drawn down and how we continue to maintain security with that increased role throughout the country. Can you talk a little about how you see that transition happening and what we might need to do to ensure that we can maintain that diplomatic presence even while we may not have the military security to protect those State offices around the country?

Ambassador SHERMAN. Senator, in the briefing that I had with Under Secretary of State Pat Kennedy, who's responsible for man-

agement, and with Deputy Secretary Nides, they are both very much focused on what in fact the pattern should look like to provide the kinds of consular services we need to have a presence in Iraq, but do so in a way that is secure for our diplomats and for our civilians. They are working on those plans and I'm sure will continue their conversations with the Congress as they are finalized, but it is very much something that preoccupies them, for all of the reasons that you stated.

Senator SHAHEEN. Thank you.

Thank you, Mr. Chairman.

Senator CARDIN. Senator Lee.

Senator LEE. Thank you, chairman.

Ambassador, thank you for joining us. It's good to see you again. I want to return to an issue that you addressed briefly with Senator Lugar a few minutes ago in relation to the push announced recently by the Palestinian National Authority through President Mahmoud Abbas about possible efforts to seek recognition outside of direct negotiations with Israel, by taking the issue to the United Nations.

Now, President Obama recently described those efforts as purely symbolic, and I think he also used the word "failure" to describe the likely outcome. I can see why he might use those words to describe that. I want to believe that he's right. I hope that he's right.

I can also foresee some scenarios in which that might not turn out to be right, in which that characterization could perhaps have proven to be a little bit too optimistic. Do you share that view, that it's not absolutely certain? I'm not asking you to disagree publicly with your boss. I would never do that. I'm just saying, do you foresee scenarios in which that could have—we could later look back on that and say perhaps that was a little bit too optimistic? And if so, are there things that you think the administration can be doing right now to sort of protect against that?

Ambassador SHERMAN. The President, Senator, has been very clear that a U.N. resolution to recognize Palestine will not get us to the two-state solution that both parties seek and that most of the world seeks. And he has been unrelenting in saying that such a resolution is not in our interests or in the interest of the world or the two parties.

Secretary Clinton has used every opportunity she's had with leaders to make it clear, as has the President, that this is not a positive outcome should such a resolution go forward. As I mentioned to Senator Lugar, indeed Special Envoy David Hale and Ambassador Dennis Ross are in the region today having conversations to see if in fact there isn't another path forward that can meet the needs of the parties, but, more important, to get them back to direct negotiations, which is really the solution here.

A resolution at the United Nations is not really going to get us to the solution everybody is seeking. Direct negotiations will and are the only path to that resolution. So I think that the administration is doing everything it possibly can, from demarching virtually every capital in the world to sending very high-level envoys to the region for discussions. And I know that our Ambassador at the U.N., Susan Rice, is working with all of her colleagues as well.

The administration has been very clear as well, and I don't expect this to occur, but that if it did occur, if any such resolution were put in front of the Security Council, that we would veto it. So our expectation is that will not occur. But the General Assembly is still a concern and so there is very urgent work going on to try to see if there is not another way forward.

Senator LEE. So it sounds like you're very confident that the United States would remain committed with great resolve to the veto threat?

Ambassador SHERMAN. The United States is very resolved to a veto threat in the Security Council. What we are very resolved about as well is urging the parties to enter into direct negotiations. Again, the Quartet, which is very crucial to the Middle East peace process, is also pressing in that direction, and I know that their envoy, former Prime Minister Blair, is also very engaged in representing the Quartet in trying to move to a more positive direction.

Senator LEE. So do you see there being a coalition of countries that will build from there, or do you think we largely know who is with us and who is against us on that?

Ambassador SHERMAN. Well, we are working on that. It's my understanding, Senator, that there is obviously a core of the Quartet, including the United States, and that we are working outward and increasing the number of countries who understand that to really have a viable Palestine, a secure Israel, will require direct negotiations between the parties, not a resolution at the United Nations.

Senator LEE. Thank you.

Now, Deputy Secretary Burns during his time as Under Secretary, if I'm not mistaken, was a key negotiator with Iran and amongst the P5+1 countries. Do you expect to take on that role if confirmed?

Ambassador SHERMAN. I expect to do whatever the Secretary of State asks me to do, and we haven't had that discussion because I'm not in the job yet. Hopefully, I will be confirmed, voted out by this committee and confirmed by the Senate, and if she were to ask me to do that I would be honored to, as difficult as it is, to do my very best.

Senator LEE. If you were confirmed, and assuming that this fits within your area of assignments, would you be inclined to recommend additional sanctions against Iran to discourage Iran from developing its nuclear weapons program?

Ambassador SHERMAN. I think, Senator, if she asked me to take on this assignment, which has traditionally been at the Under Secretary level, I would want to understand all of the facts of the situation, be briefed on both the classified as well as the unclassified information, which I have not yet done, and then talk with the Secretary, with the rest of the administration, see what the best way forward is.

There is no question that the sanctions are tremendous on Iran. They have begun to bite Iran in spite of the high price of oil, which gave them some relief. There have been other actions that have occurred that we've all read about in the newspaper, which has degraded their capability. But there is no question that it is a serious,

serious national security problem for the United States and for the world, and we have to approach it with that seriousness of purpose.

Senator LEE. Great. Thank you very much, Ambassador Sherman.

Ambassador SHERMAN. Thank you, Senator.

Senator LEE. Thank you, Mr. Chairman.

Senator CARDIN. Senator Coons.

Senator COONS. Thank you, Mr. Chairman. And I want to thank you for convening this.

To Ambassador Sherman, thank you for your tremendous experience and your service to our Nation that you bring to bear today, to your husband, Bruce, and your family for their willingness to continue supporting you in the sacrifice.

I was struck, in your opening statement, your reference to your relationship with Senator Helms when he was the chair. Even though you may have disagreed on some substantive foreign policy matters, your ability to sustain a constructive and respectful relationship I think is a good reminder of the long tradition of bipartisanship that has long sustained American foreign policy.

In that spirit, I'll pick up exactly where Senator Lee just left off. I think you will hear from both sides, from Senator Lugar and Senator Menendez, from Senator Risch, myself, Senator Lee, strong concern about the efforts by the Palestinians to achieve some sort of recognition in the United Nations. I was pleased with your response about the intention and focus and sincerity of the administration in resisting that and finding all possible ways to move the parties back to responsible negotiations.

On the question of Iran, I just would be interested, after the announcement by the IAEA just last week that they've increased their enrichment activities, what further actions do you think might be necessary or might be taken by the administration to strengthen CISADA, to strengthen other sanctions, and what else do you think we in the Senate might be doing to continue to enforce a multilateral approach toward preventing the Iranians from achieving what I think are their aims, which, as you put it, are a grave threat to our security, to Israel's security, and to the world?

Ambassador SHERMAN. Thank you, Senator. I share your concern about Iran. I think as I've been getting briefings at the State Department to prepare for this hearing and hopefully to prepare for the job, I've been struck by the progress we actually have made. If you had asked me just a couple of years ago whether the European Union would have put on unilateral sanctions to the extent that it did, I probably would have said it might not be an easy thing to get done because they had so many of their companies, particularly their energy companies, that were in Iran. Now most of those energy companies are gone. The number of companies that have left Iran is quite significant.

I think the kind of diplomacy that the administration's engaging in, including having Special Adviser Robert Einhorn travel the world trying to get other countries to not only put on unilateral sanctions, but to enforce the U.N. Security Council resolutions, has been crucial, because sanctions are only as good as the enforcement of them.

So it's not always a need for more and more and more sanctions. It's really about using all the tools we have at our disposal, including the Treasury Department's actions that have been quite crucial where Iran is concerned in terms of financial assets and financial transactions.

So I think, again as I just said to Senator Lee, if I—and hopefully I will be confirmed by the Senate—and the Secretary asks me to spend some time on this very, very tough problem, I would want to have a greater understanding than I do today of how far we are, what else we need to do to encourage enforcement of the existing sanctions, and to assess whether in fact any further sanctions would really move us forward.

Obviously, the sanctions are having some bite because we're beginning to see folks in Iran, as we saw in David Sanger's article yesterday, trying to throw proposals on the table. I'm skeptical today, as I'm sure the administration is, of those proposals. But usually when countries begin to put those ideas on the table sanctions are beginning to bite.

So I'd want to make sure that we encourage as much biting as we possibly can, because this is a very tough issue.

I also want to thank you, Senator, for your mention about the importance of bipartisanship. I quite agree. I know that for me and this committee, I always think about Nunn-Lugar, Kerry-Lugar-Biden, Kerry-Lugar-Berman. There are many pieces of legislation that have emanated from this committee that have set a standard for bipartisanship, that have moved our national security priorities forward.

Senator COONS. Thank you, Ambassador. And I do hope that you'll have a central role in ensuring that we do enforce the sanctions that we've got in place. I want to commend the administration for continuing to stay on this issue, but I know many of us share a grave concern about the speed with which the Iranians have moved and are eager to see more thorough and effective engagement and enforcement on this issue.

Let me turn, if I could, to a related and challenging situation, the full-blown humanitarian crisis in the Horn of Africa. Senator Isakson and I held a hearing just after the debt ceiling vote and as many Members of the Congress were going home for work period, and I was grateful that he stayed with me. We had a hearing about the difficulty. The Office of Foreign Asset Control required to enforce sanctions and al-Shabab is critically preventing aid from getting to those most severely affected areas of southern Somalia.

We've just had another report that an additional 300,000 people are in critical need of emergency assistance, raising the number to, I think, 12.7 million. USAID predicts this may be one of the worst famines in modern history.

What further progress, if you can speak to it, has been made in resolving some of the Treasury sanctions barriers to delivering effective assistance, and what else do you think we can do to reduce al-Shabab's influence and to deliver humanitarian assistance in an effective way in the Horn of Africa?

Ambassador SHERMAN. Thank you very much, Senator, for raising this just horrific, horrific situation, where, as you say, over 12 million, almost 13 million, people have been affected, not only in

Somalia, but a refugee camp in Kenya that was meant for maybe 90,000 people has now maybe 400,000 people who are seeking help and assistance.

I know that OFAC [Office of Foreign Assets Control], the office in Treasury that issues licenses when waivers are needed in a situation, as Somalia does, with al-Shabab's interference, has in fact created a license waiver for AID to provide some assistance and is looking at the potential for other waivers for NGOs that might be appropriate to try to bring in that humanitarian relief, understanding that of course we want to do so in as secure a situation as possible.

I know that the administration is working with AMISOM [African Union Mission in Somalia] and with the transitional government in Somalia to see what our other options there are, to see in fact what we can do in areas outside of Mogadishu to bring relief. But it is a truly horrific situation, working closely with the U.N., which obviously is key to the relief efforts.

I must say, one of the things I've been doing as a private citizen is I've been chair of the board of Oxfam America, and the outpouring by Americans to provide funds, to provide relief in Somalia, is incredibly heartening. Americans are a very generous people when it comes to these humanitarian disasters. But I know Assistant Secretary Johnny Carson, with whom I met yesterday, is doing everything he possibly can do to work internationally to bring relief both with the private and the public sector to those families and to the people of Somalia.

Senator COONS. Thank you, Ambassador. I see my time has expired. I'm grateful that you bring both that experience and that perspective to these very difficult issues in Iran, in the Horn, and around the world. I look forward to supporting your nomination on the floor of the Senate. Thank you.

Ambassador SHERMAN. Thank you, Senator.

Senator CARDIN. Senator Udall.

Senator UDALL. Thank you, Chairman Cardin.

Let me also echo, Ambassador Sherman, the appreciation for your long public service and also your family's sacrifice. One of the things that hasn't been noted is you have served the public in a number of positions dedicated to children and children's issues, and that's something that's very close to my heart and I very much appreciate that.

If Iraq were to make the request to retain United States troops in Iraq—and I note today there's a big front-page article on the New York Times about various parts of this—to retain—if Iraq makes a request to retain United States troops past the December 2011 deadline, how would it change the plan to transition the lead of U.S. engagement from Defense to State, if at all, and how would it affect the State Department's ability to operate in Iraq and the preparations being made for the transition?

Ambassador SHERMAN. Senator, I read this in the paper this morning along with you, and so I don't know all of the answers to the question, but certainly will ask the State Department to make sure that you get a full answer. My understanding is that this may be a request for military trainers and, if so, it would be other than the plans that need to go forward to ensure the protection of civil-



ian workers in Iraq after the drawdown of our military, and that the Iraqi Government has long had discussions with us of some kind of continued presence and this may be what they are seeking.

But I am quite certain that no decision has been made on this yet, but would be glad to ask the State Department to get more information to you.

[The written information provided by the State Department follows:]

The Government of Iraq has authorized negotiations with the U.S. on a possible post-2011 U.S. security training mission. We are currently discussing this request with Iraqi leaders. Those discussions are ongoing and no final decision has been reached.

Regardless of the outcome of these discussions, State will be in the lead for the U.S. mission in Iraq after 2011. The Department of State, the Department of Defense, and other agencies and departments have undertaken unprecedented levels of coordination and planning to accomplish this transition to civilian leadership, and we are moving forward.

Senator UDALL. Thank you. I very much appreciate that.

The article noted that if there is the withdrawal that there is still going to be a significant State Department presence in Iraq. One of the things that was highlighted is the \$3.2 billion request from the overseas contingency operating fund moved from military to the civilian mission there in Iraq. This mission is expected to be the largest State Department mission in the world, there in Iraq. This will also include not only employment of State Department personnel, but the hiring of numerous contractors to do the work the military's leaving behind.

Now, with reports that contracting money in Afghanistan has funded the Taliban and led to corruption, I'm worried about a similar outcome in Iraq. From your standpoint, what does State need to do to ensure that the transition is smooth and that the United States taxpayer funds are well spent in Iraq?

Ambassador SHERMAN. Thank you very much for that question, Senator. I know that Secretary Clinton has asked Deputy Secretary Nides and Under Secretary for Management Pat Kennedy to pay special attention and to take special responsibility for exactly that, and that is to make sure that the civilian presence in Iraq is well protected, that the contracting is done in a transparent and accountable and auditable manner, and to ensure that taxpayer money is well spent.

I know that over the years there have been times, not only in the State Department but throughout the U.S. Government, concern by Congress about contracts, whether they are let appropriately, whether dollars are well spent, whether we put all the monitoring systems in place to ensure as little corruption as possible, hopefully none. And I know that Secretary Nides and Under Secretary Kennedy are very focused on exactly that.

Senator UDALL. Thank you.

Shifting a little bit to your role that you played on the Commission for the Prevention of Weapons of Mass Destruction, as a member of that commission you played an important role in making findings and recommendations for action to prevent the spread of weapons of mass destruction. One of the recommendations had to do with the global ideological engagement. Recommendation No. 12 stated, and I quote: "U.S. counterterrorism strategy must be more

effectively”—“must more effectively counter the ideology behind WMD terrorism. The United States should develop a more coherent and sustained strategy and capabilities for global ideological engagement to prevent further recruits, supporters, and facilitators.”

Then the commission went on: “The U.S. foreign policy community needs to alter its culture and organization so that it can work across agency lines to make soft power an option just as viable and effective as hard power. This change is essential. It should be a top priority of the next President’s foreign policy team.”

Since your commission has made these recommendations, we’ve had a new President, two new Congresses. How would you assess the progress of the administration in employing soft power and do you believe that some of the proposed House budgets could threaten these initiatives and endanger the State Department’s soft power capabilities and our overall ability to prevent the proliferation of weapons of mass destruction?

Ambassador SHERMAN. Thank you, Senator. Your question actually harkens back to Senator Lugar’s opening comments, in that when Secretary Clinton came in she set up the first Quadrennial Review of Diplomacy and Development (QDDR). Part of the impetus for doing so was to look at this very question: How could we have a whole of State Department and a whole of government approach to our national security and foreign policy, to make sure that all stakeholders are engaged, that our foreign service officers not only talk to members of governments around the world, but talk to people in civil society, talk to the press, talk to business people, talk to young people, talk to women and girls, talk to students, really understand all of the stakeholders that make up what people do in their day to day lives, and to really understand what’s going on in societies, and to create a better understanding of what America is about and what America seeks for its own security.

I think the QDDR was a crucial step in that process. In the meetings that I’ve had in the State Department since I was there 10 years ago, I’ve already seen an enormous change. People have an understanding of the breadth and depth of communication. There’s certainly a consciousness of technology and information technology that wasn’t there the last time I was there. The last time I was there, we only had classified computers. We couldn’t even go on the Internet. That’s changed substantially and people understand the value, both positive and negative, of social media.

So I think there’s been a tremendous change, but it still has to be harnessed. It still has to be made use of, and there is no question that having sufficient resources to do so is part of the solution.

Senator UDALL. Thank you very much, Ambassador, for those answers. You’re obviously very well qualified for this position. I intend to vote for you and I hope that the Foreign Relations Committee acts quickly on this nomination.

With that, Chairman Cardin, thank you very much for allowing me to run over a little bit in my questions.

Senator CARDIN. Senator Udall, thank you for your questions. You questioned about the accountability of our foreign assistance, which I think is an extremely important point. Tomorrow the Senate Foreign Relations Committee will be holding a hearing on Afghanistan and the effectiveness of the U.S. participation in that

foreign assistance program. So it's a continuing issue for our committee.

Senator Lugar whispered to me when Senator Coons was mentioning the bipartisan initiatives, and the one that the two of us worked together, with the strong support of Secretary Clinton, bringing transparency to extractive industries. Ambassador Sherman, we will be working with you to implement that policy, not just here in the United States as far as the legislation that was enacted as part of the Dodd-Frank bill, but also as it relates to actions taken by our allies that can help bring transparency to gas and oil contracts and mineral contracts that have such an impact on the stability of developing nations. So that's an important initiative that we will be working closely with you as we move forward.

It was interesting that many of our members talked about the pending vote or possible vote in the United Nations as it relates to the Palestinians. I just really want to applaud your efforts and Secretary Clinton's efforts to let leaders of other countries know how important this vote is, because it seems to me if it just becomes a popularity vote within the United Nations the numbers are not going to go well for a General Assembly vote.

The United States has invested a lot into the peace process and the United States understands the negative consequences of a U.N. vote. I think that needs to be transmitted to the leaders of other countries and I'm glad to see that the administration's taking a very active role to let the capitals of the world understand that this is an important vote and that you support an independent Palestinian state side by side with the state of Israel; the best way to pursue that is through direct negotiations; The only way to pursue that is through direct negotiations; and that a vote in the United Nations, even though its legality may have some question, a vote within the United Nations would be counterproductive to that end. And I applaud you for your strong statements in that regard.

I just also wanted to bring up the case of Alan Gross, in Cuba, imprisoned. I know we have a difficult time in communications with our neighbor, Cuba. But I think it's important that we continue to advocate for justice in regards to Alan Gross and to bring him back to the United States, and we'll be asking your help as we develop the best strategies to bring that about.

Senator Lugar.

Senator LUGAR. No, thank you.

Senator CARDIN. With that, again I thank you for your patience here today in answering all of our questions. As I said in the beginning of the hearing, the record of the committee will remain open until the close of business today.

With that, the committee stands adjourned. Thank you.

[Whereupon, at 11:46 a.m., the hearing was adjourned.]

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

RESPONSES OF HON. WENDY SHERMAN TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* If confirmed, what steps would you advocate to address the issue of unexploded ordnance in Southeast Asia in general and Laos in particular? What steps do you believe should be taken to help clear Laos of deadly antipersonnel

devices, nearly all of which is the result of American bombing during the Vietnam war era?

*Answer.* The State Department has been assisting Southeast Asia with humanitarian demining from the Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR) account for over a decade, providing millions of dollars annually for humanitarian demining, unexploded ordnance (UXO) clearance, and survivor's assistance to states in the region.

Reducing the impact of UXO is one of the State Department's most important priorities in Laos, a country where bilateral cooperation and engagement continues to expand. If confirmed, I will work to ensure the United States remains a leading supporter of UXO clearance (including unexploded submunitions), risk education, and survivors' assistance projects in Laos.

In FY 2010, the State Department provided a total of \$5.1 million from the NADR account to Laos for mine and UXO clearance and in FY 2011, the Department allocated \$5.0 million toward this effort. If resources are available, annual funding for these programs would continue at least at the \$5 million level. Since 1995, the United States has contributed more than \$30 million toward this humanitarian effort to clear UXO in Laos, per capita the most heavily bombed nation in the world.

Laos has made very good use of the U.S. assistance it has received for UXO clearance. If confirmed, I look forward to working with Congress to ensure that UXO clearance remains a top priority in Laos and throughout Southeast Asia.

*Question.* North Korea.—I have repeatedly encouraged the Obama administration to raise the issue of American POWs and MIAs from the Korean war in communications with North Korea as well as the resumption of the joint recovery operation related to the remains of American personnel. What is your perspective on these points?

*Answer.* I agree that recovery of Korean war POW/MIA remains one of the more important goals in our interactions with North Korea. We owe our military personnel and the POW/MIA families nothing less than to make every effort to recover the remains of their loved ones. The administration considers remains recovery operations to be an important humanitarian mission and priority. The Department of Defense and the Department of State closely coordinate actions related to Korean war remains recovery operations. This important humanitarian mission is not linked to any political or security issues, and the administration has consistently urged North Korean officials to be responsible stewards of U.S. remains.

*Question.* With respect to the recent HEU seizure in Moldova, what conversations has the administration had with Russian officials concerning apprehension of the perpetrators, some of whom are reportedly residing in Russia?

*Answer.* The United States continues to support Moldovan efforts to prosecute the traffickers who were caught with highly enriched uranium (HEU) in June and to work with other appropriate and willing partners to investigate the original theft of the uranium. The Department can provide additional information in a classified setting.

One of the critical tools Moldova and other governments have used to successfully investigate nuclear smuggling networks is Counter Nuclear Smuggling Teams. Through the Nuclear Security summit and other mechanisms like the Department's Nuclear Smuggling Outreach Initiative, the United States is promoting use of this powerful investigative tool. Counter Nuclear Smuggling teams focus on investigative actions like detecting nuclear smuggling activity, securing and analyzing seized nuclear or radioactive material, and obtaining evidence to prosecute smugglers.

*Question.* What has prevented the Nunn-Lugar WMD-PPP program from conducting a border security walk in Moldova?

*Answer.* The WMD-PPP border security walk is scheduled for November 1–11, 2011. The Department and U.S. Embassy Chisinau have consistently supported WMD-PPP and in June 2011 facilitated successful introductory meetings between the Moldovan interagency and the U.S. Department of Defense (DOD) to get WMD-PPP off the ground in-country. I am told the administration looks forward to the results of the border security walk as the results of the walk will also inform a number of nonproliferation assistance programs.

*Question.* As the administration considers advocating repeal of Jackson-Vanik trade restrictions with respect to Russia, do you believe that alternative initiatives should be developed in place of Jackson-Vanik? Please explain.

*Answer.* The administration supports lifting Jackson-Vanik prior to Russia's joining the WTO to ensure that U.S. workers, ranchers, and farmers enjoy the full benefits of Russia's accession. If Congress does not act on Jackson-Vanik before Russia

joins the WTO, as it has done for so many other countries, Americans would be seriously prejudiced—not quickly enjoying those benefits associated with WTO membership, but our trading competitors will do so at our expense. The Jackson-Vanik amendment long ago fulfilled its key purpose: to support free emigration, particularly Jewish emigration, from the Soviet Union. Lifting Jackson-Vanik would be in keeping with the USG's approach to other qualifying countries by granting Russia's goods most-favored-nation tariff treatment on a permanent basis. That decision would also give the United States additional tools to deal with Russia to help ensure that it lives up to its trade commitments.

On the nontrade broader issues, the administration has a strategy in place for advancing democracy and human rights in Russia. The administration will absolutely continue to consult with Congress going forward on how best to promote democratic rights and institutions in Russia. President Obama, Secretary Clinton, and other officials in the U.S. Government have been outspoken in their frank advocacy for democratic progress and will continue to raise publicly and privately concerns with human rights issues and shortcomings in democratic standards (See <http://www.state.gov/p/eur/ci/rs/c41670.htm>.) As an example, the Department of State, consistent with the President's proclamation on human rights violators, took decisive action to bar entry to the United States of those Russian Government officials credibly linked to the wrongful death in pretrial detention of Sergei Magnitsky. In addition, this year, the U.S. government is providing over \$38 million in assistance, primarily to non-governmental organizations, to advance democracy in Russia. These programs support independent media and the rule of law, create and strengthen links between U.S. and Russian civil society groups and leverage the latest in technology and social media to create optimal conditions for democratic advances.

*Question.* Since June 2004, Brazil has been in charge of the United Nations Stabilization Mission in Haiti (MINUSTAH), thus commanding over 7,000 men on the ground—including an average of 1,300 Brazilians—in an effort to provide some stability in Haiti. Brazil is now officially planning an exit strategy for its extensive military contingent. Please provide your views regarding the reduction of Brazilian troops in Haiti. Please explain how the effectiveness of MINUSTAH, and of U.S. assistance to Haiti will be affected by this action and what steps you believe the United States should take in light of Brazil's announced plans.

*Answer.* The United States supports renewal of MINUSTAH's mandate for another year when it expires in October 2011, under broadly the same terms as the current mandate but with a heavier emphasis on the need for the United Nations (U.N.) and the Government of Haiti (GOH) to work to reform the Haitian National Police (HNP) through improved capacity-building efforts, improved vetting procedures, and strengthened Haitian domestic financing.

The U.N. Secretary General's August 25 report on MINUSTAH recommended renewing the mandate for another 12 months with a reduction during that period of some of the forces authorized after the January 2010 earthquake: specifically two infantry battalions (1,600 personnel) and 1,150 authorized (but not deployed) formed police unit personnel.

The administration understands that, in light of the Secretary General's positive security assessment, and call for troop reductions, the Brazilian Government has voiced its support for reductions in the overall MINUSTAH force strength. As the largest supplier of personnel to the post-earthquake troop "surge," Brazil would like to see some of its troops brought home. We do not, however, have indications that they will significantly reduce their military contribution, except gradually over time, as conditions allow, and in coordination with the United Nations.

The United States also supports the Secretary General's recommended reduction in MINUSTAH force strength, but notes that strong rules of engagement for the remaining MINUSTAH forces will be important to deal with a stable but fragile security situation in Haiti.

*Question.* Recent events in Ecuador demonstrate the continuing deterioration and political subjugation of the justice system there:

—After a leading Ecuadorian newspaper, *El Universo*, ran an opinion column critical of President Rafael Correa, an Ecuadorian judge—at Correa's insistence—sentenced three newspaper executives and the columnist to jail for 3 years and fined the newspaper \$40 million.

—According to *The Economist*, "It took Juan Paredes, replacing the intended judge who was on holiday, less than two days to read through the case's 5,000-page file" and issue the ruling. President Correa personally attended the hearing, "accompanied by a small crowd of supporters that pelted the defendants and their law-

yers with eggs and bottles outside the courthouse. The media were barred from attending." International observers, including Human Rights Watch, called the ruling "a major setback for free speech in Ecuador."

—President Correa's Legal Secretary, Alexis Mera, issued an official proclamation, "by order of the Constitutional President of the Republic," requiring Ecuadorian Government ministries to immediately file suits for damages holding any judge who enjoins Government projects personally liable if their injunctions are subsequently overturned by a higher court.

Please explain your views regarding the rule of law in Ecuador.

Answer. Immediately following the *El Universo* ruling, the Department issued a public statement expressing serious concern over the court's decision. The Department underlined the role of an independent press as essential to a vibrant and well-functioning democracy—a concept noted, among other places, in the Inter-American Democratic Charter. President Obama and Secretary Clinton have made this point in their conversations with Ecuadorian President Correa. The Department understands that the defendants are appealing the decision, and that judicial processing of the case is being investigated. The outcome of this case will be carefully noted by the international community because of its implications for freedom of expression in Ecuador.

Separately, Ecuador's judicial oversight council was dissolved following a May 2011 referendum, pending a restructuring of the entire judicial system. The political opposition and Ecuadorian and international civil society observers have expressed concern that, because the transition judicial council includes representatives from branches of government controlled by the ruling party, independence of the judiciary could be compromised. As a matter of principle and long-standing policy, the United States believes that representative democracies require vibrant, independent, and coequal branches of government in order to function effectively. It is for these reasons that implementation of the referendum deserves careful scrutiny and analysis within Ecuador, by other nations in the hemisphere, and by civil society in general.

A key objective of U.S. policy in the hemisphere is to support the development of democratic government institutions, an independent judiciary, and a vibrant civil society. The United States implements this policy through diplomatic engagement, public diplomacy, and specific programs carried out by the Department, USAID, and nongovernmental organizations.

*Question.* As the Libyan revolution continues and military gains by rebel forces of the Transitional National Council increase, thought must be paid to Libya's future post-Qadhafi. As we have seen in other countries in the region, the risk of factionalism comes with the transition from authoritarian regimes to democracy.

- a. What is your assessment of the prospects of the TNC maintaining consolidated leadership role to oversee the transition to Libya's democratic future?

Answer. There appear to be a number of positive signs for a transition to a new, democratic Libya though clearly, given its newness, the TNC faces a lot more to be done. The TNC has made strong progress in building support across Libyan society, but the core of its leadership, known as the Executive Committee, is still largely comprised of Libyans from the East. TNC PM Jibril and Chairman Jalil have publicly stressed the importance of inclusiveness and reconciliation. They have sought to avoid reprisals and to remain open to rank and file Qadhafi loyalists who renounce their support for the former regime.

There will, of course, be challenges. There are several anti-Qadhafi militias that remain outside of the TNC's command structure. The TNC leadership has prioritized integrating civilian militias into new national institutions, but will need to demonstrate that it can pay salaries quickly in order to solidify these efforts. The TNC has taken steps to address these challenges. They established a Tripoli Military Committee shortly after taking over Tripoli in late August to bring all of the factional commanders in the capital under the control of the TNC ministries of Interior and Defense.

If confirmed, I will do everything in my power to support the democratic aspirations of the Libyan people and the efforts of the TNC, as appropriate.

- b. In light of our current budget constraints and the availability of Libyan national assets and the support of other donors, what role, if any, do you believe the United States should play in funding the costs of Libya's transition?

Answer. I understand Libyan stabilization experts told international partners in Paris September 2 that since Libya is regaining access to its financial reserves around the world, it will not need emergency aid for long. The TNC is looking instead for technical expertise and experience to rebuild its infrastructure and institutions. Following the lead of the Libyans and the U.N. Mission, the administration

believes the United States can play an important role in helping prepare Libya for a future reconciliation and transitional justice process, bolstering emerging government institutions and political parties, and in helping Libya identify and secure the previous regime's stockpiles of chemical weapons and conventional weapons, to include man-portable air defense systems (MANPADS).

- c. How many USG personnel are currently working in Libya? Where are they working? What diplomatic facilities are available to the United States in Tripoli? What are the approximate costs required to make such facilities a secure and viable workspace?

Answer. I am told the Department of State is currently exploring options for facilities to house a reconstituted Embassy in Tripoli. Our previous compound was completely overrun, looted, and burned in May. The team that is already in Tripoli hopes to be able to identify and acquire suitable facilities, at least for a temporary arrangement, in the near future. It is a positive sign that Deputy Chief of Mission Joan Polaschik returned to Tripoli on September 10. The administration looks forward to an early return by Ambassador Cretz and other key personnel as soon as a suitable security platform can be established and more accommodations can be brought on line. Special Envoy Chris Stevens' team is also in Benghazi and I am told the Department plans to keep the team in place for at least several months.

This seems to make a good deal of sense, given the importance of the city during the revolution and the need to interact with remaining TNC leadership in the city.

*Question.* In your testimony, you noted current efforts by Dennis Ross and David Hale in the region and of our embassies worldwide to forestall unilateral attempts by the Palestinian Authority to seek statehood recognition at the U.N. in the coming weeks. President Obama and others in the administration have made clear that unhelpful attempts by the PA, however symbolic, are no replacement for negotiations with Israel. Negotiations have stalled.

- a. What steps do you believe the administration should take to mitigate the consequences in the immediate term of unilateral PA action at the U.N. to raise its status from "entity" to "nonmember state"—with the rights and privileges pertaining to that status?

Answer. The administration has been absolutely clear both with the parties, and with our international partners, that direct negotiations remain the only effective way for Palestinians and Israelis to deal with the difficult issues they face and achieve a lasting peace. The administration therefore continues to work intensively and strategically to avoid a showdown at the United Nations that will not be good for anyone—not the United States, not Israel, and certainly not the Palestinians.

The administration has and continues to underscore with the parties and international partners that we strongly oppose efforts to address final status issues at the U.N. rather than in direct negotiations. One-sided actions in international fora like the U.N. will do nothing to achieve statehood for the Palestinian people. In fact, such initiatives at the U.N. will make it harder to achieve progress. One-sided actions will serve to drive the parties further apart, heighten the risk of violence on the ground that could claim innocent lives on both sides, and risk hard-won progress in building Palestinian institutions. There is simply no substitute for the difficult give-and-take of direct negotiations. The international community cannot impose a solution. A viable and sustainable peace agreement can come only from mutual agreement by the parties themselves.

As part of the effort, the administration has made the position on such initiatives unequivocally clear in capitals around the globe, and regularly in U.N. Security Council consultations, and is urging other member states not to support one-sided Palestinian action at the United Nations. U.S. ambassadors have engaged, at the Secretary's instruction, at the highest political levels in capitals worldwide where our outreach would be the most productive. Secretary Clinton, National Security Advisor Donilon, Ambassador Rice, Deputy Secretary Burns, Assistant Secretary Feltman and Special Envoy Hale and other senior U.S. officials have also been working intensively with their counterparts at the most senior levels for months. Going forward, the administration will continue to work vigorously and strategically to reach out to countries to express and explain our firm opposition to any one-sided actions at the U.N., including a Palestinian state declared outside of the framework of negotiations.

- b. How do you believe the administration's immediate plan to counter any PA action at the U.N. will serve the broader policy of a negotiated settlement resulting in a two-state solution?



*Answer.* At the same time, the administration continues to work vigorously and determinedly to reach a negotiated two-state solution to the Israeli-Palestinian conflict. As President Obama made clear in his May remarks, the priority is for the parties to return to direct negotiations—the only effective way for Palestinians and Israelis to deal with the concerns they are facing and forge a viable peace agreement. The administration therefore continues to work intensely with the parties and Quartet partners on ways to overcome the current impasse and resume talks on the basis of the President's May remarks.

The administration's long-term strategic vision for peace has not changed. The administration remains committed to working along two mutually reinforcing tracks: creating a viable negotiating alternative on the basis of the President's May 2011 remarks for the parties to resume direct negotiations and avert a confrontation at the U.N. and, simultaneously, continuing our support for the Palestinians in their efforts to prepare for statehood through creation of robust government and security institutions and a viable economy. The administration strongly believes that these parallel efforts serve the national security interests of the United States and are essential for a sustainable peace, the security of both Israel and the Palestinians, and the stability of the region.

*Question.* Relations with Pakistan have experienced considerable discord in recent months: What is your assessment of the status of the relationship with the civilian government officials and the prospects for progress in improving governance in Pakistan while the military leadership in Pakistan maintains policy control?

*Answer.* This is not always an easy relationship, but it is an important one for both countries. Ultimately, the administration assesses that U.S. assistance in building Pakistan's stability and prosperity and establishing a partnership over the long-term is the best way to achieve a more effective civilian government and at the same time support U.S. national security interests. The elected government consults with the military on national security.

The United States supports the elected government through assistance and a strategic relationship, coordinated through the U.S.-Pakistan Strategic Dialogue, which consists of civilian government-led working groups. Similarly, the administration is engaging actively with Pakistan's civilian leadership in promoting Afghan reconciliation, a key strategic interest for both Pakistan and the United States. Since the passage of Kerry-Lugar-Berman legislation in October 2009, the U.S. Government has spent just under \$2 billion in civilian assistance to Pakistan. That includes investing in high-visibility, high impact projects such as dam construction that puts more energy on Pakistan's grid; supporting reform and private sector led economic growth; and contributing to the Citizens' Damage Compensation Fund to help flood-affected families. All of this is intended to increase the capacity of civilian institutions and improve their ability to serve and support the people of Pakistan.

At its core, the United States-Pakistan relationship is about building a long-term partnership with the Pakistani people. As President Obama has said, it is in the U.S. national interest to support their efforts to develop democratic institutions, foster economic growth, and reject violent extremism.

*Question.* What impact has devolution of powers in Pakistan had on military influence in Pakistan governance?

*Answer.* While the devolution process, embodied in the 18th amendment, continues, the administration does not believe that it has increased the influence of the Pakistan military in civilian affairs. Indeed, it does not shift the balance of power in favor of the military or civilian powers. The administration also believes the 18th amendment, if correctly implemented, demonstrates the potential for improving services to the people provided by the civilian government.

The 18th amendment should be viewed as an ongoing process—one that will require careful attention and time to transfer significant executive and legislative power to the provinces. Overall, the devolution of powers can be an opportunity for the United States to more effectively distribute aid to Pakistan by focusing on the needs of the individual provinces rather than a one-size-fits-all program.

*Question.* How can the United States best participate in improving South Asia relations given the many political, security, and economic challenges evident in the current U.S.-Pakistan relationship?

*Answer.* The key to improving stability and prosperity in South Asia lies in working with Afghanistan, Pakistan and other regional partners to promote regional peace and economic integration. The administration consults regularly with the two countries, their regional neighbors, and with other international partners and donors who can contribute to regional stability, prosperity, and peace. In her July 20 speech in Chennai, Secretary Clinton laid out the "New Silk Road" vision of regional



economic integration: an international web and network of economic and transit connections. The administration has a diplomatic strategy in place to promote this vision of the countries of the region working together to attract private-sector investment to create enabling infrastructure and remove barriers and other impediments to the free flow of goods and people. These ties will help bind the region together to serve as a foundation for providing sustainable investment and jobs for its people.

The region also has a critical role to play in facilitating Afghan economic growth, such as in supporting investments in Afghanistan that create the foundations for growth over the long-term. The vision of the New Silk Road will help Afghanistan draw value out of its natural assets and geography, with the goal of becoming a stable, prosperous, peaceful country embedded in a stable, prosperous, peaceful region.

In June, Afghanistan and Pakistan concluded an historic Transit Trade Agreement (APTTA). The new agreement will reduce smuggling and increase the transparency of cross-border trade. For the first time, it will allow goods to transit from the borders of Central Asia to the Indian Ocean. The United States also welcomes the agreement by President Karzai and Prime Minister Gilani to expand this transit trade zone to Central Asia as part of a vision for regional prosperity. Doing so would create further incentives for regional cooperation.

It is also important to note that countries in the region are expanding economic ties on their own initiative. The administration was very encouraged economic engagement has featured prominently in latest round of India-Pakistan dialogue. The two sides have made some progress toward reducing barriers to trade and commerce.

*Question.* Do you believe the United States should consider removing the "Major non-Nato ally" status should current trends in Pakistan continue? How would that affect our assistance efforts?

*Answer.* Given the importance of the U.S. relationship with Pakistan and its joint efforts against extremists and especially against al-Qaeda, the administration does not recommend removing the "Major non-NATO Ally" designation.

Pakistan remains a key ally in the shared fight against terrorists who threaten both our countries. Without significant cooperation, the United States would not have accomplished as much as it has to date. As President Obama has stated, "We have been able to kill more terrorists on Pakistani soil than just about any place else. We could not have done that without Pakistani cooperation." The importance of this fact cannot be overstated.

Since 9/11, Pakistan has been a strong counterterrorism partner of the United States. Although Pakistan has not undertaken every action we would like it to take, particularly against groups that do not target the Pakistani state, it has demonstrated sustained commitment and taken concrete steps against groups such as Tehrik-e-Taliban Pakistan (the Pakistan Taliban) and al-Qaeda, whose leadership is under enormous pressure in western Pakistan. This is in large part a result of the Government of Pakistan's policies and cooperation.

The administration was pleased that Pakistan and the United States were able to work jointly on a mission in early September that led to the arrest of senior al-Qaeda operative al-Mauritani and two accomplices. Such joint action demonstrates our two countries can work together to achieve common interests.

The Pakistani people and security forces have also suffered tremendously from terrorism. It is in the national security interests of both the United States and Pakistan to eliminate the threat posed by violent extremism. Pakistan remains a key ally in the shared fight against terrorists that threaten both our countries.

There has been no major policy change in the administration's assistance to Pakistan, and it does not believe now is the time to change course. Civilian assistance continues to move forward and meet the needs of both countries. The U.S. "pause" in some military assistance does not signify a shift in policy but underscores the fact that United States-Pakistan partnership depends on cooperation.

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RESPONSES OF WENDY SHERMAN TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT MENENDEZ

*Question.* The political change in Libya is an opportunity for the Libyan people to start anew and for the successor government to embrace democratic reforms and rehabilitate Libya's reputation in the world community.

As you know, I have followed the Pan Am case for many years and with the recent events in Libya has come a new hope that we can finally learn how this horrific act, which claimed 189 American lives, came to pass.

It is my hope that the new Libyan Government will be forthcoming with their cooperation, but I also believe that we need to make clear to them the importance and intensity of our interest in the Pan Am bombing so that this issue is not overlooked as they begin the work of rebuilding a new government. Reconciliation must be part of the Libyan rebuilding process—internally and in Libya's external relations. To that end:

- What inquiries has the U.S. Government made with the TNC with respect to gaining access to Megrahi? Have we asked for his extradition to the United States?

Answer: I share your deep concern about delivering justice to the families of the victims of the Pan Am 103 bombing. I understand from the State Department that Chris Stevens, special envoy to the TNC in Benghazi, and Ambassador Cretz have raised the al-Megrahi case with TNC authorities many times. As the Secretary said in Paris September 1, we have always disagreed with and condemned the decision to release al-Megrahi and return him to Libya. He should be behind bars.

The TNC leadership has assured the administration that they will review all aspects of the case after they assume full authority in the country. I look forward, if confirmed, to pursuing the full range of options for finally bringing the perpetrators of this attack to justice.

*Question.* What inquiries have we made formally or informally with respect to access to Libyan files or to persons that may have information about Qaddafi's terrorist activities?

Answer: The administration has encouraged the TNC to protect all documents of the former regime so that full investigations can be made of Qaddafi's activities. The administration will continue to press diplomatically for full cooperation with its investigation, but I would refer you to the Department of Justice for details about specific inquiries.

*Question.* Has the United States had the opportunity to discuss the Pan Am case with Qaddafi's former director of external security and former Foreign Minister Mousa Koussa?

Answer: There are serious questions for former regime officials, including Mousa Koussa, and justice must be done. As the United States has an ongoing investigation of the Pan Am bombing, I refer you to the Department of Justice for any specific information.

*Question.* If the TNC or successor government is not willing to cooperate with U.S. inquiries and investigations, is the Department willing to condition U.S. assistance or the provision of remaining frozen assets?

Answer: The United States takes very seriously every nation's obligation to cooperate with terrorism investigations. The situation in Libya remains fluid and unsettled. But as normalcy returns and as new Libyan authorities assume full authority in the country, the United States will expect them to live up to those obligations when they are able to do so. From the administration's interactions, it has every reason to believe the TNC or their successor will honor those obligations. But the administration would certainly consider appropriate measures if they did not.

*Question.* (a) If confirmed, your area of responsibility will be very broad. Where on the agenda is Iran? What more will the administration do to stop Iran what additional sanctions would you recommend and what should we expect to see in the near future?

(b) What do you make of Iran's announcement this week that it is willing to place its nuclear program under IAEA supervision? What does this mean and what effect would you expect such a change to have on U.S. sanctions?

Answer (a). If confirmed, I will work actively to increase the pressure on Iran as part of the dual-track policy of pressure and engagement to resolve the international community's concerns about Iran's nuclear program. This is a top priority for the State Department. The administration has expressed both publicly and privately concerns about Iran, including about the installation of advanced centrifuges and the increase in production of uranium enriched to near 20 percent.

Since the adoption of Security Council resolution 1929, the administration has worked actively to build a broad international coalition of countries willing to implement 1929 by putting in place their own national sanctions measures. These measures have had a substantial impact on Iran's financial, energy, transportation, and commercial sectors and have increased the difficulty for Iran of procuring the equipment, materials, and technology it is seeking for its nuclear, missile, and other WMD programs.

In the Security Council, the United States works closely with other Council members, including Russia and China, to ensure that the 1737 Committee remains active, fully implements its work plan, assists States with implementation, and effectively responds to reported sanctions violations. The United States also maintains a frequent and vigorous dialogue on Iran with Russia and China, both bilaterally and in the context of the P5+1 group.

The administration is committed to pursuing sanctions against Iran as long as it continues to defy the international community by failing to meet its obligations under U.N. Security Council and International Atomic Energy Agency resolutions. I understand that the administration continues to review its options for stepping up pressure against Iran, including possible new sanctions, possible new designations under the existing sanctions regime, and improved implementation of existing sanctions by U.N. member states.

Answer (b). According to media reports, Iran reportedly offered to allow the IAEA to exercise "full supervision" of its nuclear program for 5 years on the condition that sanctions against Iran will be lifted. Iran's full cooperation with the IAEA should not be time-bound or conditional. Moreover, Iran is already bound, by U.N. Security Council resolutions and its own safeguards obligations, to provide such cooperation on a permanent basis. U.N. Security Council resolutions make clear that sanctions should only be lifted when Iran cooperates and meets its obligations.

*Question.* I am very concerned about the lack of coordination and accountability for U.S. funds expended on Afghan reconstruction and development. In addition to reports about the inability of the United States to oversee these projects, account for project expenditures, and limit funding to sustainable projects, the most recent SIGAR (SI-GAR) report indicates that U.S. assistance may be making its way into the hands of Afghan insurgents.

If confirmed, how do you intend to integrate SIGAR's recommendations into project oversight? Can you point to specific recommendations that have already been implemented?

The SIGAR report stated that the lack of cooperation by Afghan ministries and the Central Bank has limited the oversight of U.S. funds flowing through the Afghan economy. Will Afghan cooperation, particularly by President Karzai and senior Afghan leaders, be a factor in determining the scale of U.S. assistance as we enter into the civilian surge?

Answer. The administration takes very seriously the allegations of corruption and waste in Afghanistan and likewise takes seriously the important role it plays as steward of the U.S. taxpayers' funds. Providing effective oversight of our work in Afghanistan has been and is a priority for the U.S. Government. The administration has closely reviewed the July 20, 2011, SIGAR report you cite in your question and is currently assessing how to comply with the report's recommendations although it has already begun implementation of some recommendations as indicated below.

Agencies implementing assistance in Afghanistan have already taken a number of steps to increase oversight of U.S. assistance programs in Afghanistan. The administration has increased its participation in international task forces designed to strengthen oversight including TF 2010, ISAF COIN Contracting Executive Steering Committee, and the Interagency Combined Joint Logistics Procurement Support Board.

USAID is fully implementing its Accountable Assistance for Afghanistan (A3), developed in 2010 and designed to prevent U.S. funds from falling into the hands of malign groups. The A3 initiative is working to achieve its goals by increasing the use of cost reimbursable agreements, strictly limiting subcontracting, more closely vetting all recipients of U.S. assistance funds, and implementing more stringent financial controls. Improved financial controls include the preferential use of electronic funds transfers, as recommended by the SIGAR report, and a commitment to ensure 100 percent of all locally incurred costs under USAID projects undergo financial audits.

In addition, the U. S. Government has significantly increased the number of trained oversight staff in the field and has developed innovative monitoring techniques to empower field staff oversight efforts. USAID has tripled the number of its oversight staff in Afghanistan since 2007 and is working to further increase its numbers this year. The Department of State's Bureau for International Narcotics and Law Enforcement also recently increased its full-time oversight staff in Afghanistan to a total of 18 including four contracting officer representatives and 14 technical monitors.

USAID and DOD also established comprehensive contractor vetting systems, and the Department of State plans to standing up its own capability this year. As recommended by the General Accountability Office (GAO), DOD and USAID now share

their vetting results. In February 2011, USAID created the new Compliance and Oversight of Partner Performance Division (COPP) in D.C. to work closely with Kabul to investigate fraud. The division has already completed more than 40 suspension and debarment actions agencywide, based largely on referrals from the inspector general.

The administration is working also with our partners within the Afghan Government to ensure accountability of assistance programs. In 2010, the United States committed with other donors at the Kabul conference to move toward putting 50 percent of our assistance through Afghan institutions by 2012. However, the United States insists on full transparency for all projects run through the Afghan Government and has rigorous processes in place to guarantee that every entity receiving funds has the capacity to transparently and effectively handle U.S. funds. As a result, the administration is very selective in which institutions it will fund directly, having approved a few and rejected many more.

*Question.* Pakistan—Pakistan Cooperation and Civilian Aid Oversight.—Pakistan is currently the third largest recipient of U.S. security assistance after Afghanistan and Israel, Pakistan received a total of \$2.7 billion in security assistance and reimbursements in FY 2010 alone—a staggering 140 percent increase since 2007. This includes \$1.5 billion in direct reimbursements to Pakistan's Treasury through the Coalition Support Fund—an amount that is double the amount provided the previous fiscal year.

Pakistan's cooperation with the United States in addressing the terrorist threat in the Afghan border region is abysmal and the disdain for the United States evident. Is the United States, as news reports indicate, considering conditioning U.S. assistance to Pakistan on its cooperation in four areas:

- Cooperation in exploiting the bin Laden compound;
- Cooperation with the war in Afghanistan;
- Cooperation with the United States in conducting joint counterterrorism operations;
- Cooperation in improving the overall tone in bilateral relations.

Is this new framework in fact in place and when do you expect the first assessment to be made? Do you expect that all U.S. assistance will be subject to these conditions? How much assistance are you currently withholding? Under what conditions will you release that assistance?

*Answer.* While not always easy, the relationship with Pakistan is very important to the United States. The administration works with the Government of Pakistan in many ways, including identifying shared interests and the actions we can jointly take to achieve them. The United States remains committed to doing that and to strengthening and deepening our long-term relationship.

There has been no major policy change in the administration's assistance to Pakistan, and it does not believe now is the time to change course. Civilian assistance continues to move forward and meet the needs of both countries by strengthening Pakistan's economy and civilian institutions that better the lives of the Pakistani people. The U.S. "pause" in some military assistance does not signify a shift in policy but underscores the fact that the partnership depends on cooperation and tangible responses from Pakistan.

The administration has communicated to Pakistani officials on numerous occasions that the United States requires their cooperation in order to provide certain assistance, including most recently in connection with Foreign Military Funding for Pakistan for FY 2011. The administration will continue to be clear about the need for Pakistan to take certain steps with regard to U.S. military aid. The United States-Pakistan partnership must be supported by the efforts of both sides, and both countries have reaffirmed their commitment to shared interests and acting on those interests jointly.

Over the long term, the United States seeks to support the Pakistani people as they chart their own destiny toward greater stability, economic prosperity, and justice.

*Question.* Taiwan.—On August 24, the Pentagon released its annual report, Military and Security Developments Involving the People's Republic of China 2011, cataloging China's cruise missiles, fighter jets and growing, modernizing army. It described the pace and scope of China's military buildup as "potentially destabilizing."

It reported that the Chinese military remains focused on Taiwan and has deployed as many as 1,200 short-range missiles aimed in its direction. Moreover, it is developing antiship ballistic missiles, potentially capable of attacking American aircraft carriers.

As cochair of the Senate Taiwan Caucus, on May 26 I led a letter to President Obama urging the sale of 66 F-16 C/D aircraft to address the military imbalance in the Taiwan Strait, the deteriorating condition of Taiwan's aging fleet, and the fact that the ideal aircraft for Taiwan, the F-16, must be procured by 2013 before the production line closes. Forty-four Senators joined me in this bipartisan effort.

The Obama administration has committed to making a decision on the sale prior to October 1, but the fact that this date falls between Vice President Biden's trip to China and President Hu's trip to Hawaii, not to mention that it is 2 months before President Hu's expected successor visits the United States, makes me worried that the administration will not stand up to China on behalf of our strategic relationship with Taiwan. This concerns me as Taiwan's defense and deterrent capacity are in the U.S. national security interest, as well as promoted and compelled by the Taiwan Relations Act.

*Question.* Could you share with me your view on the question of the military balance in the Taiwan Strait? And do you believe that the United States should proceed with the sale of 66 F-16s to Taiwan?

*Answer.* Consistent with long-standing U.S. policy, U.S. arms sales to Taiwan are guided by the Taiwan Relations Act (TRA) and based on an assessment of Taiwan's defense needs. Meeting Taiwan's defense needs is a deep commitment of the United States and the administration is committed to following through on the terms of the TRA under which the United States makes available to Taiwan items necessary for its self defense.

In accordance with that policy, the United States is cognizant of the security challenges Taiwan faces and its need to maintain a sufficient self-defense capability, including for air defense. The administration continues to evaluate Taiwan's defense needs, including air defense, and its requests as part of usual Foreign Military Sales (FMS) process. It is my understanding that as of this time, no decision has yet been made on the sale of any particular items to Taiwan.

*Question.* Do you agree that the Congress, pursuant to the Taiwan Relations Act, has the authority to compel this sale?

*Answer.* The United States and Taiwan have been well-served by the Taiwan Relations Act (TRA). The TRA serves as the basis for the vibrant economic, cultural, educational and other ties between the people of the United States and the people on Taiwan.

The question of the interpretation of the TRA presents complex legal issues that would require consideration by a number of offices and agencies within the executive branch.

*Question.* Critics, myself included, have expressed concern about this administration's lack of vision for and attention to the Western Hemisphere. This pertains to both the opportunities presented by the hemisphere—which has largely experienced positive economic growth in the midst of our economic crisis—as a market for U.S. exports, as well as the growing security crisis in the region resulting from transnational criminal organization.

- What is your vision for the hemisphere?
- Where does the hemisphere rank in the context of the many priorities faced by the Department?
- Do you feel that the budget laid out by the administration in the FY 12 budget—showing a real and percentage decrease in development and narcotics assistance for the hemisphere—is sufficient to meet the needs of the region?

*Answer.* The Obama Administration's vision for the hemisphere is one of positive partnerships seeking more inclusive growth and democratic development. The administration has focused on four overarching priorities critical to this vision: building effective institutions of democratic governance; promoting social and economic opportunity for everyone; securing a clean energy future; and ensuring the safety and security of all of our citizens. The administration's efforts are structured as both bilateral partnerships, including strategic dialogues, and working to strengthen multilateral and regional institutions. Importantly, some of the most successful and democratic nations in the hemisphere explicitly share this vision, enabling the administration to create positive synergies and work together in areas never before possible and which have global implications (such as renewable energy).

The administration's vision remains manifestly inclusive and seeks points of convergence even in addressing difficult issues. The administration recognizes that the most successful approaches to challenges will be both comprehensive—addressing all facets of the problem—and regional, including governmental, private, and non-governmental partners. A practical example is our effort to enhance citizen safety

through the Merida Initiative in Mexico, Central America Regional Security Initiative, Colombia Strategic Development Initiative, and the Caribbean Basin Security Initiative, all designed to break the power, violence, and impunity of the region's drug, gang, and criminal organizations by strengthening law enforcement and justice sector institutions and by helping to identify, empower, and build resilient civil societies and entrepreneurial communities.

The administration agrees that the region's growing prosperity is creating an important new market for American goods, which is why they remain strongly committed to the approval of pending trade agreements with Colombia and Panama, along with TAA and the extension of Generalized System of Preferences (GSP) and ATPDEA. In addition, the United States continues to prioritize economic growth programs that leverage the emerging leadership potential and resources of many Latin American and Caribbean countries. Collaborative platforms like Pathways to Prosperity and the Energy and Climate Partnership of the Americas, which invite partner governments and the private sector to join in a broader coalition to address key elements of the hemispheric agenda, are central to the administration's strategic vision.

The administration remains steadfast in its commitment to core principles and recognition of key values such as human and labor rights, press freedom, and the importance of robust and independent democratic institutions, upon which many of those values depend.

The Western Hemisphere remains a top priority for the United States. The Obama administration has demonstrated in word and deed from the beginning that the United States has important national interests at stake in the Western Hemisphere, and the best way to advance these interests is through proactive engagement. It has also amplified the ways in which key allies in the Western Hemisphere will be our partners confronting common global challenges.

President Obama's visit to Brazil, Chile, and El Salvador in March highlighted every one of the themes outlined above, building on the pledge that he made at the Summit of the Americas to create a relationship of "equal partners" based on mutual interests and shared values. The President's message, and the dozens of agreements completed during the trip, underscored how significant the region is for the United States on issues including our economic competitiveness, our global strategic interests, our core values of democracy and human rights, and the richness and diversity of our society and culture.

The U.S. foreign assistance request for FY 2012 responds to continued threats to citizen safety that jeopardize U.S. national security interests; reinforces democratic gains; leverages the region's emerging economic opportunities and strengths; and supports the Americas' emerging potential for global leadership. The administration believes this request will help it meet the challenges and opportunities we face. At the same time, it is lean and responds to the fiscal constraints that we all face. If confirmed, I will work with the Department to advance these priorities, particularly as we approach the Summit of the Americas in Colombia in 2012.

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RESPONSES OF WENDY SHERMAN TO QUESTIONS SUBMITTED  
BY SENATOR JIM WEBB

*Question.* Various press reports have intimated that, as a global strategist and principal of the Albright Stonebridge Group, you have represented or advised U.S. and other firms seeking to do business in China. Given the unique responsibility of the Under Secretary for Political Affairs for managing the full range of issues in our day-to-day bilateral relationships, please provide a specific description of the nature of your private sector activities in China. In particular, please describe the level and nature of any contacts you may have had with Chinese Government officials in this capacity.

*Answer.* Albright Stonebridge Group has an active China practice and as a principal of ASG, I have participated in helping clients, largely American multinationals, meet their business objectives in China. In that role, I have met with a variety of officials in Beijing, Shanghai, and in some of the provinces at a variety of levels. In addition, I have participated as part of delegations sponsored by The Aspen Institute and the Center for American Progress (CAP) that conducted United States-China dialogues and in that capacity have also met with a variety of officials.

*Question.* While you are not registered as a lobbyist or a representative of a foreign government, many of the clients you advised at Albright Stonebridge Group engage separate staff to lobby the State Department and Congress on a variety of issues. Can you confirm that neither you, nor the Albright Stonebridge Group,



which continues to hold the promissory note for the divestment of your interests in the firm, retain any private interests in China that may compromise your ability, if confirmed, to represent the full range of U.S. interests in our bilateral relationship with China?

*Answer.* Under the Ethics Undertakings agreed to with the Office of Government Ethics and White House Counsel, I will be recused for 2 years from participating personally or substantially in any particular matter that involves any clients I served while a principal of Albright Stonebridge Group or in any particular matter that involves Albright Stonebridge Group. I will also be recused from participating personally or substantially in any particular matter that has a direct and predictable effect on the ability or willingness of Albright Stonebridge Group to pay the note, until the note is paid in full. Given the nature of the job of Under Secretary of State for Political Affairs, these recusals should have little if any effect on my ability to fulfill the duties of the position.

*Question.* More broadly, I remain concerned that the United States lacks a coherent strategy to address the impact of China's rise on our own economic and security interests. Within the U.S. Government, agencies continue to advocate for competing priorities. While some agencies push to broaden our business opportunities and engagement with China, reports from the Department of Defense and the intelligence community document persistent concerns with sensitive technology transfers, the abuse of U.S. intellectual property rights, cyber attacks originating in China, and China's continued aggressive naval activities in the South China Sea.

If confirmed, how will you balance the competing priorities of expanding our economic and political ties with China while also holding China more accountable in these areas?

*Answer.* The administration is committed to pursuing a positive, cooperative, and comprehensive relationship with China grounded in reality, focused on results, and true to our principles and interests. If confirmed, I will work to advance those objectives and to uphold American political, economic, and national security interests in my interactions with Chinese counterparts.

The administration engages the Chinese leadership to strengthen cooperation on shared goals of regional stability and increased prosperity. The administration also encourages China to play a greater role internationally in ways supportive of international development and stability—and in ways consistent with prevailing international rules and institutions.

U.S. engagement with China includes three main pillars:

1. Work with allies and partners in Asia to foster a regional environment in which China's rise is a source of prosperity and stability for the entire region.

2. Build bilateral trust with China on a range of issues. The Strategic and Economic Dialogue (S&ED) represents a "whole of government" dialogue with the participation of hundreds of experts from dozens of agencies across both of our governments to achieve that goal. Additionally, the United States engages in broad outreach to broad elements of Chinese Government and society, including building a healthy, stable, continuous, and reliable military-to-military relationship and increasing people-to-people exchanges between our countries.

3. Expand cooperation with China to address common global and regional challenges, ranging from Iran and North Korea to climate change, and including economic issues and multilateral initiatives.

While seeking cooperation with China on a range of international issues, the administration recognizes the obstacles and differences that continue to exist.

The administration has raised difficult issues and areas of disagreement in discussions with China. Those topics include human rights, unfair procurement preferences, violations of intellectual property rights, and currency manipulation.

The administration also recognizes that China has been engaged in an ambitious military modernization effort since the mid-1990s, seeking to create a modern force capable of fighting high-intensity conflicts along its periphery. In discussions on China's military intentions, administration officials have urged the Chinese to provide greater transparency into the capabilities they are developing and the intentions behind their modernization effort.

Those discussions emphasized our shared interest in ensuring peace and prosperity in the region. Although continuing to build a comprehensive relationship with China, the administration carefully monitors China's military developments and, in concert with our allies and partners with whom we consult regularly on China's military modernization, will make adjustments to current policy as necessary.

RESPONSES OF WENDY SHERMAN TO QUESTIONS SUBMITTED  
BY SENATOR JAMES E. RISCH

*Question.* North Korea.—In your testimony before this committee, you said: “It makes no sense to have talks just for the sake of talks. North Korea must keep its commitments that it made in 2005 to really move forward to the denuclearization of the Korean Peninsula.”

- Do you believe North Korea has kept the commitments it made in 2005?

Answer. No. North Korea has not kept its commitments.

In the September 2005 Joint Statement of the Six-Party Talks, the DPRK committed to abandoning all nuclear weapons and existing nuclear programs and to returning, at an early date, to the Nuclear Non-Proliferation Treaty (NPT) and International Atomic Energy Agency (IAEA) safeguards. Since then, the DPRK has continued its nuclear-related activities, including its uranium enrichment program (UEP) and light water reactor construction activities, and announced it conducted nuclear tests in 2006 and 2009.

*Question.* Do you believe the talks Secretary Clinton invited North Korea’s Vice Foreign Minister to have in New York were productive? Why?

Answer. The State Department has provided the following read out on those talks: U.S. officials met with the DPRK in New York July 28 and 29 to reiterate that, while the United States remains open to direct engagement, we are not interested in talks for the sake of talking. The United States underscored that before serious negotiations can resume, the DPRK must take demonstrable steps to show that it is prepared to meet its international commitments to achieve the goal of the 2005 joint statement: the verifiable denuclearization of the Korean Peninsula in a peaceful manner. The United States also emphasized that international sanctions on the DPRK will remain in place until Pyongyang complies with its obligations under U.N. Security Council Resolutions 1718 and 1874, under which the DPRK must abandon all nuclear weapons and existing nuclear programs in a complete, verifiable and irreversible manner, and suspend its ballistic missile program.

Based on this read out, the talks were very important because the administration was able to drive home directly to the DPRK that it must take concrete steps to meet its international commitments.

*Question.* The Obama administration has stated that North Korea must demonstrate a “concrete indication” of Pyongyang’s commitment to denuclearization prior to resuming multilateral negotiations. Do you agree with this position? What do you consider to be an acceptable “concrete indication”?

Answer. North Korea must demonstrate a change in behavior, including improving North-South relations, ceasing provocative actions, taking concrete steps toward irreversible denuclearization, and complying with its commitments under the 2005 Joint Statement of the Six-Party Talks and its obligations under the U.N. Security Council Resolutions 1718 and 1874.

As the the administration has stated repeatedly, they are open to talks with North Korea, but do not intend to reward the North just for returning to the table. The administration will not give them anything new for actions they have already agreed to take and the administration has no appetite for pursuing protracted negotiations that will only lead us right back to where we have already been.

*Question.* There has been a great deal of turmoil in the Middle East over the last 6 months but, with all the potential for change, a constant is the danger posed by Iran’s nuclear program. Despite the President’s commitment to deprive Iran a nuclear weapons capability, the IAEA confirmed just last week that the Iranian program continues and that they are loading P-2 Centrifuges at Qom.

What new steps is the administration willing to take to stop Iran—would you recommend pursuing additional sanctions in the near future? President Obama has said that it is unacceptable for Iran to have a nuclear weapons capability. What does that mean? Does it mean we’ll do everything and anything we can to ensure Iran does not acquire that capability?

Answer. If confirmed, I will work actively to increase the pressure on Iran as part of the dual track policy of pressure and engagement to resolve our national security concern and the international community’s concerns about Iran’s nuclear program. The administration is committed to sanctions against Iran as long as it continues to defy the international community and fails to meet its obligations under U.N. Security Council and International Atomic Energy Agency resolutions. I understand that the administration continues to review options for stepping up pressure against Iran, including possible new sanctions, possible new designations under the existing



sanctions regime, and improved implementation of existing sanctions by U.N. member states.

*Question.* A central tenet of the U.S.-Israel relationship from administration to administration has been the close working relationship between the two countries and that differences of opinion are dealt with behind closed doors.

- Do you agree that the United States should work more closely with Israel and ensure our differences stay private?
- Do you believe U.S. policy in the region is best advanced through a close working relationship with Israel?
- How would you characterize the U.S.-Israel strategic dialogue? In spite of the current turmoil and instability in the region, does the United States remain absolutely committed to Israel's qualitative military edge?

*Answer.* As President Obama said in his speech on May 22, 2011, "the bonds between the United States and Israel are unbreakable and the commitment of the United States to the security of Israel is ironclad." The U.S.-Israel bilateral relationship is stronger than ever, and the administration is taking full advantage of the robust and frequent senior-level consultative and political mechanisms currently in place to share views and analysis of the unprecedented changes underway in the region. The administration is also working together to ensure that these changes do not negatively impact Israel's security.

During the past year, there have been an unprecedented number of bilateral defense and strategic consultations, high-level discussions and visits, and less high-profile consultations at senior levels between U.S. and Israeli leaders and government officials.

As in any close friendship, there are times when the United States and Israel do not share the same views. The administration works productively and practically to resolve such differences quickly and quietly.

The administration has been clear in its absolute commitment to maintaining and supporting Israel's qualitative military edge (QME). The United States will respond quickly and carefully, in close consultation with the Government of Israel, to any development that might affect it.

*Question.* Over the past 2 years, the Palestinian leadership has repeatedly refused to enter direct negotiations with Israel. Instead, Palestinian Authority President Abbas has embarked on an effort to push for recognition at the U.N. These efforts hurt the chances for peace and run counter to long-standing U.S. policy in favor of direct negotiations. President Obama has called the Palestinian initiative purely "symbolic" and said that efforts to delegitimize Israel will end in "failure."

- What are we doing to encourage other countries to oppose the effort as well, both in the Security Council and the General Assembly? How many countries has the State Department demarched on this issue? Have we engaged diplomatically across the board to make it clear that a vote on Palestinian statehood or upgrading their status is strongly opposed by the United States?

*Answer.* In May, President Obama delivered in two speeches his vision of how to move forward toward Middle East peace, and laid out principles and goals of the negotiations needed to resolve the difficult "final status" issues between the parties. He also made clear his opposition to efforts to determine final status issues outside of negotiations, including through initiatives at the United Nations. He said, "For the Palestinians, efforts to delegitimize Israel will end in failure. Symbolic actions to isolate Israel at the United Nations in September won't create an independent state."

I will—if confirmed—wholeheartedly support the efforts underway to make this position absolutely clear at the U.N. and in capitals around the globe. The United States is urging other member states not to support any Palestinian action at the U.N. that would serve to prejudice final status issues or isolate Israel, in whatever form such action might take.

U.S. ambassadors have engaged, at Secretary Clinton's instruction, at the highest political levels in close to 100 capitals worldwide where outreach would be most productive. Secretary Clinton, National Security Advisor Donilon, Ambassador Rice, Deputy Secretary Burns, Assistant Secretary Feltman and Special Envoy Hale and other senior U.S. officials have also been working intensively with their counterparts in key capitals for months to underscore our concerns and views.

Going forward, the Department of State will continue to work vigorously and strategically to reach out to select countries and organizations to express and explain our firm opposition to any one-sided actions at the U.N., including a Palestinian state declared outside of the framework of negotiations.

*Question.* President Abbas has ignored the President's request that he not pursue a U.N. Security Council Resolution seeking recognition. What impact will Palestinian efforts at the U.N. have on the United States-Palestinian relationship? Is the administration willing to suspend foreign aid to the Palestinian authorities or other Palestinian entities if they do not forgo these efforts?

*Answer.* I know that at every turn, the administration has told the Palestinian leadership clearly and consistently that only direct negotiations can produce the outcome they seek: a real and lasting peace with Israel, and the creation of a Palestinian state. These outcomes will serve the interests of the United States and Israel as well, and are vital to a comprehensive peace and regional stability.

The administration has been equally clear and unequivocal that it would vigorously oppose any U.N. Security Council or General Assembly resolution that seeks to predetermine any "final status" issue that must be resolved through direct negotiation, including creation of a Palestinian state.

The United States remains committed to a dual-track strategy in pursuing Israeli-Palestinian peace, a vigorous political negotiating effort focused on renewing direct negotiations and moving forward toward a comprehensive peace, and an equally vigorous institution-building track to prepare Palestinians for eventual statehood, including maintaining security and continuing to support the growth of accountable and professional security forces, and providing transparent and efficient services for the Palestinian people.

It has been the position of successive administrations that support for Palestinian Government institutions and a viable Palestinian economy serves the interests of the United States, and is essential for peace, the stability of the region, and the security of both Israel and the Palestinians.

Cutting off assistance to the Palestinian Authority would put these gains at risk, send a very negative signal to the broader region at a time of intense change, and, most immediately, risk dramatically undermining security—outcomes that hurt both the interest of the United States and the interests of Israel and the Palestinians.

Building the institutions of a stable, prosperous Palestinian state with an accountable and transparent government and professional security forces also is a strong and vital bulwark against radicalization. These efforts are and will remain critical to U.S. national interests even in the face of difficulties on the political track.

*Question.* Recently, the European Union and the United States announced sanctions on the Syrian regime. What assistance is Turkey providing, or has offered, to help enforce sanctions on Syria?

*Answer.* Turkey and the United States have coordinated closely on Syria. Turkey has issued strong, unambiguous statements condemning the Syrian Government's violent attacks against civilians. The Turkish Foreign Minister and other Government of Turkey officials have traveled to Damascus to identify the kinds of measures the Syrian Government needed to take to address the international community's concerns.

The Turkish Government has provided humanitarian assistance to over 7,000 displaced Syrians residing in seven camps administered by the Turkish Red Crescent in the Hatay province bordering Syria.

Turkey has not enacted unilateral sanctions against Syria but has enforced U.N. sanctions. For example, Turkey has taken action to prevent illicit materiel from arriving in Syria via Turkey.

*Question.* Is the United States committed to the territorial integrity and defense of the Republic of Georgia?

*Answer.* The United States remains steadfast in its strong support for Georgia's sovereignty and territorial integrity. The United States continues to call on Russia to fulfill its obligations under the 2008 cease-fire agreement, including withdrawal of its forces to preconflict positions and free access for humanitarian assistance. The continued militarization of the Abkhazia and South Ossetia regions by the Russian Federation is inconsistent with its cease-fire commitments and threatens the stability in the region. The administration is an active participant in the Geneva discussions, working with the cochairs and others in pursuit of a resolution to the conflict. The United States also continues to voice concern directly to Russia at every opportunity and at high levels regarding its actions in Georgia, including during Secretary Clinton's meetings with Russian FM Lavrov. In addition, the administration will continue to speak out in support of Georgia's territorial integrity, as it did recently in our statement regarding the so-called August 29 "elections" in the separatist region of Abkhazia.

*Question.* Is the United States willing to provide all necessary support to help Georgia formulate its defense doctrines, including the drafting of a capabilities and threats assessment and defense white paper?

*Answer.* The United States continues to have a broad and deepening relationship with Georgia in a number of sectors. The administration's security assistance and military engagement with Georgia is currently focused in two areas. The first is comprehensive assistance to support Georgia's defense reform and modernization along Euro-Atlantic lines. In particular, the United States is focused on building institutional capacity, supporting personnel and doctrine reform, and contributing to professional military education modernization. The administration has also consulted with the Georgian Government as it drafts a National Security Concept. Second, the United States continues to provide the necessary training and equipment to Georgian troops in support of their interoperability and effective participation in ISAF operations in Afghanistan.

RESPONSES OF WENDY SHERMAN TO QUESTIONS SUBMITTED  
BY SENATOR JAMES M. INHOFE

*Question.* Protocol on Cluster Munitions to the Convention on Conventional Weapons (CCW): A proposed Sixth Protocol to the Convention on Conventional Weapons (CCW) is currently being negotiated in Geneva. This protocol would establish sensible controls on the production, stockpiling, and use of cluster munitions. The negotiations which produced the current draft protocol have been ongoing for several years with the active involvement of the U.S. delegation to the CCW. The current draft is widely supported within the CCW, and would significantly advance global efforts to minimize the risks to civilian populations of modern warfare while simultaneously preserving the ability of the United States and its allies to utilize munitions that will limit American casualties in future conflicts. The draft is opposed by some NGOs, however, and several governments participating in the CCW may block approval of the protocol at the CCW Review Conference in November, thereby killing it.

- Does the Obama administration support the proposed CCW protocol on cluster munitions?
- Does the Obama administration have in place a strategy for preventing a small group of countries from killing the proposed CCW protocol on cluster munitions? If so, please describe that strategy.
- If confirmed, will you work actively to support approval of the cluster munitions protocol, and to raise this issue in your discussions with foreign counterparts?

*Answer.* The administration supports concluding a comprehensive and binding protocol to the Convention on Conventional Weapons (CCW) that addresses all aspects of cluster munitions, to include use, transfer, stockpiling, and destruction and that will have a significant humanitarian impact on the ground while preserving an important military capability. The draft protocol presented by the CCW Group of Governments Experts Chair provides the basis for such a protocol.

The Department is currently engaging CCW High Contracting Parties to urge these states to seize the opportunity to conclude a new protocol regulating cluster munitions at the CCW Review Conference in November. This includes targeted ministerial-level engagement with key detractors. If confirmed I will join Secretary Clinton and the rest of the Department in these efforts, as appropriate.

*Question.* Foreign Boycotts of U.S. Defense Firms.—There is an aggressive campaign underway, led by foreign NGOs, and apparently abetted by some foreign governments, to boycott U.S. companies involved in the manufacture pursuant to contracts with the U.S. Department of Defense of weapons systems that they don't think the United States should have. This campaign is currently focused on manufacturers of landmines and cluster munitions, but can easily be expanded to manufacturers of nuclear weapons-related items, depleted uranium weapons, etc. The campaign has made surprising headway in dissuading foreign banks from doing business with some key U.S. defense contractors, and is clearly aimed at dissuading these companies from continuing to supply the United States with these weapons.

- Are you aware of this campaign?
- Does the Obama administration believe that this campaign is exclusively driven by NGOs, or are some foreign governments also complicit in it? If so, which ones?
- What is the policy of the Obama administration with respect to foreign boycotts of U.S. defense contractors?

- If the Obama administration opposes foreign boycotts of U.S. defense contractors, what specific steps has the State Department taken to resist this campaign and support U.S. defense contractors that have been targeted by it?
- If the Obama administration opposes foreign boycotts of U.S. defense contractors, what steps do you intend to take if confirmed as Under Secretary for Political Affairs to resist this campaign and support U.S. defense contractors that have been targeted by it? Are you committed, for example, to raising this issue with foreign government officials?
- Do you believe the United States Government should continue to do business with foreign banks and other foreign businesses that are engaged in boycotts of U.S. defense contractors?

Answer. The State Department is committed to ensuring fair treatment of U.S. companies and their goods, services, and investments in the global marketplace. It is my understanding that the Department is aware of one NGO campaign advocating for a ban on investments in cluster munitions pursuant to the Convention on Cluster Munitions (CCM), to which the United States is not a State party. To the Department's knowledge, the campaign is driven by NGOs and not foreign governments. While a handful of states party to the CCM (Belgium, Ireland, Luxembourg, and New Zealand) have chosen to criminalize investment in production of cluster munitions, the Department is not aware of any foreign governments or businesses boycotting a U.S. defense contractor owing to its production of defense articles for U.S. Government contracts based on their belief that the United States should not possess said articles. If notified of such a boycott, it is my understanding that the Department would be willing to raise it with foreign officials. If confirmed, I will join in the Department's efforts to engage foreign governments on such issues, as appropriate. It is also my understanding that the Department will review allegations of discrimination against an American company, if notified of specific information of such discrimination.